

**THE DAISYBELLE FUND  
OPEN ENDED INVESTMENT COMPANY**

**PROSPECTUS**

**(A Non-UCITS Retail Scheme with FCA Product Reference Number: 505025)**

**Valid as 9 October 2024**

**PROSPECTUS  
OF  
THE DAISYBELLE FUND**

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

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

The Prospectus is dated and is valid as at 9 October 2024.

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

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

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

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 The Company is not bound by any out of date prospectus when it has issued a new prospectus and potential investors should check that they have the most recently published prospectus.

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

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

## Contents

Definitions	4
The Company	9
Company Structure	9
Shares	9
Management and Administration	10
The Depositary	11
The Investment Adviser	13
The Auditors and Standing Independent Valuer	13
The Administrator and Register of Shareholders	13
Conflicts of Interest	13
Client Money	14
Buying, Selling and Switching Shares	15
Money Laundering	21
Restrictions and Compulsory Transfer and Redemption	21
Suspension of Dealings in the Company	21
Governing Law	22
Valuation of the Company	22
Calculation of the Net Asset Value	22
Risk Factors	25
Risk Management	31
Liabilities of the Company	31
Historical Performance Data	32
Fees and Expenses	32
Charges Payable to the ACD	34
Investment Adviser's Fees	35
Depositary's Fee	35
Shareholder Meetings and Voting Rights	37
Class Meetings	38
Taxation	38
Income Equalisation	45
Winding up of the Company	45
General Information	47
Appendix 1 Investment Objective and Policy	51
Appendix 2 Investment and Borrowing Powers of the Company	54
Appendix 3 Historical Performance Data	69
Appendix 4 Eligible Securities Markets	70
Appendix 5 Eligible Derivatives Markets	71
Appendix 6 Typical Investor Profile(s)	73
Appendix 7 Directory	74
Appendix 8 List of Directors of the ACD	75
Appendix 9 List of Other Funds Managed by the ACD	76
Appendix 10 Establishment of Collective Investment Schemes	78

## DEFINITIONS

“Accumulation Shares”	net paying shares, denominated in base currency, in 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;
“ACD”	Evelyn Partners Fund Solutions Limited, the Authorised Corporate Director of the Company from time to time;
“Act”	Financial Services and Markets Act 2000 as amended;
“AIF”	means alternative investment fund.
“AIFM”	means alternative investment fund manager.
“AIFMD”	means the Alternative Investment Fund Managers Directive, 2011/61/EU, or the statutory equivalent thereof which forms part of UK law by virtue of the EUWA, as applicable.
“AIFMD Level 2 Regulation”	means Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing the AIFMD, or the statutory equivalent thereof which forms part of UK law by virtue of the EUWA, as applicable.
AIFM Rules	means the AIFMD, AIFMD Level 2 Regulation, and the United Kingdom implementing legislation, including the section of the FCA Handbook that deals with investment funds;
“Approved Bank”	(in relation to a bank account opened by the ACD):  (a) if the account is opened at a branch in the United Kingdom:  (i) the Bank of England; or (ii) the central bank of a member state of the OECD; or (iii) a bank; or (iv) a building society; or (v) a bank which is supervised by the central bank or other banking regulator of a member state of the OECD; or

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

“Approved Derivative”	an approved derivative is one which is traded or dealt on an eligible derivatives market and any transaction in such a derivative must be effected on or under the rules of the market;
“Business Day”	a day on which the London Stock Exchange is open. If the London Stock Exchange is closed as a result of a holiday or for any other reason, or there is a holiday elsewhere or other reason which impedes the calculation of the fair market value of the Trust’s portfolio of securities or a significant portion thereof, the ACD may decide that any business day shall not be construed as such;
“Client Money”	means any money that a firm receives from or holds for, or on behalf of, a shareholder in the course of, or in connection with, its business unless otherwise specified;
“Company”	The Daisybelle Fund, a UK authorised investment company with variable capital;
“Dealing Day”	Tuesday of each week, except in the week when the last Business Day of the month falls, when the Dealing Day will be the last Business Day of the month only;
“Depositary”	NatWest Trustee & Depositary Services Limited, the depositary of the Company from time to time;
“Efficient Portfolio Management”	an investment technique where derivatives are used for one or more of the following purposes: reduction of risk, reduction of cost or generation of additional capital or income with an acceptably low level of risk;

”EEA State”	a member state of the European Union or any other state which is within the European Economic Area;
“EMT”	means the European MiFID Template;
“EUWA”	means the European Union (Withdrawal) Act 2018;
“FCA”	the Financial Conduct Authority or such successor regulatory authority as may be appointed from time to time, and (where applicable) its predecessors including the Financial Services Authority;
“FCA Regulations”	The FCA Handbook (including the rules contained in the Collective Investment Schemes Sourcebook) as part of the FCA Rules;
“FCA Rules”	the FCA handbook of rules made under the Act;
“ICVC”	investment company with variable capital;
“Income Shares”	shares (of whatever class) in the Company as may be in issue from time to time in respect of which income allocated thereto is distributed periodically to the holders thereof pursuant to the FCA Rules;
“Instrument”	the instrument of incorporation of the Company as amended from time to time;
“Investment Adviser”	Ruffer LLP;
“MiFID II”	means the Markets in Financial Instruments Directive, effective from 3 January 2018, or the statutory equivalent thereof, which forms part of UK law by virtue of the EUWA, as applicable;
“Net Accumulation Shares”	accumulation shares which are net paying shares;
“Net Asset Value” or “NAV”	the value of the Scheme Property less the liabilities of the Company as calculated in accordance with the Company’s Instrument of Incorporation;
“Net Income Shares”	income shares which are net paying shares;
“Net Paying Shares”	shares (of whatever class) of the Company as may be in issue from time to time and in respect of which income allocated thereto is credited periodically to capital (in the case of accumulation shares) or distributed periodically to the holders thereof (in the case of income shares) in either case in accordance with the relevant tax law net

	of any tax deducted or accounted for by the Company;
“OEIC Regulations”	the Open-Ended Investment Companies Regulations 2001;
“OTC Derivative”	over-the-counter derivative;
“Prime Broker”	a credit institution, regulated investment firm or another entity subject to prudential regulation and ongoing supervision, offering services to professional clients primarily to finance or execute transactions in financial instruments as counterparty and which may also provide other services, such as clearing and settlement of trades, custodial services, stock lending, customised technology and operational support facilities. The Company does not currently require the services of a Prime Broker.
“Scheme Property”	the property of the Company to be given to the Depository for safe-keeping, as required by the FCA Regulations; and
“Shareholder(s)”	a holder of registered shares in the Company and whose name is entered on the register in relation to that share;
“Share(s)”	a share or shares in the Company;
“Share Class”	in relation to shares, means (according to the context) a particular class or classes of share as described in Section 3.
“SDRT”	stamp duty reserve tax;
“Switch”	the exchange where permissible of shares of one class for shares of another class;
“UCITS”	an Undertaking for Collective Investment in Transferable Securities. This will include a UCITS scheme or an EEA UCITS scheme, as defined in the FCA Glossary;
“UCITS Directive”	means the EC Directive on Undertakings for Collective Investment in Transferable Securities, or the statutory equivalent thereof which forms part of UK law by virtue of the EUWA, as applicable;
“Valuation Point”	the point on a Dealing Day whether on a periodic basis or for a particular valuation, at which the ACD carries out a valuation of the Scheme Property for the Company for the purpose of

determining the price at which Units of a Class may be issued, cancelled or redeemed. The current valuation point is 5.00 p.m. London time on each Dealing Day, with the exception of any bank holiday in England and Wales or the last business day prior to those days annually, where the valuation may be carried out at a time agreed in advance between the ACD and the Depositary.

“VAT”

value added tax;



## 1 **The Company**

- 1.1 The Daisybelle Fund is an investment company with variable capital, incorporated in England and Wales, whose effective date of authorisation by the FCA was 16 November 2009. Its registration number is IC000787.
- 1.2 Approval by the FCA in this context refers only to approval under the OEIC Regulations 2001 (as amended) and does not in any way indicate or suggest endorsement or approval of the Fund as an investment.
- 1.3 The Head Office of the Company is at 45 Gresham Street, London, EC2V 7BG and is also the address of the place in the United Kingdom for service on the Company of notices or other documents required or authorised to be served on it.
- 1.4 The base currency of the Company is Pounds Sterling or such other currency as may be the lawful currency of the UK from time to time. The ACD in consultation with the Depositary shall determine the best means to effect this conversion.
- 1.5 The maximum share capital of the Company is currently £500,000,000 and the minimum is £1,000,000. Shares in the Company have no par value and therefore the share capital of the Company at all times equals the Company's current Net Asset Value.
- 1.6 Information on the typical investor profile for the Fund is set out in Appendix 6.
- 1.7 Shareholders in the Company are not liable for the debts of the Company.
- 1.8 The Company has been established as a "Non-UCITS retail scheme" and is an AIF for the purposes of AIFMD.

FCA Product Reference Number: 505025

## 2 **Company Structure**

- 2.1 As explained above the Company is a Non-UCITS retail scheme.
- 2.2 Details of the Company, including its investment objective and policy are set out in Appendix 1. The Company may invest in derivatives for Efficient Portfolio Management purposes.

## 3 **Shares**

- 3.1 The share classes presently available are set out in the details in Appendix 1. Further share classes may be made available in due course, as the ACD may decide.
- 3.2 The minimum initial investment for each share class is set out in Appendix 1. These limits may be waived at the discretion of the ACD.

3.3 All shares issued by the Company at present will be Net Income Shares.

## 4 Management and Administration

### 4.1 Authorised Corporate Director

4.1.1 The Authorised Corporate Director 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).

4.1.2 Registered Office and Head Office:

45 Gresham Street  
London  
EC2V 7BG

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

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

4.1.4 As at the date of this Prospectus, the ACD acts as manager or authorised corporate director of the authorised unit trusts and investment companies with variable capital as listed in Appendix 9.

### 4.2 Terms of Appointment

4.2.1 The ACD was appointed by an agreement between the Company and the ACD (the "ACD Agreement"). The ACD Agreement provides that the appointment of the ACD is for an initial period of 2 years and thereafter may be terminated upon 6 months' written notice by either the ACD or the Company, although in certain circumstances, as set out in the ACD Agreement, may be terminated forthwith by notice in writing by the ACD to the Company or the Depositary, or by the Depositary or the Company to the ACD. Termination cannot take effect until the FCA has approved the appointment of another authorised corporate director in place of the retiring ACD.

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

4.2.3 Upon termination of the ACD Agreement and the appointment of another ACD (the New ACD), the ACD may transfer any sums being held as client money to the New ACD, who will continue to hold the money in accordance with FCA client money rules.

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

- 4.2.4 The ACD is under no obligation to account to the Depositary or the shareholders for any profit it makes on the issue or re-issue of shares or cancellation of shares which it has redeemed. The fees to which the ACD is entitled are set out in Sections 22 and 23. Copies of the ACD Agreement are available to shareholders upon request.
- 4.2.5 The main business activities of the ACD are (i) acting as an authorised corporate director; (ii) acting as an authorised fund manager; and (iii) fund administration.
- 4.2.6 The directors of the ACD are listed in Appendix 8. None of them have any significant business activities not connected with the business of the ACD.
- 4.2.7 The ACD holds professional indemnity insurance to cover its professional liability risks (as set out in Article 12 of the AIFMD Level 2 Regulation), has appropriate professional indemnity insurance in place and maintains an amount of own funds sufficient to meet the PII Requirements in accordance with Article 15 of the AIFMD Level 2 Regulation (professional indemnity insurance). The ACD has internal operational risk policies in place to identify, measure, manage and monitor appropriately operational risks including professional liability risks to which the ACD is or could be reasonably exposed in accordance with the requirements of Article 13 of the AIFMD Level 2 Regulation. The operational risk management activities are performed independently by the Risk Oversight function.

## 5 **The Depositary**

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

The Depositary is incorporated in England as a private limited company. Its registered office is at 250 Bishopsgate, London EC2M 4AA, which is also its head office. 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 is responsible for the safekeeping of scheme property, monitoring the cash flows of the Fund, and must ensure that certain processes carried out by the ACD are performed in accordance with the applicable rules and scheme documents.

### **Conflicts of interest**

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

It is possible that the Depositary and/or its delegates and sub-delegates may in the course of its or their business be involved in other financial and professional activities which may on occasion have potential conflicts of interest with the non-UCITS retail scheme or a particular Sub-fund and/or other funds managed by the ACD or other funds for which the Depositary acts as the depositary, trustee or custodian. The Depositary will, however, have regard in such event to its obligations under the Depositary Agreement and the Regulations and, in particular, will use reasonable endeavours to ensure that the performance of its duties will not be impaired by any such involvement it may have and that any conflicts which may arise will be resolved fairly and in the best interests of Shareholders collectively so far as practicable, having regard to its obligations to other clients.

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

### **Delegation of Safekeeping Functions**

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

The Depositary has delegated safekeeping of the Scheme Property to The Bank of New York Mellon, London Branch (BNYM LB) (“the Custodian”). In turn, the Custodian has delegated the custody of assets in certain markets in which the Fund may invest to various sub-delegates (“sub-custodians”).

### **Terms of Appointment**

The Depositary Agreement may be terminated on three months’ written notice by the Depositary, the Company or the ACD provided that the Depositary may not retire voluntarily except upon the appointment of a new depositary.

To the extent allowed by the OEIC Regulations and the FCA Regulations, the Depositary Agreement contains indemnities by the Company in favour of the Depositary against (except in the case of any loss to the extent that it has arisen as a result of its fraud, negligence or wilful default) any liability incurred by the Depositary as a consequence of its safe keeping of any of the Scheme Property or incurred by it as a consequence of the safe keeping of any of the Scheme Property by anyone retained by it to assist it to perform its function of the safekeeping of the Scheme Property and also (in certain circumstances) exempts the Depositary from liability.

The fees to which the Depositary is entitled are set out in Section 25.

## **6 The Investment Adviser**

The ACD has appointed Ruffer LLP to provide investment management and related advisory service to the ACD pursuant to Investment Advisory Agreement (together, the “Investment Advisory Agreement”). The Investment Adviser has the authority to make investment decisions on behalf of the Company and the ACD.

The Investment Advisory Agreement may be terminated on one month’s written notice by the ACD or the Investment Adviser. Notwithstanding this, the ACD may terminate the Investment Advisory Agreement with immediate effect if it is in the interests of the shareholders.

6.1.1 Under the Investment Advisory Agreement, the ACD provides indemnities to the Investment Adviser, (except in the case of any matter arising in connection with its fraud, gross negligence or wilful default). 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 Advisory Agreement.

6.1.2 The principal activity of the Investment Adviser is providing investment management services.

6.1.3 The fees and expenses of the Investment Adviser will be paid by the Company as set out in Section 24.

6.1.4 Copies of the Investment Adviser’s execution policy and voting policy are available from the ACD on request.

## **7 The Auditors and Standing Independent Valuer**

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

Please note that a Standing Independent Valuer will be appointed by the ACD if the ACD gives shareholders 60 days’ notice that investments will be made in immovable property.

## **8 The Administrator and Register of Shareholders**

The ACD has not delegated the role of administrator for the Company.

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

## **9 Conflicts of Interest**

The ACD, the Depositary and the Investment Adviser are or may be involved in other financial, investment and professional activities which may, on occasion, cause conflicts of interest with the management of

the Company. In addition, the Company may enter into transactions at arm's length with companies in the same group as the ACD or the Investment Adviser.

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

The Custodian may, from time to time, act as custodian and hold assets of other funds and investors.

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

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

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

Copies of the ACD's and the Investment Adviser's conflicts of interest policy are available from the ACD on request.

10

### **Client Money**

As required by the FCA's client money rules, the ACD will hold money received from clients or on the client's behalf in accordance with those rules in a pooled client bank account, with an approved bank (as defined in the FCA Rules) in the UK.

No interest payment will be made on client money held by the ACD. Client money will be held in a designated client money account with NatWest Group plc.

The ACD will not be liable for any acts or omissions of the approved bank. The approved bank will be responsible for any acts or omissions within its control.

In the event of the insolvency of any party, clients' money may be pooled which means that shareholders may not have a claim against a specific account and may not receive their full entitlement, as any shortfall may be shared pro rata amongst all clients.

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

## 11 **Buying, Selling and Switching Shares**

The dealing office of the ACD is open from 9.00 am until 5.00 pm on each Dealing Day to receive requests for the purchase, redemption and switching of shares, which will be effected at prices determined at the next valuation point following receipt of such request.

### **Buying Shares**

#### 11.1 **Procedure**

11.1.1 Initial investments can only be made by sending a completed application form to the ACD's Transfer Agency team either (i) accompanied by a cheque (up to £50,000) or (ii) having made a telegraphic transfer to the ACD's bank account. Application forms are available from the ACD. The ACD will accept written instructions accompanied by payment for subsequent transactions which can be carried out by writing to the ACD's Transfer Agency team at the Correspondence Address set out in Appendix 7. The ACD will also accept telephone purchases from FCA authorised entities for subsequent investments, which may purchase shares by telephoning the ACD on 0141 222 1150. The ACD may accept applications by electronic communication. Electronic communication does not include email. Telephone calls may be recorded by the ACD, its delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes, please see paragraph "Telephone Recordings" below for further information.

Where an instruction has been received by telephone, settlement is due within 4 Business Days of the Valuation Point. Purchases made by telephone are subject to risk limits at the ACDs discretion, and the ACD may at its discretion reject or defer an instruction to purchase Shares until it is in receipt of cleared funds for the purchase (when the purchase of Shares will be placed at the next Valuation Point following receipt of cleared funds). An order for the purchase of Shares will only be deemed to have been accepted by the ACD once it is in receipt of cleared funds for the application.

The ACD, at its discretion has the right to cancel a purchase deal if settlement is materially overdue (being more than 5 Business Days of receipt of an application form or other instruction) and any loss arising on such cancellation shall be the liability of the applicant. The ACD is

not obliged to issue Shares unless it has received cleared funds from an investor.

The ACD reserves the right to charge interest above the prevailing Bank of England Base rate, on the value of any settlement received later than the 4<sup>th</sup> Business Day following the Valuation Point.

11.1.2 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.

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

11.1.4 Shareholders have the right to cancel their transactions within 14 calendar days of receipt of their contract note. If a shareholder cancels their contract, they will receive a refund of the amount that they invested including the initial charge either in full or less a deduction to reflect any fall in share price since the date of investment. This may result in a loss on the part of shareholders. If shareholders wish to exercise their right to cancel they should write to the Transfer Agency team at 177 Bothwell Street, Glasgow, G2 7ER. Shareholders will not be able to exercise their cancellation rights after 14 calendar days of receipt of their contract note. Shareholders should note that in certain circumstances, there may be a delay in returning their investment.

## 11.2 Documents the Purchaser Will Receive

11.2.1 A contract note giving details of the shares purchased and the price used will be issued to the shareholder (the first named, in the event of joint shareholders) by the end of the next Business Day following the valuation point by reference to which the purchase price is determined, together with a notice of the applicant's right to cancel.

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

## 11.3 Minimum Subscriptions and Holdings

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



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

#### 11.4 In Specie Issue

If a shareholder requests, the ACD may at its discretion and, subject to the approval of the Investment Adviser and the Depositary, arrange for the Company to accept securities in settlement of a purchase of shares in the Company as provided for in the Regulations. In particular, the ACD and Depositary will only do so where satisfied that the acceptance of the assets concerned would not likely to result in any material prejudice to the interests of the shareholders.

#### Selling Shares

#### 11.5 Procedure

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

11.5.2 Requests to redeem Shares may be made in writing to the ACD's Transfer Agency team at 177 Bothwell Street, Glasgow, G2 7ER. The ACD may also, at its discretion and by prior agreement, accept instructions to redeem shares from FCA regulated entities by telephone on 0141 222 1150 or by fax. The ACD may accept requests to sell or transfer Shares by electronic communication. Electronic communication does not include email. Telephone calls may be recorded by the ACD, its delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes, please see paragraph "Telephone Recordings" below for further information.

#### 11.6 Documents the Seller Will Receive

11.6.1 A contract note giving details of the number and price of shares sold will be sent to the selling shareholder (the first named, in the case of joint shareholders) or their duly authorised agents together (if sufficient written instructions have not already been given) with a form of renunciation for completion and execution by the shareholder (and, in the case of a joint holding, by all the joint holders) not later than the end of the next Business Day following the valuation point by reference to which the redemption price is determined. Payment will be made by BACS, telegraphic transfer or CHAPS in satisfaction of the redemption monies within four Business Days of the later of:

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

11.6.3 the valuation point following receipt by the ACD of the request to redeem.

**11.7 Minimum Redemption**

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

**11.8 In Specie Redemption**

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

Before the proceeds of cancellation of the shares become payable, the ACD will give written notice to the shareholder that Scheme Property (or the proceeds of sale of that Scheme Property) will be transferred to that shareholder.

The ACD will select the property to be transferred (or sold) in consultation with the Depositary and the Investment Adviser. They must ensure that the selection is made with a view to achieving no greater advantage or disadvantage to the redeeming shareholder than to continuing shareholders, and any such redemption as set out above, shall be subject to a retention by the Company from that property (or proceeds) the value (or amount) of any stamp duty reserve tax to be paid on the cancellation of shares.

**11.9 Direct Issue or Cancellation of Shares by an ICVC through the ACD**

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

**Switching**

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

- 11.10.1 Switching may be effected by writing to the ACD at 177 Bothwell Street, Glasgow, G2 7ER and the shareholder may be required to complete a switching form (which, in the case of joint shareholders must be signed by all the joint holders). A switching shareholder must be eligible to hold the shares into which the switch is to be made.
- 11.10.2 The ACD may at its sole discretion and by prior agreement, accept switching instructions by telephone from FCA regulated entities only. The ACD may accept requests to switch Shares by electronic communication. Electronic communication does not include email. Telephone calls may be recorded by the ACD, its delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes, please see paragraph "Telephone Recordings" below for further information.
- 11.10.3 The ACD may at its discretion charge a fee on the switching of shares between classes. These fees are set out in Section 11.14.
- 11.10.4 If the switch would result in the shareholder holding a number of Old Shares or New Shares of a value which is less than the minimum holding, the ACD may, if it thinks fit, convert the whole of the applicant's holding of Old Shares to New Shares or refuse to effect any switch of the Old Shares. No switch will be made during any period when the right of shareholders to require the redemption of their shares is suspended (as to which see Section 14 below). The general provisions on selling shares shall apply equally to a switch.
- 11.10.5 The ACD may adjust the number of New Shares to be issued to reflect the imposition of any switching fee together with any other charges or levies in respect of the issue or sale of the New Shares or repurchase or cancellation of the Old Shares as may be permitted pursuant to the FCA Regulations.
- 11.10.6 A switch of shares between different share classes will not be deemed to be a realisation for the purposes of capital gains taxation.
- 11.10.7 A shareholder who switches shares in one class for shares in any other class will not be given a right by law to withdraw from or cancel the transaction.
- 11.11 **Dealing Charges**
- 11.12 **Preliminary Charge**
- The ACD may impose a charge on the sale of shares to investors which is based on the amount invested by the prospective investor. The preliminary charge is payable to the ACD. Full details of the current preliminary charge for each class of share are set out in Appendix 1.
- 11.13 **Redemption Charge**
- 11.13.1 The ACD may make a charge on the redemption of shares. At present no redemption charge is levied.

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

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

#### 11.14 **Switching Fee**

On the switching of shares of one class for shares of another class the Instrument authorises the Company to impose a switching fee. The fee will not exceed an amount equal to the then prevailing preliminary charge for the Class into which shares are being switched. The switching fee is payable by the Company to the ACD. Currently no switching charge will be levied.

#### 11.15 **Other Dealing Information**

##### 11.15.1 **Dilution Levy**

The basis on which the Company's investments are valued for the purpose of calculating the issue and redemption price of shares as stipulated in the FCA Regulations and the Company's Instrument is summarised in Section 17. The actual cost of purchasing or selling investments may be higher or lower than the mid market value used in calculating the share price - for example, due to dealing charges, or through dealing at prices other than the mid-market price. Under certain circumstances (for example, large volumes of deals) this may have an adverse effect on the shareholders' interest. In order to prevent this effect, called "dilution", the ACD has the power to charge a "dilution levy" (as it may do as set out below) on the sale and/or redemption of shares but does not at present intend to do so. If a dilution levy is not charged on the sale and/or redemption of shares, the cost of purchasing or selling investments for the Company subsequent to shareholder dealing will be borne by the Company with a consequent effect on future growth. If the ACD charges a dilution levy, it will be calculated by reference to the costs of dealing in the underlying investments of the Company, including any dealing spreads, commission and transfer taxes. If charged, the dilution levy will be paid into the Company and will become part of its property.

11.15.2 The need to charge a dilution levy will depend on the volume of sales or redemptions. The ACD may charge a discretionary dilution levy on the sale and redemption of shares if, in its opinion, the existing shareholders (for sales) or remaining shareholders (for redemptions) might otherwise be adversely affected, and if charging a dilution levy is, so far as practicable, fair to all shareholders and potential shareholders.

In particular, the dilution levy may be charged in the following circumstances:

- 11.15.2.1 where over a dealing period the Company has experienced a large level of net sales or redemptions relative to its size;
- 11.15.2.2 on “large deals”. For these purposes, a large deal means a single deal which equals or exceeds 5% or more of the value of the Company; and
- 11.15.2.3 where the ACD considers it necessary to protect the interests of the shareholders of the Company.

It is therefore not possible to predict accurately whether dilution would occur at any point in time. If a dilution levy is required then, based on future projections the estimated rate or amount of such levy will be 0.10% on sales (creation) and 0.03% on redemptions (liquidation) and it will be incurred on a majority of deals. If a dilution levy is not charged then this may restrict the future growth of the Company.

The ACD may alter its dilution policy in accordance with the FCA Regulations either by shareholder consent pursuant to the passing of a resolution to that effect at a properly convened meeting of shareholders and by amending this Prospectus or by giving shareholders notice and amending the Prospectus 60 days before the change to the dilution policy is to take effect.

## 12 **Money Laundering**

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

## 13 **Restrictions and Compulsory Transfer and Redemption**

The ACD may from time to time impose such restrictions as it may think necessary for the purpose of ensuring that no shares are acquired or held by any person in breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory. In this connection, the ACD may, inter alia, reject in its discretion any application for the purchase, sale, transfer or switching of shares.

## 14 **Suspension of Dealings in the Company**

- 14.1 The ACD may, with the agreement of the Depositary, or must if the Depositary so requires, temporarily suspend the issue, cancellation, sale and redemption of shares in the Company, if the ACD or the Depositary is of the opinion that due to exceptional circumstances it is in the

interests of all the shareholders. The suspension will only be permitted to continue for as long as it is justified having regard to the interests of the shareholders. The ACD and the Depositary must formally review the suspension at least every 28 days and inform the FCA of the result of this review with a view to ending the suspension as soon as practicable after the exceptional circumstances have ceased.

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

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

## 15 **Governing Law**

All deals in shares are governed by English law.

## 16 **Valuation of the Company**

16.1 The price of a share in the Company is calculated by reference to the Net Asset Value of the Company. There is only a single price for any share as determined from time to time by reference to a particular valuation point. The Net Asset Value per share of the Company is currently calculated on each Dealing Day at 5.00pm.

16.2 The ACD may at any time during a Business Day carry out an additional valuation if the ACD considers it desirable to do so.

16.3 The ACD maintains a Fair Value Pricing policy with an audit review carried out annually. The policy is detailed fully in the Fair Value Policy document.

16.4 The ACD's Transfer Agency Team may request a change to the pricing methodology in certain circumstances. The policy is detailed in the Pricing Policy document.

16.5 All asset prices from the primary price source are compared to two other sources to ensure the validity of each price. The policy is detailed in the Pricing Policy document

## 17 **Calculation of the Net Asset Value**

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

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

17.2.1 Property which is not cash (or other assets dealt with in paragraph 21.2.2 and 21.2.3 below) shall be valued as follows and the prices used

shall (subject as follows) be the most recent prices which it is practicable to obtain:

- 17.2.1.1 units or shares in a collective investment scheme:
- (i) if a single price for buying and selling units or shares is quoted, at that price; or
  - (ii) if separate buying and selling prices are quoted, at the average of the two prices providing the buying price has been reduced by any initial charge included therein and the selling price has been increased by any exit or redemption charge attributable thereto; or
  - (iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a value which, in the opinion of the ACD, is fair and reasonable;
- 17.2.1.2 immovable property:
- (i) by a Standing Independent Valuer (as defined in the glossary to the FCA Rules) appointed by the ACD with the approval of the Depositary, in accordance with UKPS 2.3 of the Royal Institute of Chartered Surveyors' Valuation Standards (The Red Book) (sixth edition published January 2008 as updated and amended from time to time);
  - (ii) on the basis of a full valuation with physical inspection (including, where the immovable is or includes a building, internal inspection), at least once a year; and
  - (iii) on the basis of the last full valuation, at least once a month;
- 17.2.1.3 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;
- 17.2.1.4 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;
- 17.2.1.5 any other investment:

- (i) if a single price for buying and selling the security is quoted, at that price; or
- (ii) if separate buying and selling prices are quoted, at the average of the two prices; or
- (iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if the most recent price available does not reflect the ACD's best estimate of the value, at a value which, in the opinion of the ACD, is fair and reasonable; and

17.2.1.6 property other than that described in 21.2.1.1-21.2.1.5 above: at a value which, in the opinion of the ACD, is fair and reasonable (less any dealing costs (as defined below)).

For the purposes of this Section, "dealing costs" means any fiscal charges, commission or other charges payable in the event of the Company carrying out the transaction in question (but excluding any preliminary charge payable by the Company on the purchase of units or shares), assuming that the commission and charges (other than fiscal charges) which would be payable by the Company are the least that could reasonably be expected to be paid in order to carry out the transaction.

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

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

17.2.4 Subject to paragraphs 21.2.5 and 21.2.6 below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the ACD, their omission will not materially affect the final net asset amount.

17.2.5 Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph 21.2.4.

17.2.6 All agreements are to be included under paragraph 21.2.4 which are, or ought reasonably to have been, known to the person valuing the property.

17.2.7 Deduct an estimated amount for anticipated tax liabilities at that point in time including (as applicable and without limitation) capital gains tax, income tax, corporation tax, value added tax, stamp duty and stamp duty reserve tax.



- 17.2.8 Deduct an estimated amount for any liabilities payable out of the Scheme Property and any tax thereon treating periodic items as accruing from day to day.
- 17.2.9 Deduct the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings.
- 17.2.10 Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.
- 17.2.11 Add any other credits or amounts due to be paid into the Scheme Property.
- 17.2.12 Add a sum representing any interest or any income accrued due or deemed to have accrued but not received and any stamp duty reserve tax provision anticipated to be received.
- 17.2.13 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 shareholders or potential shareholders.

### **17.3 Price per Share in the Company and Each Class**

The price per share at which shares are redeemed or sold is the Net Asset Value of a share. In addition, there may, for both purchases and sales, be a dilution levy, as described in Section 11.15 above and a preliminary or redemption charge as described in Sections 11.12 and 11.13 above.

### **17.4 Pricing Basis**

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

### **17.5 Publication of Prices**

Shareholders can obtain the price of their shares by calling 0141 222 1151 (local rate) or going to [www.trustnet.com](http://www.trustnet.com).

## **18 Risk Factors**

Potential investors should consider the following risk factors before investing in the Company. Shares in the Company should generally be regarded as a long-term investment.

### **18.1 General Risks**

The price of shares of the Company and any income from them may fall as well as rise and investors may not get back the full amount invested. Past performance is not a guide to future performance. There is no

assurance that the investment objective of a Fund will actually be achieved.

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

## **18.2 Equities Risk**

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

## **18.3 Warrants Risk**

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

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

Where investments are in bonds or other debt instruments, the value of those investments will depend on market interest rates, the credit quality of the issuer and liquidity considerations. Investments in high yielding debt instruments where the level of income may be relatively high (compared to investment grade debt instruments); however the risk of depreciation and realisation of capital losses on such debt instruments held will be significantly higher than on lower yielding debt instruments.

## **18.5 Lower Rated/Unrated Securities Risk**

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

## **18.6 Collective Investment Schemes Risk**

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

valued by independent sources are factors which could impact on the Company's valuation.

Unregulated collective investment schemes in which the Company may invest up to 20% of its scheme property may invest in highly illiquid securities that may be difficult to value. Moreover, many alternative investment strategies give themselves significant discretion in valuing securities. You should be aware that liquidity constraints and the extent to which a fund's securities are valued by independent sources are factors which could have an impact on the Company's valuation.

#### **18.7 Leverage Risk**

Leverage is where a fund borrows money in order to meet redemption requests or, through the use of derivatives, for the purpose of buying or selling assets. Where assets are bought or sold using borrowed money this increases the risk that in the case of losses that these are compounded and as a result have a material negative impact on the value of the Fund.

#### **18.8 Leveraged Companies Risk**

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

#### **18.9 Gold and Natural Resources Risk**

The price of gold/natural resources in which the Company invests may be subject to sudden, unexpected and substantial fluctuations that may lead to significant declines in the values of the shares concerned and hence the Net Asset Value of the Company.

#### **18.10 Futures and Options Risk**

The Company may use, under certain conditions, options and futures on indices and interest rates, for the purposes of efficient portfolio management. Also, the Company may hedge market and currency risks using futures, options and forward exchange contracts. Transactions in futures carry a high degree of risk. The amount of the initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact which may work for or against the investor. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions make it impossible to execute such orders. Transactions in options also carry a high degree of risk. Selling ("writing") an option generally entails considerably greater risk than purchasing options. Although the

premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or acquire or deliver the underlying interest. If the option is “covered” by the seller holding a corresponding position in the underlying interest or a future on another option, the risk may be reduced.

#### **18.11 Foreign Currency Risk**

The Company may invest in securities denominated in a number of different currencies other than Sterling in which the Company is denominated. Changes in foreign currency exchange rates may adversely affect the value of a Fund’s investments and the income thereon.

#### **18.12 Pricing and Valuation Risk**

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

#### **18.13 Emerging Countries and Developing Markets Risk**

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

#### **18.14 Smaller and Unquoted Companies Risk**

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

#### **18.15 Real Estate Risk**

Investment in real estate/property investment vehicles may result in exposure to the risks associated with property investment, including but not limited to, fluctuations in land prices, construction costs, interest rates, inflation and property yields, changes in taxation, legislation changes in landlord and tenant legislation, environmental factors, and changes in the supply and demand for property.

#### **18.16 Risk to Capital**

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

#### **18.17 Liquidity Risk**

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

#### **18.18 Credit Risk**

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

**18.19 Settlement Risk**

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

**18.20 Custody Risk**

Assets of the Company are kept by the custodian and investors are exposed to the risk of the custodian not being able to fully meet its obligation to retribute in a short time frame all of the assets of the Company in the case of bankruptcy of the custodian. Securities of the Company will normally be identified in the custodian's books as belonging to the Company and segregated from other assets of the custodian which mitigates but does not exclude the risk of non restitution in case of bankruptcy. However, no such segregation applies to cash which increases the risk of non restitution in case of bankruptcy. The custodian does not keep all the assets of the Company itself but uses a network of sub-custodians which are not part of the same group of companies as the custodian. Investors are exposed to the risk of bankruptcy of the sub-custodians in the same manner as they are to the risk of bankruptcy of the custodian.

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

**18.21 Tax Risk**

Tax laws, currently in place, may change in the future which could affect the value of the Company's and therefore the shareholders' investments. Refer to the section headed 'Taxation' in the prospectus for further details about the taxation of the Company.

**18.22 Inflation Risk**

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

**18.23 Political and/or Environmental Risk**

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

**18.24 Market Risk**

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

**19 Risk Management**

**19.1** Upon request to the ACD a shareholder can receive information relating to:

26.1.1 the quantitative limits applying in the risk management of the Company;

26.1.2 the methods used in relation to 26.1.1; and

26.1.3 any recent developments of the risk and yields of the main categories of investment in the Company.

**19.2** The FCA Regulations require that authorised corporate directors maintain a liquidity risk management process.

The ACD assesses how many days are likely to be required to sell investments without negatively impacting the fund price or liquidity on a best endeavours basis i.e. a liquidity ladder. The ACD assess the bid/offer spreads and trading volumes as widening spreads and thin trading volumes give an indication that it might be more difficult to dispose of an investment. The characteristic of the Fund determines the frequency of this assessment. The main factors are:

26.2.1 Liquidity of underlying investments;

26.2.2 The size of the investment as a proportion of the Fund and also relative to the market (e.g. proportion of the holding to the average trade size); and

26.2.3 The average holding period of Shareholders in the Fund.

It is also the ACD's responsibility to ensure that the Investment Manager undertakes testing of their liquidity management arrangements against various stressed liquidity arrangements on a regular basis.

**20 Liabilities of the Company**

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

## 21 Historical Performance Data

Historical performance data for the Company, expressed as discrete annual returns in percentage, is set out in the bar chart in Appendix 3. **Past performance should not be seen as an indication of future performance.**

## 22 Fees and Expenses

### 22.1 General

22.1.1 The Company may pay out of the property of the Company charges and expenses incurred by the Company, which will include the following expenses:

22.1.1.1 the fees and expenses payable to the ACD, to the Depositary, to the Investment Adviser and to the Standing Independent Valuer (to the extent that one is required to be appointed);

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

22.1.1.3 fees and expenses in respect of establishing and maintaining the register of shareholders and any sub-register of shareholders;

22.1.1.4 any costs incurred in or about the listing of shares in the Company on any Stock Exchange, and the creation, conversion and cancellation of shares;

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

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

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

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

22.1.1.9 liabilities on unitisation, amalgamation or reconstruction including certain liabilities arising after transfer of



- property to the Company in consideration for the issue of shares as more fully detailed in the FCA Regulations;
- 22.1.1.10 interest on borrowings and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;
  - 22.1.1.11 taxation and duties payable in respect of the property of the Company or the issue or redemption of shares;
  - 22.1.1.12 the audit fees of the Auditors (including VAT) and any expenses of the Auditors;
  - 22.1.1.13 the fees of the FCA, in accordance with the chapter of the FCA Rules entitled “Fees Manual”, together with any corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which shares in the Company are or may be marketed;
  - 22.1.1.14 the Depository’s expenses, as detailed in Section 25 below;
  - 22.1.1.15 any expense incurred in relation to company secretarial duties including the cost of maintenance of minute books and other documentation required to be maintained by the Company and any expenses incurred in distributing information regarding the prices of shares to shareholders;
  - 22.1.1.16 any fees or expenses incurred in the modification of the Prospectus and/or Instrument and/or simplified prospectus and/or the key investor information document, to the extent permitted by the FCA Rules;
  - 22.1.1.17 any expenses incurred in the printing and preparation (but not the dissemination) of the simplified prospectus or key investor information document; and
  - 22.1.1.18 costs (including, but not limited to, survey costs, costs of obtaining environmental reports, Stamp Duty Land Tax and marketing costs) incurred in buying or selling immovable property;
  - 22.1.1.19 payments properly required for the management, maintenance, repair, refurbishment, development or redevelopment of immovable property owned or leased by the Company;
  - 22.1.1.20 costs incurred in connection with: buying-in a leasehold interest; restructuring leasehold interests of the Company; project funding; and payments to property consultants in respect of any immovable property;

- 22.1.1.21 costs incurred in connection with: re-letting any vacant premises; undertaking rent reviews; renewing leases; action as a result of tenant's breach of covenant or eviction of squatters; issuing notices to tenants; and
- 22.1.1.22 any payments otherwise due by virtue of the FCA Regulations.
- 22.1.2 Value Added Tax is payable on these charges where appropriate.
- 22.1.3 Any third party research received in connection with investment advisory services that an Investment Adviser provides to the Fund will be paid for by the Investment Adviser out of its fees, as relevant in relation to the Fund, and will not be charged to the Fund.
- 22.1.4 Expenses are allocated between income and capital in accordance with the FCA Regulations and the OEIC Regulations and as specified in Appendix 1. Where expenses are allocated to income, but at the end of the accounting period there is insufficient income, the shortfall may be allocated to capital in accordance with the FCA Regulations and the OEIC Regulations. This may constrain capital growth.
- 23 Charges Payable to the ACD**
- 23.1 In payment for carrying out its duties and responsibilities the ACD is entitled to take out of the Company an annual management charge.
- 23.2 The annual management charge accrues daily and is payable monthly in arrears on the last Business Day of each month. The fee is calculated by reference to the value of the Company on the last Business Day of the preceding month. The current management charges are set out in Appendix 1.
- 23.3 The ACD is also entitled to reimbursement of all reasonable, properly vouched, out of pocket expenses incurred in the performance of its duties, including stamp duty, stamp duty reserve tax on transactions in shares and expenses incurred in effecting regulatory changes to the Company.
- 23.4 The ACD may not introduce a new category of remuneration for its services unless the introduction has been approved by an extraordinary resolution of shareholders in the Company.
- 23.5 The ACD may not increase the current rate or amount of its remuneration payable out of the Scheme Property or the preliminary charge unless, not less than 60 days before the introduction or increase, the ACD gives notice in writing of the introduction or increase and the date of its commencement to all shareholders at their registered address and has revised and made available the Prospectus to reflect the introduction or new rate and the date of its commencement.
- 23.6 The Evelyn Partners Fund Solutions Limited remuneration policy is designed to be compliant with the AIFMD Remuneration Code contained

in SYSC 19B of the FCA Handbook, and provides a framework to attract, retain and reward employees and partners and to maintain a sound risk management framework, with particular attention to conduct risk. The overall policy is designed to promote the long term success of the group. The policy is designed to reward partners, directors and employees for delivery of both financial and non-financial objectives which are set in line with company strategy.

Details of the Evelyn Partners Fund Solutions Limited remuneration policy are available on the website <https://www.evelyn.com/regulatory/remuneration-code-disclosure>.

A paper copy of the remuneration policy can be obtained free of charge by telephoning 0141 222 1151.

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

## 24 **Investment Adviser's Fees**

The Investment Adviser's fees and expenses are paid by the Company. The current annual fees are as set out in Appendix 1.

The Investment Adviser's fee accrues daily and is calculated by reference to the value of the Company managed by the Investment Manager on the last Business Day of the preceding month. The fee is payable monthly in arrears on receipt of the invoice from the Investment Adviser.

## 25 **Depositary's Fee**

25.1 The Depositary receives for its own account a periodic fee which will accrue daily from the last Business Day in the preceding month to the last Business Day in each month. It is payable within seven days after the last Business Day in each month. The fee is calculated by reference to the value of the Company on the last Business Day of the preceding month except for the first accrual, which is calculated by reference to the first valuation point of the Company. The fee is payable out of the property attributable to the Company. The rate of the periodic fee is agreed between the ACD and the Depositary and is subject to a current annual minimum of £7,500 plus VAT. The current charge is 0.03% per annum plus VAT.

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

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

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

Item	Range
Transaction Charges	Between £5.00 to £472 per transaction
Safe Custody Charges	Between 0.003% and 0.50%* of the value of investments being held per annum *With the exception of: <ul style="list-style-type: none"> <li>• USA (Physical Securities) - £14 per line per calendar month.</li> <li>• Not in Bank / Not in Custody Assets - £65 per line per calendar month.</li> </ul>

In addition, charges may be applied for cash payments, currency conversion, corporate actions and other incidental expenses. Details are available on request.

- 25.5 These charges vary from country to country depending on the markets and the type of transaction involved. Transaction charges accrue at the time the transactions are effected and are payable as soon as is reasonably practicable, and in any event not later than the last Business Day of the month when such charges arose or as otherwise agreed between the Depositary and the ACD. Custody charges accrue and are payable as agreed from time to time by the ACD and the Depositary.
- 25.6 Where relevant, the Depositary may make a charge for its services in relation to: distributions, the provision of banking services, holding money on deposit, lending money, or engaging in stock lending transactions, in relation to the Company and may sell or deal in the sale of Scheme Property, provided always that the services concerned and any such dealing are in accordance with the provisions of the Regulations.
- 25.7 The Depositary will also be entitled to payment and reimbursement of all costs, liabilities and expenses properly incurred in the performance of, or arranging the performance of, functions conferred on it by the Instrument, the Regulations or by the general law.
- 25.8 On a winding up of the Company or the redemption of a class of shares, the Depositary will be entitled to its *pro rata* fees, charges and expenses to the date of winding up, the termination, or the redemption (as appropriate) and any additional expenses necessarily realised in settling or receiving any outstanding obligations. No compensation for loss of office is provided for in the agreement with the Depositary.
- 25.9 Any value added tax on any fees, charges or expenses payable to the Depositary will be added to such fees, charges or expenses.
- 25.10 In each such case such expenses and disbursements will also be payable if incurred by any person (including the ACD or any associate or nominee of the Depositary or of the ACD) who has had the relevant duty delegated to it pursuant to the FCA Regulations by the Depositary.

## **26 Shareholder Meetings and Voting Rights**

### **26.1 Annual General Meeting**

The Company will not hold annual general meetings.

### **26.2 Requisitions of Meetings**

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

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

### **26.3 Notice of Quorum**

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

### **26.4 Voting Rights**

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

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

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

26.4.4 Except where the FCA Regulations, or the Instrument of the Company, require an extraordinary resolution (which needs 75% of the votes cast at the meeting to be in favour if the resolution is to be passed) any

resolution will be passed by a simple majority of the votes validly cast for and against the resolution.

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

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

## 27 **Class Meetings**

The above provisions, unless the context otherwise requires, apply to share class meetings as they apply to general meetings of shareholders. However, an extraordinary resolution will be required to sanction a variation of class rights.

## 28 **Taxation**

The following summary is only intended as a general summary of United Kingdom (“UK”) tax law and HM Revenue & Customs practice, as at the date of this Prospectus, applicable to the Company and to individual and corporate investors who are the absolute beneficial owners of a holding in the Company held as an investment. The summary’s applicability to, and the tax treatment of, investors will depend upon the particular circumstances of each investor (and it will not apply to persons, such as certain institutional investors, who are subject to a special tax regime). It should not be treated as legal or tax advice. Accordingly, if investors are in any doubt as to their taxation position, they should seek professional advice or information from a local organisation. Levels and bases of, and reliefs from, taxation are subject to change in the future.

The following is divided into sections relating to “Bond Company” and “Equity Company”. A “Bond Company” is a Company which invests more than 60% of its market value in “Qualifying Investments” (at all times in each accounting period). The term “Qualifying Investments” includes money placed at interest and securities that are not shares, including but not limited to government and corporate debt securities and cash on deposit. The tax issues relating to the Company and the investors within it are treated separately in this section.

### 28.1 **Taxation of an Equity Company**

#### 28.1.1 **Taxation of Capital Gains**

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

#### 28.1.2 **Tax on Income**

An Equity Company will be liable to corporation tax at a rate equal to the lower rate of income tax, currently 20%, on its income after relief for expenses (which include fees payable to the ACD and to the Depositary). Dividends and similar income distributions from UK resident companies are exempt from corporation tax. Dividends and similar income distributions from UK authorised unit trusts and other UK ICVCs are generally exempt from corporation tax to the extent the underlying income derives from dividends.

Foreign dividends and similar income received after 1 July 2009 are generally treated as exempt for the purposes of UK corporation tax. This income may be subject to withholding tax in certain jurisdictions.

Dividend income received from certain countries including Germany, France, Portugal, Russia and Ukraine are likely to be elected to be treated as taxable income in the UK in order to obtain a beneficial rate of withholding tax in the source country. This is based on guidance provided to the investment fund industry by the Investment Management Association.

Profits from loan relationships are treated as taxable income, as for a bond fund.

#### 28.2 **Relief for Foreign Withholding Taxes**

Prior to 1 July 2009, to the extent that the Company receives income from, or investments in, foreign countries, or from the countries listed above after 1 July 2009, it may be subject to foreign withholding or other taxation in those jurisdictions. To the extent it relates to taxable income, this foreign tax may be able to be treated as an expense for UK corporation tax purposes, or it may be treated, up to certain limits, as a credit against UK corporation tax.

#### 28.3 **Taxation of an Bond Company**

##### 28.3.1 **Taxation of Capital Gains**

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

##### 28.3.2 **Tax on Income**

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

The total of the above elements will be taxed under Loan Relationship rules. Any income received from equities will be taxed in the same way as for an equity Company, as noted above.

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

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

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

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

Capital gains (except insofar as treated as Schedule D Case III income gains - see above) accruing to a Bond Company will be exempt from UK tax on chargeable gains.

#### **28.4 Stamp Duty Reserve Tax**

SDRT is only applicable to funds which invest wholly or in part in UK equities. The following can be ignored for any funds that do not invest in such investments.

SDRT is charged at the rate of 0.5% of the value of the shares surrendered in a weekly charging period. The amount of this charge is then reduced by the proportion by which sales of shares are less than surrenders, by number, in that week and the following week. This



charge is also reduced by the proportion of the fund which is invested in exempt assets - that is those other than UK equities.

In simple terms, this has the effect of charging a 0.5% tax on the value of each surrender of shares, where those shares are subsequently sold to another investor, and in proportion to how much of that Company invests in UK equities.

The ACD settles this liability from the assets of the Company itself. This will obviously reduce the assets of the Company. It is the ACD's estimate that the effect of this will be immaterial compared to the total assets of the Company.

In order to compensate the Company for this liability, ACDs of shares are entitled to charge a "Provision" against SDRT to both buyers and sellers of shares by way of an entry or exit charge as a provision for the SDRT for which the Company may become liable in respect of the surrender. This provision would be added to the purchase price of shares when they are bought, or deducted from the sales proceeds when sold. It would then be paid to the Company. Obviously this would cause the purchase price to the investor to rise, or the sales proceeds to fall.

It is not the ACD's intention to charge a Provision against SDRT to buyers or sellers of shares on normal transactions.

However, the ACD reserves the right to charge a SDRT Provision of up to 0.5% of its value, on a deal (a large deal) in the following circumstances:

- (a) A single deal which equals or exceeds 5% of the value of the Company itself, and in the estimation of the ACD, is likely to cause a significantly abnormal liability to SDRT falling on the Company;
- (b) On a non pro-rata in specie redemption; and
- (c) On a third party transfer of shares.

The ACD estimates the number of occasions and the likely frequency of the occasions, on which an SDRT provision may be imposed, is 12 times per year.

## **28.5 The Shareholder - Equity Company**

### **28.5.1 Income Distributions**

Accumulations and distributions of income (hereinafter 'distributions') comprise income for UK tax purposes. Except for shareholders within the charge to corporation tax (as explained below), dividend distributions to UK resident shareholders carry a tax credit equivalent to 10% of the aggregate of the distribution and the tax credit (i.e. one-ninth of the amount distributed/accumulated).

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

associated tax credits but will be entitled to set the tax credits against their UK income tax liability. Associated tax credits will satisfy the liability to income tax of basic rate taxpayers. Higher rate taxpayers who are individuals will have additional tax to pay, the distributions and associated tax credits being taxed at a special rate of 32.5% with the offset of a 10% tax credit. If the total income of a shareholder who is an individual is less than his/her personal allowances, or if the shareholder is a non taxpayer, the associated tax credits applicable to dividend distributions cannot be repaid. Dividend tax credits in excess of the individual's tax liability are not repaid.

From 6 April 2013, Additional Rate Taxpayers ("ART") are required to pay tax at 37.5% on dividend income exceeding £150,000 less tax credits; taxable income over £150,000 will be subject to additional rate tax of 45%.

Individuals with a net adjusted income of £100,000 will also have their personal allowances reduced £1 for every £2 on the income above this income limit. The personal allowance will be reduced to nil from an income level approximately £115,000. These limits may change in the future.

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

- where the Company's gross income is not wholly derived from franked investment income, part of any distribution will be deemed to be reclassified as an annual payment received by such shareholders after deduction of income tax at the lower rate, currently 20% ("deemed tax deducted"). Such shareholders will be subject to corporation tax on the grossed-up amount of the annual payments but will be entitled to the repayable deemed tax deducted. This repayment is, however, restricted to the lower of the deemed tax deducted and the shareholder's share of the Company's corporation tax liability (after double tax relief on overseas income) for the period; and
- the remainder, which comprises franked investment income after grossing up the net distribution for the 10% tax credit. Such franked investment income, as it is known, is exempt from UK corporation tax.

Details of the proportions of distributions comprising franked investment income and annual payments will be shown on the tax voucher of the Company concerned.

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

## 28.5.2 **Capital Gains**

Shareholders who are resident or ordinarily resident in the UK may be liable to UK taxation on capital gains arising from the sale or other disposal, including redemption, of shares. Individuals and certain trusts

generally compute their gains by deducting from the net sale proceeds the capital gains base cost in respect of shares. The resulting gains will be taxable at the capital gains tax rate, and may be reduced by capital losses brought forward from previous tax years or losses in the year, and by annual exemptions. Exempt shareholders, which include UK charities, UK approved pension funds, ISAs (and their individual investors), would not normally be expected to be liable to capital gains tax on their disposal of shares.

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

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

### 28.5.3 **Inheritance Tax**

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

## 28.6 **The Shareholder - Bond Company**

### 28.6.1 **Income Distributions: Interest Distributions**

Distributions comprise income for UK tax purposes. Shareholders will be taxable on the gross amount distributed. Except in the case of an exemption from the obligation to deduct income tax (for instance, where a valid non resident investors’ declaration has been made or the distribution is paid to certain categories of qualifying intermediary), the amount actually received will be net of tax at the lower rate, currently 20%. The amount to be taxed on the recipient is at present equal to the amount received plus a quarter.

Shareholders will be treated as already having paid 20% income tax on this income, and individuals liable to starting or basic rate tax will have no further tax to pay. Higher rate taxpayers will have an additional liability of 20% of the grossed up amount, but those with no liability at all or who are only liable at the starting rate for savings may be able to claim a refund. If this starting rate is used by employment income then the refund for starting rate for savings is not available. Additional rate taxpayers will have an additional liability of 25% of the grossed up amount.

Corporate shareholders will be able to set the income tax deducted against tax payments due to HM Revenue & Customs or claim repayment where there are none.

Non UK resident shareholders, on completing the appropriate declarations, may be entitled to receive distributions gross of tax. Exempt shareholders, which include UK charities, UK approved pension funds, ISAs, should be able to recover the tax deducted from HM Revenue & Customs.

#### 28.6.2 **Income Distributions: Non Interest Distributions**

These will be taxed in the same way as noted above for an Equity Company.

#### 28.6.3 **Capital Gains**

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

In respect of shareholders subject to corporation tax, holdings in the Company will be treated as holdings of loan relationships. Gains will be recognised using the mark to market method (which entails holdings being valued at the end of each accounting period and unrealised gains being recognised/taxed and unrealised losses being recognised/relieved). No indexation allowance or taper relief is available.

#### 28.6.4 **Inheritance Tax**

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

#### 28.7 **EU Savings Directive**

The EU Council Directive 2003/48/EC on taxation of savings income (the "Directive") came into force on 1 July 2005. Member States of the European Union ("Member States") are required to provide to the tax authorities of other Member States details of payments of interest and other similar income (which in the case of a collective investment fund may include income arising as a result of the sale and redemption of the Fund's shares) paid by a person who is a "paying agent" for the purposes of the Directive to an individual (or certain "residual entities") resident for the purposes of the Directive in another Member State. However, Austria, Belgium and Luxembourg will instead impose a system of

withholding tax for a transitional period unless during such period they elect otherwise.

## 29 **Income Equalisation**

29.1 Income equalisation, as explained below, may apply in relation to the Company, as detailed in Appendix 1.

29.2 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.

29.3 The amount of income equalisation is either (i) the actual amount of income included in the issue price of that share; or (ii) 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.

29.4 The ACD currently uses the method outlined in (ii) in paragraph 36.3 to apply income equalisation.

## 30 **Winding up of the Company**

30.1 The Company shall not be wound up except as an unregistered company under Part V of the Insolvency Act 1986 or under the FCA Regulations.

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

30.3 The Company may be wound up under the FCA Regulations if:

30.3.1 an extraordinary resolution to that effect is passed by shareholders; or

30.3.2 the period (if any) fixed for the duration of the Company by the Instrument expires, or an event (if any) occurs on the occurrence of which the Instrument provides that the Company is to be wound up (for example, if the share capital of the Company is below its prescribed minimum); or

30.3.3 on the date of effect stated in any agreement by the FCA to a request by the ACD for the revocation of the authorisation order in respect of the Company.

30.4 On the occurrence of any of the above:

- 30.4.1 The parts of the FCA Regulations and the Instrument relating to Pricing and Dealing and Investment and Borrowing will cease to apply to the Company;
- 30.4.2 The Company will cease to issue and cancel shares in the Company and the ACD shall cease to sell or redeem shares or arrange for the Company to issue or cancel them for the Company;
- 30.4.3 No transfer of a share shall be registered and no other change to the register shall be made without the sanction of the ACD;
- 30.4.4 Where the Company is being wound up, the Company shall cease to carry on its business except in so far as it is beneficial for the winding up of the Company;
- 30.4.5 The corporate status and powers of the Company and, subject to the provisions of paragraphs 37.4.1 and 37.4.4 above, the powers of the ACD shall remain until the Company is dissolved.
- 30.4.6 The ACD shall, as soon as practicable after the Company falls to be wound up, realise the assets and meet the liabilities of the Company and, after paying out or retaining adequate provision for all liabilities properly payable and retaining provision for the costs of winding up, arrange for the Depositary to make one or more interim distributions out of the proceeds remaining (if any) to shareholders proportionately to their rights to participate in the Scheme Property. When the ACD has caused all of the Scheme Property to be realised and all of the liabilities of the Company to be realised, the ACD shall arrange for the Depositary to also make a final distribution to shareholders (if any Scheme Property remains to be distributed) on or prior to the date on which the final account is sent to shareholders of any balance remaining in proportion to their holdings in the Company.
- 30.5 As soon as reasonably practicable after completion of the winding up of the Company or the Company, the Depositary shall notify the FCA.
- 30.6 On completion of a winding up of the Company, the Company will be dissolved and any money (including unclaimed distributions) standing to the account of the Company, will be paid into court within one month of dissolution.
- 30.7 Following the completion of the winding up of the Company, the ACD shall notify the Registrar of Companies and shall notify the FCA that it has done so.
- 30.8 Following the completion of the winding up of the Company, the ACD must prepare a final account showing how the winding up took place and how the Scheme Property was distributed. The auditors of the Company shall make a report in respect of the final account stating their opinion as to whether the final account has been properly prepared. This final account and the auditors' report must be sent to the FCA, to each shareholder and, in the case of the winding up of the Company, to

the Registrar of Companies within four months of the termination of the winding up.

**31 General Information**

**31.1 Accounting Periods**

31.1.1 The annual accounting period of the Company ends each year on 31 August (the accounting reference date). The interim accounting period of the Company ends each year on the last day of February.

**31.2 Income Allocations**

31.2.1 Allocations of income are made in respect of the income available for allocation in each accounting period.

31.2.2 Distributions of income in respect of Net Income Shares are paid by BACS or telegraphic transfer on or before the annual income allocation date of 31 December and on or before the interim distribution date of 30 April.

31.2.3 The amount available for distribution in any accounting period is calculated by taking the aggregate of the income received or receivable for the account of the Company in respect of that period, and deducting the charges and expenses paid or payable out of income in respect of that accounting period. The ACD then makes such other adjustments as it considers appropriate (and after consulting the depositary as appropriate) in relation to taxation, income equalisation, income unlikely to be received within 12 months following the relevant income allocation date, transfers between the income and capital account and any other adjustments which the ACD considers appropriate after consulting the auditors. The ACD does not normally adjust distributions in order to smooth the amount of interim and final distributions within any particular accounting period.

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

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

31.2.6 If a distribution remains unclaimed for a period of six years after it has become due, it will be forfeited and will revert to the Company.

### 31.3 Annual and Half-yearly Reports

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

The annual and half-yearly reports will include disclosures on the following:

- 31.3.1.1 The percentage of the Company's assets that are subject to special arrangements arising from their illiquid nature;
- 31.3.1.2 Any new arrangements for managing the liquidity of the Company;
- 31.3.1.3 The current risk profile of the Company and the risk management systems employed by the ACD to manage those risks;
- 31.3.1.4 Any changes to the maximum level of leverage that the ACD may employ on behalf of the Company;
- 31.3.1.5 Any changes to any right of reuse of collateral or any guarantee granted under the leveraging arrangement; and
- 31.3.1.6 The total amount of leverage employed by the Company.

### 31.4 Documents of the Company

31.4.1 The following documents may be inspected free of charge between 9.00 a.m. and 5.00 p.m. every Business Day at the offices of the ACD at 45 Gresham Street, London, EC2V 7BG.

- 31.4.1.1 the most recent annual and half-yearly reports of the Company;
- 31.4.1.2 the Prospectus; and
- 31.4.1.3 the Instrument (and any amending instrument).

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

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

### 31.5 Notices

Notices and Documents will be sent to the shareholder's registered address.



### **31.6 Telephone Recording**

Please note that the ACD may record telephone calls for training and monitoring purposes and to confirm investors' instructions. Recordings will be provided on request for a period of at least five years from the date of such recording, or, where requested by a competent regulatory authority, for a period of seven years, where the ACD can identify the call. If you ask the ACD to send you a recording of a particular call, the ACD may ask for further information to help identify the exact call to which your request relates.

### **31.7 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 the complaint is not dealt with satisfactorily then it can be made direct to The Financial Ombudsman Service at Exchange Tower, Harbour Exchange Square, London E14 9SR, telephone number 0800 023 4567. A copy of the ACD's complaints handling procedure is available on request.

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

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

### **31.8 Best Execution**

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

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

### **31.9 Inducements and Soft Commission**

When executing orders, or placing orders with other entities for execution, that relate to financial instruments for, or on behalf of, the Fund, an Investment Adviser or the ACD (as relevant) will not accept and retain any fees, commissions or monetary benefits; or accept any non-monetary benefits, where these are paid or provided by any third party or a person acting on behalf of a third party.

The Investment Adviser or ACD will return to the Fund as soon as reasonably possible after receipt any fees, commissions or any monetary benefits paid or provided by any third party or a person acting on behalf of a third party in relation to the services provided to the Fund, and disclose in the annual report the fees, commissions or any monetary benefits transferred to them.

However, the Investment Adviser or ACD may accept without disclosure minor non-monetary benefits that are capable of enhancing the quality of service provided to the Fund; and of a scale and nature such that they could not be judged to impair their compliance with its duty to act honestly, fairly and professionally in the best interests of the Fund.

#### 31.10 **Genuine Diversity of Ownership (GDO)**

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

The intended categories of investors are retail and institutional investors.

#### 31.11 **Compensation**

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

## APPENDIX 1

### Investment Objective, Policy and Other Details of the Company

Investment of the assets of the Company must comply with the FCA Regulations and its own investment objective and policy. Details of the investment objective and policy are set out overleaf together with other information including available share classes, charges, minimum investment levels and distribution dates. A detailed statement of the investment and borrowing restrictions applicable to the Company is contained in Appendix 2. Lists of the eligible securities and derivatives markets on which the Company may invest are contained in Appendix 4 and Appendix 5. A list of the locations of the establishment of any second schemes which the Company may invest in from time to time is shown in Appendix 10.

Changes to the Investment Objective and Policy will normally require approval by shareholders at an EGM if the change alters the nature or risk profile of the scheme, or on giving 60 days notice to shareholders where these do not alter the nature or risk profile of the scheme. In exceptional circumstances, changes may be made to the Investment Objective and Policy with no minimum period of notice where these are for clarification purposes only. In all cases, changes may only be made to the Investment Objective and Policy following notification to the FCA pursuant to the OEIC regulations and confirmation from the FCA that these changes will not affect the ongoing authorisation of the Company.

#### Ongoing Charges Figure (OCF)

The OCF provides investors with a clearer picture of the total annual costs in running a collective investment scheme and is based on the previous year's expenses. The figure may vary from year to year and it excludes the costs of buying or selling assets for the Company (but includes transaction charges incurred by investing in any other collective investment schemes). Where there is not enough historic data available, or when historic data will not provide a reliable indication of future costs, an estimated OCF will be calculated based on the most reliable information available (OCF (Estimated)). The OCF is displayed in the Key Investor Information Document (KIID). A copy of the KIID can be provided free of charge on request.

## THE DAISYBELLE FUND

### Investment Objective and Policy

The objective of the Company is to preserve and grow capital primarily by investing globally in securities, bonds, collective investment schemes (regulated and unregulated), warrants, money market instruments, cash and deposits. Please be aware that there is no guarantee that capital will be preserved. The Company may also invest in gold. It is the ACD's intention that derivatives and forward transactions will only be used for Efficient Portfolio Management.

**The Company may only invest in immovable property on the giving of 60 days' notice to shareholders.**

The Company will be managed in a manner that maintains eligibility for the stocks and shares component of an individual savings account.

<b>Benchmark</b>	<p>Shareholders may compare the performance of the Fund against the IA Targeted Absolute Return sector.</p> <p>Comparison of the Fund's performance against this benchmark will give Shareholders an indication of how the Fund is performing against other similar funds in this peer group sector. The ACD has selected this comparator benchmark as the ACD believes it best reflects the asset allocation of the Fund.</p> <p>The benchmark is not a target for the Fund, nor is the Fund constrained by the benchmark.</p>
<b>Classes of shares available</b>	Net Income Shares
<b>Currency of denomination</b>	Pounds Sterling
<b>Minimum initial investment</b>	£1,000,000
<b>Minimum subsequent investment</b>	£500,000
<b>Minimum withdrawal</b>	None
<b>Minimum holding</b>	£1,000,000
<b>ACD's preliminary charge</b>	5%
<b>Annual management charge</b>	0.14% per annum subject to a minimum charge of £32,500
<b>Investment Adviser's fee</b>	An annual fee of 0.9% on the first £10 million of Assets; 0.8% on the next £15 million of Assets, 0.75% on the next £25 million, 0.7% on the next £50 million and 0.65% on the next £150 million (exclusive of any applicable VAT)

<b>Charge for investment research</b>	None
<b>Annual accounting date</b>	31 August
<b>Interim accounting date</b>	Last day of February
<b>Annual income allocation date</b>	31 December
<b>Interim income allocation date</b>	30 April
<b>Invest in any Securities Market of the UK or a Member State of the EU or states within the EEA on which securities are admitted to Official Listing</b>	Yes
<b>Invest in Eligible Markets</b>	As listed in Appendices 4 and 5
<b>Income Equalisation</b>	Yes, averaged
<b>Charges taken from Income or Capital?</b>	All charges other than those relating directly to the purchase and sale of investments will be taken from income. If at the end of an accounting period there is insufficient income the shortfall may be allocated to capital.
<b>Income to be distributed as a dividend or interest?</b>	The Company may distribute income in the form of a dividend or interest depending on the composition of the assets held over the accounting period.

### **Investor Profile**

Whether an investment in the Company is appropriate for you will depend on your own requirements and attitude to risk. The Company is designed for investors who:

- want to maximise their overall investment returns (both income and capital) over the medium to longer term through investing in UK and overseas markets using the expertise of the Investment Adviser..
- can meet the minimum investment levels.
- are able to commit to a long term investment in the Company and take the risk of losing part or all of their investment capital.
- who understand and are willing to take the risks involved in investing in the Company (as detailed under “Risk Factors”).

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

## APPENDIX 2

### 1 Investment and Borrowing Powers of the Company

These restrictions apply to the Company.

#### 1.1 Investment Restrictions

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

Generally the Company will invest in the investments to which it is dedicated including approved securities which are transferable securities admitted to or dealt on a regulated market or in a market in the UK or an EEA State which is regulated, operates regularly and is open to the public, units in collective investment schemes, warrants, money market instruments and deposits. The Company may also invest in gold. Derivatives and forward transactions will only be used by the Company for Efficient Portfolio Management purposes.

- 1.2 Eligible markets are regulated markets or markets established in the UK or an EEA State which are regulated, operate regularly and are open to the public; and markets which the ACD, after consultation with the Depositary, has decided are appropriate for the purpose of investment of or dealing in the property of the Company having regard to the relevant criteria in the FCA Regulations and guidance from the FCA. Such markets must operate regularly, be regulated, recognised, open to the public, adequately liquid and have arrangements for unimpeded transmission of income and capital to or to the order of the investors. The eligible securities and derivatives markets for the Company are set out in Appendix 4 and Appendix 5.

New eligible securities markets may be added to the existing list in accordance with the FCA Regulations governing approvals and notifications.

#### 1.3 Transferable Securities and Money Market Instruments

- 1.3.1 Up to 100% of Scheme Property may consist of transferable securities and money-market instruments which must:

1.3.1.1 be admitted to or dealt in on an eligible market being any of:

- (i) a regulated market;
- (ii) a market in the UK or an EEA State which is regulated, operates regularly and is open to the public; or
- (iii) a market not falling within (i) and (ii) but which the ACD after consultation with the Depositary decides is appropriate for investment of, or

dealing in the Scheme Property and the Depositary has taken reasonable care to determine that adequate custody arrangements can be provided for the investment dealt in on that market and all reasonable steps have been taken by the ACD in deciding whether that market is eligible (see the list in Appendix 4);

- 1.3.1.2 be recently issued transferable securities provided that:
- (i) the terms of issue include an undertaking that application will be made to be admitted to an eligible market; and
  - (ii) such admission is secured within a year of issue; or

- 1.3.1.3 be approved money-market instruments not admitted to or dealt in on an eligible market in respect of which:
- (i) the issue or the issuer is regulated for the purpose of protecting investors and savings; and
  - (ii) the instrument is issued (or guaranteed in the case of (a) and (c)) by:

- (a) a central authority of the UK or, an EEA State or if the EEA State is a federal state, one of the members making up the federation), a regional or local authority of the UK or an EEA State, the Bank of England, European Central Bank or a central bank of an EEA State, the European Union or the European Investment Bank, a non-EEA State other than the UK (or in the case of a federal state, one of the members making up the federation), or a public international body to which the UK or one or more EEA States belongs;
- (b) by a body, any securities of which are dealt in on an eligible market; or
- (c) an establishment which is subject to prudential supervision in accordance with criteria defined by UK or Community law, or subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by UK or Community law.

1.3.2 Up to 20% in value of the Scheme Property may consist of:

- 1.3.2.1 transferable securities which are not within 1.3.1.1-1.3.1.3; or

- 1.3.2.2 money-market instruments which are liquid and have a value which can be determined accurately at any time.
- 1.3.3 Up to 10% of the value of the Company may be invested in transferable securities, other than Government and public securities, or money market instruments issued by any single body. This limit of 10% is raised to 25% in value of the Company in respect of covered bonds.
- 1.3.4 More than 35% of the Scheme Property may be invested in Government and public securities issued by or on behalf of or guaranteed by a single named issuer which may be one of the following: the government of the United Kingdom and Northern Ireland and of a member State of the European Community or EEA (i.e. Austria, Belgium, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden); or by or on behalf of the Governments of Australia, Canada, Japan, New Zealand, Switzerland or the United States of America.
- 1.3.5 The ACD has consulted with the Depositary and considers that the issuers named in 1.3.4 above are ones which are appropriate in accordance with the investment objectives of the Company set out in Appendix 1. If more than 35% in value of the Scheme Property of the Company is invested in Government and public securities issued by any one issuer, no more than 30% in value of the Scheme Property of the Company may consist of such securities of any one issue and the Scheme Property must include at least six different issues whether of that issuer or another issuer.

#### 1.4 **Collective Investment Schemes**

Except where the investment policy of the Company is inconsistent with this, up to 100% in value of the property of the Company may be invested in units in other collective investment schemes (hereafter a “second scheme”) although not more than 35% in value of the Scheme Property is to consist of the units of any one second scheme. Investment may be made in a second scheme managed by the ACD or an associate of the ACD. Investment may only be made in second schemes whose maximum annual management charge does not exceed 5%. Any second scheme must either:

- 1.4.1 be a UK UCITS scheme or satisfy the conditions necessary for it to enjoy the rights conferred by the UCITS Directive as implemented in the EEA; or;
- 1.4.2 be a recognised scheme under the provision of Section 272 of the Financial Services and Markets Act 2000; or;
- 1.4.3 be authorised as a non-UCITS retail scheme; or



- 1.4.4 be constituted outside the United Kingdom and the investment and borrowing powers of which are the same or more restrictive than those of a non-UCITS retail scheme; or
- 1.4.5 be a scheme not falling within 1.4.1 - 1.4.4 and in respect of which no more than 20% in value of the Scheme Property (including any transferable securities which are not approved securities) is invested.

The second scheme must also operate on the basis of the prudent spread of risk, be prohibited from having more than 15% in value of the property of that scheme consisting of units in collective investment schemes (unless COLL 5.6.10AR applies), and the participants in the second scheme must be entitled to have their units redeemed in accordance with the scheme at a price related to the net value of the property to which the units relate and determined in accordance with the scheme.

The Company may invest in units or shares of collective investment schemes and pay any related charges or expenses for investing in such units or shares. Where the schemes invested in are managed, operated or administered by the ACD (or one of its associates) the rules on double charging contained in the FCA Regulations must be complied with.

Any second schemes in which the Company invests will be established in the locations listed in Appendix 10. The Company may invest in second schemes established in locations not currently listed in Appendix 10 provided the second scheme satisfies the requirements of this clause 1.4 and the FCA Regulations, where this occurs the list in Appendix 10 will be updated and an updated Prospectus issued.

## 1.5 Feeder Schemes

- 1.5.1 A non-UCITS retail scheme that is not a feeder NURS may, if the following conditions are met, invest in units of:
- (a) a feeder UCITS; or
  - (b) a feeder NURS; or
  - (c) a scheme dedicated to units in a single property authorised investment fund; or
  - (d) a scheme dedicated to units in a recognised scheme.
- 1.5.2 The relevant master UCITS must comply with COLL 5.2.13R(2), (3) and (4) as if it were the second scheme for the purpose of that rule.
- 1.5.3 The relevant qualifying master scheme, property authorised investment fund or recognised scheme must comply with COLL 5.6.10R(2) to (5) as if it were the second scheme for the purpose of that rule.

- 1.5.4 Not more than 35% in value of the scheme property of the non-UCITS retail scheme may consist of units of one or more schemes permitted under (1.5.1)(a) to (d).
- 1.5.5 The non-UCITS retail scheme must not invest directly in units of the relevant master UCITS, qualifying master scheme, property authorised investment fund or recognised scheme.
- 1.5.6 The authorised corporate director of the non-UCITS retail scheme must be able to show on reasonable grounds that an investment in one or more schemes permitted under (1.5.1)(a) to (d) is:
- (a) in the interests of investors; and
  - (b) no less advantageous than if the non-UCITS retail scheme had held units directly in the relevant:
    - (i) master UCITS; or
    - (ii) qualifying master scheme; or
    - (iii) property authorised investment fund; or
    - (iv) recognised scheme.

## 1.6 Warrants and Nil and Partly Paid Securities

Up to 5% in value of the Scheme Property may consist of warrants, provided that warrants may only be held if it is reasonably foreseeable there will be no change to the Scheme Property between the acquisition of the warrant and its exercise and the rights conferred by the proposed warrant and all other warrants forming part of the Scheme Property at the time of the acquisition of the proposed warrant will be exercised and that the exercise of the rights conferred by the warrants will not contravene the FCA 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 Company at any time when the payment is required without contravening the FCA Regulations.

A warrant may not be included in the Scheme Property unless it is listed on an eligible securities market.

## 1.7 Deposits

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

## 1.8 Derivatives and Forward Transactions

- 1.8.1 Derivatives may be used by the Company for Efficient Portfolio Management purposes only. As a result, the NAV of the Company could potentially be more volatile; however, it is the Investment Adviser's intention that the Company, owing to their portfolio composition or the portfolio management techniques used, will not have volatility over and above the general market volatility of the markets of their underlying investments. The use of derivatives for Efficient Portfolio Management is not intended to increase the risk profile of the Company. Please also see "Risk Factors" above.
- 1.8.2 The Company's intention is to reduce investor risk, and meet its investment objective as set out in Appendix 1, through the use of derivatives. In pursuing their investment objectives, the Company may make use of a variety of derivative instruments in accordance with the FCA Regulations.
- 1.8.3 A transaction in a derivative transaction must:
- 1.8.3.1 for derivatives other than OTC derivatives, be an "approved derivative" which is effected on or under the rules of an "eligible derivatives market"; or
- 1.8.3.2 be an OTC derivative transaction which is:
- (i) in a "future" or an "option" or a "contract for differences" as defined in the FCA Handbook;
  - (ii) with a counterparty which is:
    - (a) an "eligible institution", i.e. an authorised credit institution or an authorised investment firm in the UK, any EEA State, or an Approved Bank; or
    - (b) a person whose FCA permission, as published in the FCA Register or whose authorisation in any EEA country, permits it to enter into the transaction as principal off-exchange;
  - (iii) on approved terms, i.e. if, before the transaction is entered into, the Depositary is satisfied that the counterparty has agreed with the Company:
    - (a) to provide a reliable and verifiable valuation in respect of that transaction at least daily and at any other time at the request of the Company; and
    - (b) that it will, at the request of the Company, enter into a further transaction to unwind that transaction at any time, at a fair value arrived at under the pricing model or other reliable basis agreed under (iv) (unwound

costs should be factored in as they are part of the cost of the transaction); and

- (iv) capable of valuation, i.e. only if the Company having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy:
  - (a) on the basis of the pricing model which has been agreed between the Company and the Depositary; or
  - (b) on some other reliable basis reflecting an up-to-date market value which has been so agreed;

In addition, any forward transaction must be made with an eligible institution or an Approved Bank.

#### 1.8.3.3 Investment risk

- (i) Derivative transactions are permitted under the FCA Regulations provided that the underlying consists of any or all of the following to which the Company is dedicated:
  - (a) transferable securities;
  - (b) permitted money market instruments;
  - (c) permitted deposits;
  - (d) permitted derivatives;
  - (e) permitted collective investment scheme units;
  - (f) financial indices;
  - (g) interest rates;
  - (h) foreign exchange rates; and
  - (i) currencies.

As set out above, a "look-through" approach exists which requires the FCA Regulations spread limits which apply to non-UCITS retail schemes as set out in this Prospectus to be complied with in relation to the underlying assets (unless the derivative relates to an index).

1.8.3.4 Derivative transactions must not cause the Company to diverge from its Investment Objective and must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more transferable securities, money market instruments, units in collective investment schemes, or derivatives.

1.8.3.5 The use of derivatives must be supported by a risk management process maintained by the ACD which should take account of the investment objectives and policies of the Company. A copy of this risk management process is available on request.

1.8.3.6 A derivative transaction is to be entered into only if the maximum exposure, in terms of the principal or notional principal created by the transaction to which the Company is or may be committed by another person is covered globally, i.e. if adequate cover from within the Scheme Property for the Company is available to meet the Company's total exposure, taking into account the value of the underlying assets, any reasonable foreseeable market movement, counterparty risk and the time available to liquidate any positions.

Cash not yet received into the Scheme Property, but due to be received within one month, is available as cover for the purposes of the preceding paragraph.

Property which is the subject of a stock lending transaction is only available for cover if the ACD has taken reasonable care to determine that it is obtainable (by return or re-acquisition) in time to meet the obligation for which cover is required;

The global exposure relating to derivatives held by the Company may not exceed the NAV of its Scheme Property.

1.8.3.7 No agreement by or on behalf of the Company to dispose of property or rights may be made unless:

(i) the obligation to make the disposal and any other similar obligation could immediately be honoured by the Company by delivery of property or the assignment (or, in Scotland, assignation) of rights; and

(ii) the property and rights at (i) are owned by the Company at the time of the agreement.

(i) and (ii) do not apply to:

(iii) a deposit; or

- (iv) where:
- (a) the risks of the underlying financial instrument of a derivative can be appropriately represented by another financial instrument and the underlying financial instrument is highly liquid; or
  - (b) the ACD or the Depositary has the right to settle the derivative in cash and cover exists within the Scheme Property which falls within one of the following asset classes:
    - cash;
    - liquid debt instruments (e.g. government bonds of first credit rating) with appropriate safeguards (in particular, haircuts); or
    - other highly liquid assets which are recognised considering their correlation with the underlying of the financial derivative instruments, subject to appropriate safeguards (e.g. haircuts where relevant).

In the asset classes referred to in (iv), assets may be considered as liquid where the instruments can be converted into cash in no more than seven Business Days at a price closely corresponding to the current valuation of the financial instrument on its own market.

1.8.3.8 The exposure to any one counterparty in an OTC derivative transaction must not exceed 10% in value of the Scheme Property. The exposure in respect of an OTC derivative may be reduced to the extent that collateral is held in respect of it provided the collateral meets each of the following conditions:

- (i) it is marked-to-market on a daily basis and exceeds the value of the amount at risk;
- (ii) it is exposed only to negligible risks (e.g. government bonds of first credit rating or cash) and is liquid;
- (iii) it is held by a third party custodian not related to the provider or is legally secured from the consequences of a failure of a related party; and
- (iv) can be fully enforced by the Company at any time.

- 1.8.3.9 In applying the limits above OTC derivative positions with the same counterparty may be netted provided that the netting procedures:
- (i) comply with the conditions set out in Section 3 (Contractual netting Contracts for novation and other netting agreements) of Annex III to the Banking Consolidation Directive (Directive 2000/12/EC); and
  - (ii) are based on legally binding agreements.
- 1.8.3.10 All derivative transactions are deemed to be free of counterparty risk if they are performed on an exchange where the clearing house meets each of the following conditions:
- (i) it is backed by an appropriate performance guarantee; and
  - (ii) it is characterized by a daily mark-to-market valuation of the derivative positions and at least daily margining.
- 1.8.3.11 Where the Company invests in derivatives, the exposure to the underlying assets must not exceed the spread limits set out above save that, subject to prudent spread of risk, where the Company invests in an index based derivative (provided the relevant index's composition is sufficiently diversified, the index is a representative benchmark for the market to which it refers and is published in an appropriate manner) the underlying constituents of the index do not have to be taken into account for the purposes of complying with the above spread limits.

## 1.9 Immovable Property

**Investment in immovable property shall only be made on the giving of 60 days' notice to shareholders.**

1.9.1 An immovable held by the Company must:

- 1.9.1.1 be situated in Austria, Belgium, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, the Netherlands, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden and the United Kingdom (each an "EEA State" and together, "EEA States"), or Australia, Canada, Japan, New Zealand, Switzerland or the USA; and

- 1.9.1.2 if situated in England and Wales or in Northern Ireland, be a freehold or leasehold interest; or if situated in Scotland be any interest or estate in or over land or heritable right including a long lease; or
- 1.9.1.3 if situated elsewhere, be equivalent to any of the interests mentioned in 1.8.1.2, or if no such equivalent interest is available in the jurisdiction, be an interest that grants beneficial ownership of the immovable to the Company and provides as good a title as any of the interests in 1.8.1.2.
- 1.9.2 The ACD must have taken reasonable care to determine that the title to the immovable is a good marketable title.
- 1.9.3 The ACD must:
  - 1.9.3.1 have received a report from an appropriate valuer which:
    - (i) contains a valuation of the immovable (with and without any relevant subsisting mortgage); and
    - (ii) states that, in the appropriate valuer's opinion, the immovable would, if acquired for the Company, be capable of being disposed of reasonably expeditiously at that valuation; or
  - 1.9.3.2 have received a report from an appropriate valuer as required by paragraph 1.8.3.1(i) and stating that:
    - (i) the immovable is adjacent to or in the vicinity of another immovable included in the Scheme Property or is another legal interest as defined in 1.8.1.2 or 1.8.1.3 in an immovable that is already included in the Scheme Property; and
    - (ii) in the opinion of the appropriate valuer, the total value of the immovable would at least equal the sum of the price payable for the immovable and the existing value of the other immovable.
- 1.9.4 The immovable must:
  - 1.9.4.1 be bought or agreed by enforceable contract to be bought within six months after receipt of the report of the appropriate valuer under 1.8.3;
  - 1.9.4.2 not be bought if it is apparent to the ACD that the report in 1.8.3 could no longer reasonably be relied upon; and
  - 1.9.4.3 not be bought at more than 105% of the valuation for the relevant immovable in the report in 1.8.3.



- 1.9.5 Any furniture, fittings or other contents of any building may be regarded as part of the relevant immovable.
- 1.9.6 An appropriate valuer must be a person who:
- 1.9.6.1 has knowledge of and experience in the valuation of immovables of the relevant kind in the relevant area;
  - 1.9.6.2 is qualified to be a standing independent valuer of a non-UCITS retail scheme or is considered by the Company's standing independent valuer to hold equivalent qualifications;
  - 1.9.6.3 is independent of the ACD and the Depositary; and
  - 1.9.6.4 has not engaged himself or any of his associates in relation to the finding of the immovable for the Company or the finding of the Company for the immovable.
- 1.9.7 The following limits apply in respect of immovables held as part of the property of the Company:
- 1.9.7.1 not more than 15% in value of the Scheme Property may consist of any one immovable (adjacent immovables or immovables in the vicinity of each other are treated as one immovable); this limit is increased to 25% in value once the immovable has become included in the Scheme Property;
  - 1.9.7.2 the income receivable from any one group in any accounting period must not be attributable to immovables comprising more than 25%, or in the case of a government or public body more than 35% of the value of the Scheme Property;
  - 1.9.7.3 not more than 20% in value of the Scheme Property is to consist of immovables that are subject to a mortgage and any mortgage must not secure more than 100% of the value of the immovable (on the assumption the immovable is not mortgaged);
  - 1.9.7.4 the aggregate value of:
    - (i) mortgages secured on immovables under 1.8.7.3 above;
    - (ii) the borrowing of the Company under Section 2 below; and
    - (iii) any transferable securities that are not approved securities;
 must not at any time exceed 20% of the value of the Scheme Property.

- 1.9.7.5 not more than 50% in value of the Scheme Property is to consist of immovables which are unoccupied and non-income producing or in the course of substantial development, redevelopment or refurbishment; and
- 1.9.7.6 no option may be granted to a third party to buy any immovable comprised in the Scheme Property unless the value of the relevant immovable does not exceed 20% of the value of the Scheme Property together with, where appropriate, the value of investments in:
- (i) unregulated collective investment schemes; and
  - (ii) any transferable securities which are not approved securities.
- 1.9.8 An overseas immovable may be held by the Company through an intermediate holding vehicle in accordance with the FCA Rules provided that shareholders are adequately protected. Any investment in an intermediate holding vehicle for the purposes of holding an overseas immovable shall be treated as if it were a direct investment in that immovable.
- 1.10 General**
- 1.10.1 Underwriting and sub-underwriting contracts and placings may also, subject to certain conditions set out in the FCA Regulations, be entered into for the account of the Company.
- 1.10.2 Cash or near cash may be retained in the Scheme Property to enable the pursuit of the investment objective; or for redemption of shares in the Company; or efficient management of the Company in accordance with its investment objective or for a purpose which may reasonably be regarded as ancillary to the investment objective of the Company.
- 1.10.3 The Company may invest directly in gold up to a limit of 10% of Scheme Property.
- 1.11 Stock Lending**
- The Company may not enter into stock lending transactions.
- 2 Borrowing Powers**
- 2.1 The Company may, subject to the FCA Regulations, borrow money from an eligible institution or an Approved Bank for the use of the Company on the terms that the borrowing is to be repayable out of the Scheme Property.
- 2.2 The ACD must ensure that borrowing does not, on any Business Day, exceed 10% of the value of the Scheme Property.
- 2.3 These borrowing restrictions do not apply to “back to back” borrowing to be cover for transactions in derivatives and forward transactions

### 3 **Leverage**

3.1 Transactions introducing leverage are generally undertaken to reduce risk or cost in terms of fluctuations in prices, interest rates or exchange rates or involve receiving a premium for the writing of a covered call option or cash covered put option on the property of the Company which the Company is willing to buy or sell at the exercise price. The fund may also borrow up to 10% of its net asset value; as a result of actively invested borrowing the fund would display leveraged characteristics.

The types and sources of leverage and risks the Company may employ are as follows:

- i) The Company may borrow up to 10% of its net asset value from an Approved Bank, and
- ii) Through the use of derivatives. Any exposure by the Company through the use of derivatives must be covered by cash or readily realisable assets held by the Company. Restrictions on the use of derivatives are outlined in the Investment Objective and Policy in Appendix 1 and detailed in the Investment and Borrowing Powers in Appendix 2.

Please refer to the Risk Factors for details of the risks associated with these types of leverage.

3.2 The following restrictions apply to the use of leverage:

i) Leverage through Borrowing: The Fund may borrow from Eligible Institutions or Approved Banks only.

ii) Leverage through the Use of Derivatives: Derivatives may be used for the purposes of Efficient Portfolio Management only. No current collateral or asset reuse arrangements are currently in place. Should the Fund enter into any contracts that require the use of collateral in future, collateral will be managed in accordance with FCA Regulations and Guidelines issued from time to time by the European Securities and Markets Authority. A Collateral Management Policy will be implemented by the ACD before the Company enters into any transactions which require it to hold collateral from a counterparty.

3.3 Under AIFMD, it is necessary for AIFs to disclose their leverage in accordance with prescribed calculations. The two types of leverage calculations defined are the gross and commitment methods. These methods summarily express leverage as a ratio of the exposure of the AIF against its net asset value. 'Exposure' typically includes debt, the value of any physical properties subject to mortgage, non sterling currency, equity or currency hedging (even those held purely for risk reduction purposes, such as forward foreign exchange contracts held for currency hedging) and derivative exposure (converted into the equivalent underlying positions). The commitment method nets off derivative instruments, while the gross method aggregates them.

The maximum level of leverage for the Company expressed as a ratio of the Company's total exposure to its Net Asset Value:

- (a) under the Gross Method is 200 per cent; and
- (b) under the Commitment Method is 130 per cent.

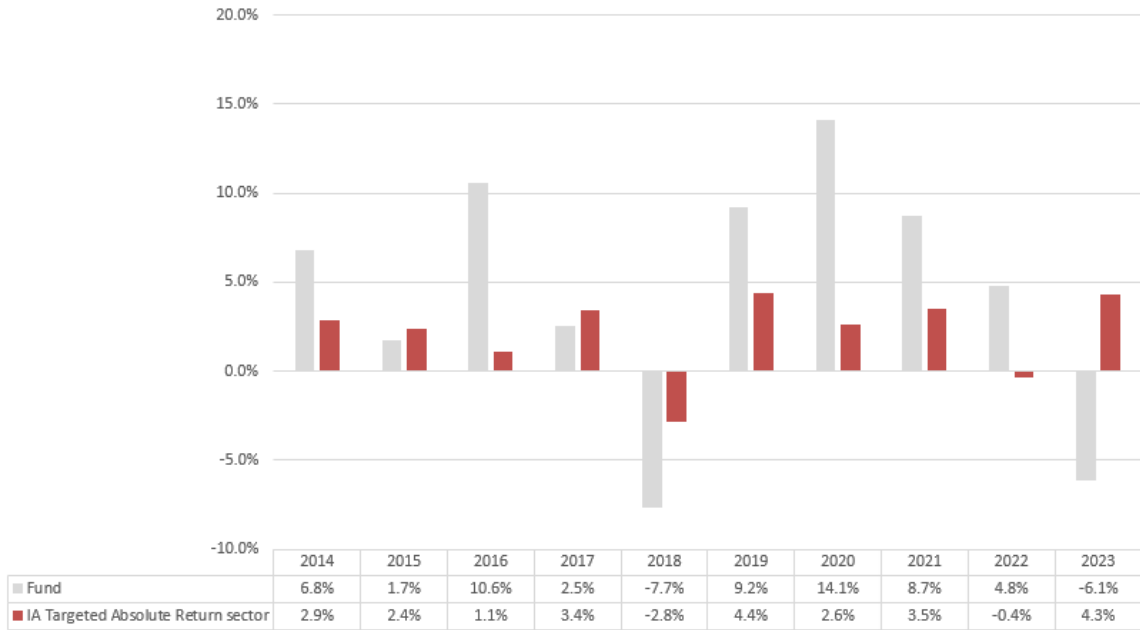
The limits have been set for the investment policy of the AIF under AIFMD and have been set to accommodate the maximum level of leverage conceivable.

### APPENDIX 3

#### Historical Performance Data

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

#### DISCRETE PERFORMANCE RECORD NAV with Net Income Reinvested



Source: Fund - FE fundinfo  
2024

Performance data above relates to full calendar years i.e. 31 December to 31 December

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

## APPENDIX 4

### Eligible Securities Markets

The Company may deal through securities markets established in the UK, or EEA/EU States on which transferable securities admitted to official listing in these states are dealt in or traded. In addition, up to 20% in value of the Company may be invested in transferable securities which are not approved securities.

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

1	UK	London Stock Exchange Alternative Investment Market Plus Stock Exchange
2	Australia	Australian Securities Exchange
3	Brazil	BM & F BOVESPA
4	Canada	Montreal Exchange Toronto Stock Exchange
5	China	Shanghai Stock Exchange Shenzhen Stock Exchange
6	Czech Republic	Prague Stock Exchange
7	Egypt	Egyptian Exchange
8	Hong Kong	Stock Exchange of Hong Kong
9	Hungary	Budapest Stock Exchange
10	India	Bombay Stock Exchange
11	Indonesia	Indonesia Stock Exchange
12	Israel	Tel Aviv Stock Exchange
13	Japan	Tokyo Financial Exchange (TFX) Osaka Securities Exchange
14	Republic of Korea	Korea Exchange
15	Malaysia	Bursa Malaysia Securities Berhad
16	Mexico	Bolsa Mexicana de Valores (BMV) (Mexican Stock Exchange)
17	New Zealand	New Zealand Stock Exchange (NZX)
18	Peru	Bolsa de Valores de Lima (BVL)

19	Philippines	Philippine Stock Exchange
20	Poland	Warsaw Stock Exchange
21	Singapore	Singapore Exchange
22	South Africa	Johannesburg Stock Exchange
23	Sri Lanka	Colombo Stock Exchange
24	Switzerland	SIX Swiss Exchange
25	Taiwan	Taiwan Stock Exchange
26	Thailand	Stock Exchange of Thailand
27	Turkey	Istanbul Stock Exchange
28	United States	New York Stock Exchange NASDAQ The Over-the-Counter Market regulated by NASD

## APPENDIX 5

### Eligible Derivatives Markets

1. NYSE Euronext
2. Chicago Board Options Exchange
3. CME Group Inc
4. Eurex Exchange
5. NYSE Euronext Amsterdam
6. NYSE Euronext Brussels
7. NYSE Euronext Paris
8. Euronext.LIFFE
9. Hong Kong Exchanges (HKEx)
10. Irish Stock Exchange
11. Johannesburg Stock Exchange
12. ICE Futures U.S
13. NYMEX
14. NASDAQ OMX Derivatives Market
15. Singapore Exchange
16. Tokyo Stock Exchange
17. Tokyo Financial Exchange (TFX)



## **APPENDIX 6 Typical Investor Profile(s)**

Below is an indication of the target market of the Fund as required under MiFID II and its supplementing regulations, or the statutory equivalent thereof which forms part of UK law by virtue of the EUWA, as applicable. This is fully detailed in the EMT which should be made available to you before making an investment. If you do not believe you fit the target market of this Fund please seek advice from your professional adviser.

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

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

The Fund seeks to preserve and grow capital with a neutral stance on income growth over a long time period.

Please refer to the latest EMT or KIID for the Synthetic Risk Reward Indicator (SRRI).

## APPENDIX 7 Directory

### **The Company and Head Office**

The Daisybelle Fund  
45 Gresham Street  
London  
EC2V 7BG

### **Authorised Corporate Director, Administrator & Registrar**

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

Correspondence Address:  
Evelyn Partners Fund Solutions Limited  
Transfer Agency Team  
177 Bothwell Street  
Glasgow  
G2 7ER

Telephone Numbers:  
For Dealing - 0141 222 1150  
For Prices, Registration and Other Enquiries - 0141 222 1151

### **Investment Adviser**

Ruffer LLP  
80 Victoria Street  
London SW1E 5JL

### **Depository**

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

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

### **Auditors**

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

## APPENDIX 8

### 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.**

## APPENDIX 9

### List of Authorised Funds that Evelyn Partners Fund Solutions Limited Acts as Authorised Fund Manager or Authorised Corporate Director For

Authorised Unit Trusts	Investment Companies with Variable Capital
Dragon Trust 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 Aurinko Fund The Blu-Frog Investment Fund

	<p>The Brighton Rock Fund The Cheviot Fund The Daisybelle Fund The Dinky Fund 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 Princedale Fund The Rosslyn Fund The SBB Fund The Staffordshire Portfolio The Stellar Fund The SVS Levitas Funds The Touchstone Investment Fund The Tully Fund The Westhill Investment Fund TS Campana Fund Vagabond Investment Fund White Oak Fund</p>
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## APPENDIX 10

### Establishment of Collective Investment Schemes

Any second schemes in which the Fund may invest will be established in the locations listed below. This list is not restrictive and may be amended from time to time where the Fund invests in second schemes established in new locations.

Any member state of the European Economic Area

Australia

Bermuda

Canada

Cayman Islands

Channel Islands

Isle of Man

Japan

Singapore

Switzerland

United States