



# **SVS BAKER STEEL GOLD AND PRECIOUS METALS FUND**

(AN OPEN-ENDED COMPANY WITH VARIABLE CAPITAL PRN 502259)

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## **PROSPECTUS**

This Prospectus is valid as of 8 October 2024 and has been prepared in accordance with The Open-Ended Investment Companies Regulations 2001 and the rules contained in the Collective Investment Schemes Sourcebook published by the Financial Conduct Authority as part of their Handbook of rules and guidance.

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## TABLE OF CONTENTS

<b>SVS BAKER STEEL GOLD AND PRECIOUS METALS FUND.....</b>	<b>1</b>
<b>PROSPECTUS.....</b>	<b>1</b>
Table of contents	2
<b>SVS BAKER STEEL GOLD &amp; PRECIOUS METALS FUND.....</b>	<b>4</b>
<b>DEFINITIONS</b>	<b>5</b>
The Company	6
Authorised Corporate Director (ACD)	7
The Investment Manager	7
The Depositary	8
The Auditor	9
The Registrar	9
The Fund Accountant	9
Investment Objective	9
Investment Policy	10
Target Benchmark	10
Historical Performance	10
Individual Savings Accounts ("ISAS") & Junior Individual Savings Accounts ("JISAS")	10
Allocation Of Income	11
How Income Is Determined	11
Characteristics Of Shares	11
Voting Rights	12
Valuation	13
Charges	14
Depositary's Remuneration and Expenses	19
Other payments out of the property of the company	20
Buying and selling of Shares	21
General Information	23

<b>United Kingdom Taxation</b>	<b>24</b>
<b>Winding-up of the Company</b>	<b>26</b>
<b>Additional Information</b>	<b>26</b>
<b>Appendix 1 – Investment Limits, Borrowing Powers &amp; Efficient Portfolio Management</b>	<b>33</b>
<b>Appendix 2 – List of delegates and sub-delegates of the depositary</b>	<b>44</b>
<b>Appendix 3 – Company's Exclusion Policy</b>	<b>45</b>
<b>Appendix 4 – Historical Performance Data</b>	<b>47</b>
<b>Appendix 5 – Authorised Schemes of which the ACD is the Authorised Fund Manager</b>	<b>48</b>
<b>Appendix 6 – List of directors of Evelyn Partners Fund Solutions Limited</b>	<b>50</b>

# SVS BAKER STEEL GOLD & PRECIOUS METALS FUND

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**The Company**

SVS Baker Steel Gold and Precious Metals Fund  
45 Gresham Street  
London  
EC2V 7BG

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**Authorised Corporate Director ('ACD')**

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

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**Custodian**

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

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**Depository**

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

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**Investment Manager**

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

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**Auditor**

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

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**Registrar and Transfer Agency**

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

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**Fund Accountant**

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

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## DEFINITIONS

<b>Accumulation Shares</b>	Shares (of whatever class) in the Company as may be in issue from time to time in respect of which income allocated thereto is retained on behalf of the Shareholders of such Shares by being periodically credited to capital pursuant to the FCA Rules.
<b>ACD</b>	Evelyn Partners Fund Solutions Limited which acts as the authorised corporate director of the Company.
<b>ACD Agreement</b>	The agreement between ACD and the Company appointing the ACD.
<b>Auditor</b>	Johnston Carmichael LLP
<b>Authorisation Order</b>	The Order made by the FCA in relation to the Company under regulation 14 of the OEIC Regulations.
<b>Business Day</b>	A day (other than a Saturday or Sunday) on which the banks are generally open for business in London.
<b>Company</b>	SVS Baker Steel Gold and Precious Metals Fund.
<b>Dealing Day</b>	Any day on which the ACD is open for business, normally Monday to Friday each week between 9.00 am and 5.00 pm (exceptions will include Bank and Public Holidays).
<b>Depository</b>	NatWest Trustee & Depository Services Limited or such other entity as is appointed to act as Depository
<b>FCA</b>	The Financial Conduct Authority, previously the Financial Services Authority (FSA) of 12 Endeavour Square, London, E20 1JN., or any successor.
<b>FCA Rules</b>	The rules contained in the Collective Investment Schemes Sourcebook (or COLL) published by the FCA from time to time as part of their Handbook of rules made under the Act and which shall, for the avoidance of doubt, not include guidance or evidential requirements contained in the said sourcebook.
<b>Fund Accountant</b>	Evelyn Partners Fund Solutions Limited
<b>Income Shares</b>	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.
<b>Instrument of Incorporation</b>	The Instrument of Incorporation of the Company as amended or updated from time to time.
<b>Investment Manager</b>	Baker Steel Capital Managers LLP.
<b>IPA Shares</b>	Shares available to Individual Pension Accounts only.
<b>OEIC Regulations</b>	The Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended.

<b>Prospectus</b>	This Prospectus, including the schedules hereto.
<b>Registrar and Transfer Agency</b>	Evelyn Partners Fund Solutions Limited
<b>Regulations</b>	The OEIC Regulations and the FCA Rules.
<b>Share or Shares</b>	A Share or Shares in the Company.
<b>Shareholder</b>	A holder of Shares in the Company.
<b>SDRT</b>	Stamp duty reserve tax.
<b>UCITS</b>	means an undertaking established in the United Kingdom or an EEA State in accordance with section 236 A of FSMA, as amended;
<b>UK Scheme</b>	means a UK UCITS constituted in accordance with FSMA so that its Shares can be sold to retail investors in the UK;
<b>UK</b>	United Kingdom of Great Britain and Northern Ireland.
<b>UK UCITS</b>	means an undertaking established in accordance with section 236 A and 237 of FSMA, as amended;
<b>UK Withdrawal Agreement</b>	means the European Withdrawal Act 2018
<b>Valuation Point</b>	means 12:00 noon London time on each Dealing Day, at which time the ACD carries out a valuation of the Scheme Property for the purpose of determining the price at which Shares may be issued, cancelled or redeemed;

## THE COMPANY

The SVS Baker Steel Gold and Precious Metals Fund (previously called TC Peterhouse Gold and Precious Metals Fund, TC South River Gold and Precious Metals Fund and ES Gold and Precious Metals Fund) is an open-ended investment company with variable share capital. The Company is authorised in the United Kingdom by the FCA pursuant to Regulation 14 of the OEIC Regulations with number IC000768. The effective date of the Authorisation Order made by the FCA was 22 July 2009.

The minimum Share capital of the Company shall be £1 and the maximum Share capital shall be £100,000,000,000. The base currency for the Company is pounds sterling. The Shareholders are not liable for the debts of the Company.

The Company is a UK UCITS Scheme, as defined in the FCA Rules.

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

The address in the United Kingdom for service on the Company of notices or other documents required or authorised to be served on the Company is Evelyn Partners Fund Solutions Limited, 45 Gresham Street London EC2V 7BG.

### Profile of a Typical Investor

The Company is available to a wide range of investors who see a collective investment scheme as a convenient and cost effective way of managing the overall risks and volatility associated with participation in an investment portfolio managed in accordance with the Company's specific investment objective and policy.

The Funds may be appropriate for investors who are seeking an increase in the value of their investment (known as capital growth) and may not be appropriate if the investor plans to withdraw their money within 5 years of making their investment. A typical investor should be aware that 100% of their capital is at risk and that the Funds are not appropriate for investors who seek a capital guarantee nor for those investors who can bear no capital loss including minor losses. The Funds are not designed to preserve or limit capital loss. Investors are advised to consult an appropriately qualified financial adviser in respect of any investment decision.

## **AUTHORISED CORPORATE DIRECTOR (ACD)**

The ACD is 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). Its registered office and head office are situated at 45 Gresham Street London EC2V 7BG. Share Capital: Issued and paid up 50,000 Ordinary £1 shares.

The ACD is authorised and regulated to carry on regulated activities in the United Kingdom by virtue of its authorisation by the FCA.

The ACD may act as an authorised fund manager or ACD to other clients and funds and to companies in which the Company may invest and these are listed in Appendix 4. The directors of Evelyn Partners Fund Solutions Limited, as at the date of this Prospectus, are listed in Appendix 5.

### **ACD Agreement**

The ACD has been appointed under the ACD Agreement. Pursuant to the ACD Agreement, the ACD shall manage and administer the Company in accordance with the Regulations, the Instrument of Incorporation and the Prospectus. The ACD Agreement contains detailed provisions relating to the responsibilities of the ACD, including the management, investment and reinvestment of the property of the Company in order to achieve the investment objective. A copy of the ACD Agreement will be provided to a Shareholder on request.

The ACD is entitled to receive Preliminary and Periodic Charges and the Establishment Fee as set out in the section of this Prospectus headed "Charges".

The ACD Agreement may be terminated by either party after the expiry of two years from the date of appointment of the ACD on not less than six months written notice or earlier upon the happening of certain specified events. The ACD Agreement contains detailed provisions relating to the responsibilities of the ACD and excludes it from any liability to the Company or any Shareholder for any act or omission except in the case of negligence, wilful default, breach of duty or breach of trust in relation to the Company on its part. The ACD Agreement provides indemnities to the ACD to the extent allowed by the Regulations and other than for matters arising by reason of its negligence, wilful default, breach of duty or breach of trust in the performance of its duties and obligations. Subject to certain limited exceptions set out in the Regulations, the ACD may retain the services of any person to assist it in the performance of its functions. Under the ACD Agreement, the ACD may delegate any of its functions under the agreement to any associate (as defined in the FCA's Handbook of rules and guidance) or any other person selected by it and may provide information about the Company and its investments to any of its delegates.

In accordance with these provisions, the ACD has delegated

to the Investment Manager, the duty of providing investment advice and discretionary investment management in relation to the Company (for further details, see below under ("The Investment Manager").

## **THE INVESTMENT MANAGER**

The Investment Manager is Baker Steel Capital Management LLP, a company authorised and regulated by the FCA. The Investment Manager's principal activity is the provision of investment management and advisory services.

The ACD has delegated to the Investment Manager the duty of providing investment advice and discretionary investment management in respect of the Company.

The Investment Manager may, from time to time, procure the services of other persons to provide it with investment advice and other services to assist it with its duties in respect of the Company. The charges of such persons will be paid by the Investment Manager and not out of the scheme property of the Company.

### **Investment Management Agreement**

Under the terms of an agreement between the ACD and the Investment Manager (the "Investment Management Agreement"), the Investment Manager has the authority of the ACD and the Company to exercise discretionary management powers in respect of the Company in accordance with its investment objective, including the power to effect such investments and reinvestments on behalf of the Company as it considers appropriate.

The Investment Manager will be entitled to receive remuneration from the ACD paid out of the fees the ACD receives from the Company. The Investment Manager will not receive any other fees directly from the Company, save with the approval of Shareholders.

The Investment Management Agreement may be terminated on not less than 3 months' written notice at any time after the first anniversary of the Investment Management Agreement or by the Company in a general meeting at any time, or immediately by the ACD if this is in the interests of investors.

## **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 and head office is at 250 Bishopsgate, London EC2M 4AA. The ultimate holding company of the Depositary is NatWest Group plc, which is incorporated in Scotland. The principal business activity of the Depositary is the provision of trustee and depositary services.

### **Duties of the Depositary:**

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

### **Conflicts of Interest:**

From time to time conflicts may arise from the appointment by the Depositary of any of its delegates out of which may arise a conflict of interest with the Funds. All delegates of the Depositary are required to manage any such conflict having regard to the FCA Handbook and their duties to the Depositary and the ACD.

There may also be conflicts arising between the Depositary and the Funds, Shareholders and the ACD. The Depositary shall not carry out activities with regard to the Funds that may create conflicts of interests between the Funds, the Shareholders, the ACD and itself unless:

- (i) The Depositary has functionally and hierarchically separated the performance of its Depositary tasks from its other potentially conflicting tasks; and
- (ii) The potential conflicts of interest are properly managed, monitored and disclosed to the investors of the Funds.

### **Delegation of Safekeeping Functions:**

Under the terms of the Depositary Agreement the Depositary has the power to delegate its safekeeping functions.



As at the date of this Prospectus, the Depositary has entered into written agreements delegating the performance of its safekeeping function in respect of certain of the Funds' assets to the delegates. A list of Sub-custodians is given in Appendix 2. Investors should note that the list of Sub-custodians is updated only at each Prospectus review.

#### **Updated Information:**

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

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

The Depositary was appointed pursuant to an agreement between the Company, the ACD and the Depositary (the "**Depositary Agreement**").

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

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

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

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

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

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

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

The remuneration of the Depositary is set out in Section "Depositary's Remuneration and Expenses" of this Prospectus.

## **THE AUDITOR**

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

## **THE REGISTRAR**

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

## **THE FUND ACCOUNTANT**

The ACD has not delegated the role of the Fund Account for the Company. This role is maintained by the ACD at Evelyn Partners Fund Solutions Limited 177 Bothwell Street, Glasgow, G2 7ER 45 Gresham Street London EC2V 7BG.

## **INVESTMENT OBJECTIVE**

The investment objective of the Company is to grow the value of your investment (known as “capital growth”) in excess of the price return of MSCI ACWI Select Gold Miners IMI Index (the Target Benchmark) over a rolling 5 year period after the deduction of all fees.

Although the Company aims to deliver capital growth over a rolling 5 year period, there is no guarantee that this will be achieved over this time period, or any time period. The Company’s capital is at risk meaning that the Company could suffer a decrease in value and the value of your investment would decrease as a result.

## **INVESTMENT POLICY**

The Company will seek to achieve its objective of capital growth through investing at least 70% of the Company's total value in shares of companies that have direct underlying Gold and/or precious metals exposure, or through companies worldwide whose core business is involved in the mining, refining, production and marketing of Gold and/or precious metals.

The Company may also invest up to 30% in other transferable securities, approved money market instruments, government and public securities, deposits, cash and near cash.

The Company may obtain indirect exposure to any permitted investment through the purchase of a Collective Investment Scheme, Exchange Traded Fund or an Exchange Traded Commodity. Investment via these vehicles will be limited to 10% of the Company’s total value and may include those operated and/or managed by the ACD or the Investment Manager.

The Company’s investment universe is not limited to the Target Benchmark components. The Company’s performance may therefore differ significantly from the performance of the Target Benchmark.

The Investment Manager will include, as part of its overall investment process, Environmental, Social, and Governance (“ESG”) factors when considering whether or not to invest in or sell particular shares. The Investment Manager may not invest in a company that falls within the parameters of the Company’s Exclusion Policy as stated in Appendix 3. The Investment Manager emphasises company-specific positive selection criteria over broad-based negative screens in assessing a company’s exposure to ESG factors.

The Company may use derivatives for the purposes of reducing risk or cost or for generating extra income or growth (known as “efficient portfolio management”). As an example, the Company may use forward contracts for currency hedging with the intention of reducing the risk arising from currency exposures in a cost-effective way.

The Company is actively managed, meaning the Investment Manager will use their expertise to pick investments to seek to achieve the Fund’s objectives.

## **TARGET BENCHMARK**

The Company’s Target Benchmark (price return of MSCI ACWI Select Gold Miners IMI Index, Bloomberg ticker: MXWDS1MI, in GBP) has been selected as a suitable benchmark as it represents a basket of global mid to large-cap gold equities.

The ACD will include performance data of the previous target benchmark EMIX Global Mining Gold Index ) and the performance data of the current target benchmark MSCI ACWI Select Gold Index

(Bloomberg ticker: MXWDS1MI, in GBP) within the 'Past Performance' section of the Fund's Key Investor Information Document (KIID), which is available on the ACD's website – [www.evelyn.com](http://www.evelyn.com) - as well as Appendix 4, Historical Performance Data in the prospectus.

<https://www.msci.com/notice-and-disclaimer-for-reporting-licenses>

## **HISTORICAL PERFORMANCE**

### **Historical Performance**

For up to date historical performance, please refer to the current published KIID available on the ACDs website <https://www.evelyn.com>.

## **INDIVIDUAL SAVINGS ACCOUNTS ("ISAS") & JUNIOR INDIVIDUAL SAVINGS ACCOUNTS ("JISAS")**

In accordance with the Individual Savings Account Regulations 1998, as amended from time to time, Shares in the Company are eligible for investment through ISAs.

Shares in the Company are also eligible for investment through JISAs.

## **ALLOCATION OF INCOME**

The Company's annual accounting period ends on 31st August in each year, with an interim accounting period ending on 28th February (or 29th February on a leap year). References to the above dates and the dates of income allocation periods and of publication of the yearly and half yearly report of the Company should be read accordingly.

The annual income allocation in respect of Shares held on the preceding 31st August will be made on the 31st October. An interim income allocation in respect of Shares held on the preceding 28th February (or 29th February on a leap year) will be made on 30th April.

Holders of Accumulation Shares are not entitled to be paid the income attributable to such Shares but the income is automatically transferred to (and retained as part of) the capital assets of the Company on or before the last day of the relevant annual accounting period or interim accounting period. The price of such Shares continues to reflect this retention of the income entitlement.

## **HOW INCOME IS DETERMINED**

The income available for accumulation is determined in accordance with the FCA Rules. In general terms, the income comprises all the sums deemed by the Company, after consultation with the Auditors of the Company, to be income in nature and received or receivable by the Company in respect of the accounting period concerned, after deducting charges and expenses paid or payable out of such income and after making such adjustments in relation to taxation and other matters.

The Periodic Charges (see "CHARGES" below) will normally be paid out of the accumulated income of the Company and only paid out of capital property to the extent that such accumulated income is insufficient to pay such charges. Any deductions from the capital property of the Company may result in capital erosion or constrain capital growth.

In the case of the Accumulation Shares, the income available for allocation in respect of the relevant accounting period will be transferred from the income property of the Company to the capital property of the Company on or before the last day of the relevant accounting period. No distributions are made to Shareholders nor are additional Shares issued in lieu of distributions. The amount of income earned by the Company since the end of the last annual accounting period (or the end of the last interim accounting period if more recent is reflected in the price of the Accumulation Shares. The price of Shares therefore remains unchanged at the ex-accumulation date. Shareholders will nonetheless be

liable to United Kingdom taxation in the same manner, and to the same extent, as if the income accumulated for their benefit had instead been distributed to them.

## CHARACTERISTICS OF SHARES

### Classes of Shares

Currently the Company will only issue Net Accumulation Shares.

Any income (net of tax) arising in relation to an Accumulation Share will be determined and credited to capital as summarised above under the headings “HOW INCOME IS DETERMINED” and “ALLOCATION OF INCOME”.

### Minimum Initial Investment

In respect of shares in the Funds, the minimum value of shares which any one person may purchase initially and the levels of subsequent purchases are set out in below table. The ACD may at its discretion accept subscriptions for holdings at less than the minimum amounts set out below.

Share Class	Minimum initial subscription	Minimum subsequent investment
B Shares	£500	£50
I Shares	£100,000	£50
S Shares	£1,000,000	£50
Z Shares	AUD 1,000,000	AUD 0

### Types of Shares

#### Net Accumulation Shares

At the date hereof, there is a single type of Share in issue for the Company, namely Net Accumulation Shares, in respect of which income allocated thereto is credited periodically to capital pursuant to the FCA Rules net of any tax deducted or accounted for by the Company.

There are four share Classes in issue:

- B Net Accumulation Shares
- I Net Accumulation Shares (Performance Fee Applicable, please refer to the Performance Fee section for details)
- S Net Accumulation Shares and
- Z Net Accumulation Shares.

Class S Shares will be available to new applicants for at least one year after launch or until the total net assets of Class S Shares reaches £50,000,000. Once this level has been reached, existing investors of Class S Shares will be able to make subsequent investments into the Class S Shares for one more year or until the total net assets of the Company reaches £75,000,000.

Class Z Shares are available to eligible investors who have entered into a formal fees arrangement with the Investment Manager.

#### Title to Shares

The title to Shares is evidenced by entries on the Register of Shareholders. Certificates for Shares will not be issued.

## Prices of Shares

Shares in the Company are "single priced". This means that subject to the preliminary charge, redemption charge and any applicable dilution adjustment, the price of a Share for both buying and selling purposes will be the same and determined by reference to a particular Valuation Point.

## VOTING RIGHTS

The Company does not hold Annual General Meetings. The Company shall hold an Extraordinary General Meeting as is required. Certain changes to this Prospectus or the Instrument of Incorporation require the prior approval of a meeting of Shareholders, in accordance with the FCA Rules. When such approval is not required by the FCA Rules, the ACD may make changes to the Prospectus or the Instrument of Incorporation without the approval of Shareholders.

Where in the reasonable opinion of the ACD, it is either not possible or it is otherwise highly impractical to hold a physical meeting of Shareholders for legal or health and safety reasons, the ACD may opt to hold a meeting of Shareholders on a fully or semi-virtual basis. Where the ACD opts to hold a fully or semi-virtual meeting then physical attendance at such meeting may not be permitted.

Subject to COLL and the OEIC Regulations, where a meeting is held on a fully virtual basis, a Shareholder does not have a right to attend the meeting in person and may only vote in accordance with the means determined by the ACD for that meeting. The ACD will notify Shareholders of the means for voting in advance of the meeting.

In certain circumstances, the FCA Rules require that a resolution be passed as an extraordinary resolution, which is a resolution passed by a majority of not less than three-quarters of the votes validly cast (whether on a show of hands or on a poll) for and against the resolution. In other cases, a resolution may be passed by a simple majority of the votes validly cast for and against the resolution.

At any meeting of Shareholders a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before the declaration of the result of the show of hands) demanded by the Chairman, by the Depositary or by at least two Shareholders present in person or by proxy (or, in the case of a body corporate, by a duly authorised representative).

On a show of hands every Shareholder who (being an individual) is present in person or by proxy shall have one vote.

On a poll every Shareholder who is present in person or by proxy shall have one vote for every Share of which he is a holder.

The quorum at a meeting of Shareholders shall be two Shareholders present in person or by proxy (or, in the case of a body corporate, by a duly authorised representative), who were Shareholders on the date seven days before the date of the notice of the meeting (notice of which is to be served fourteen days, inclusive of the day on which the notice is deemed to be served, before the date of the meeting as stated in the notice), excluding from that total any Shares known to have redeemed before the time of the meeting.

A corporation being a Shareholder may authorise such person as it thinks fit to act as its representative at any meeting of Shareholders and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as the corporation could exercise if it were an individual Shareholder.

The ACD shall be entitled to receive notice of, and attend, any such meeting but shall not be entitled to vote or be counted in the quorum, therefore and accordingly, the Shares held or deemed to be held by the ACD shall not be regarded as being in issue.

Any associate of the ACD shall not be entitled to vote at any such meeting except in respect of Shares which he holds on behalf of a person who, if himself the registered holder, would be entitled to vote, and from whom he has received voting instructions.

In the case of joint Shareholders the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint Shareholders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Shareholders.

Any notice or document to be served on Shareholders in relation to their meeting or voting rights, will be sent by post to the address on the register.

## **VALUATION**

The property of the Company is valued daily at 12 noon on each Business Day in order to determine the single price at which Shares may be purchased from, or redeemed by, the ACD and created or cancelled by the Company.

The ACD reserves the right to revalue the property of the Company at its discretion.

An outline of the basis on which the property of the Company is valued is as follows:

- Transferable securities, money market instruments, collective investment schemes, exchange traded derivative contracts and other investments are valued at their quoted price or if the investment is one for which different prices are quoted according to whether it is being bought or sold then it will be valued at its mid-market price (including, in the case of dual-priced collective investment schemes, certain adjustments to take account of relevant initial and redemption charges).
- Any fiscal charges or commissions or other charges that have been paid or are payable on the acquisition or disposal of the investments above are excluded from their value.
- Cash is valued at its nominal value.
- Any other property of the Company will be valued at what, in the opinion of the ACD, represents a fair and reasonable mid-market price.
- Deductions are made for anticipated tax liabilities and for an estimated amount in respect of other liabilities payable out of the Company.
- Over-the-counter derivative contracts will be valued using a method agreed between the ACD and the Depositary.
- An amount is added in respect of estimated recoverable tax and any other amounts due to be paid into the Company.
- Currencies or values in currencies other than the base currency shall be converted at the relevant Valuation Point at a rate of exchange that is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders.

### **Fair Value Pricing Policy**

Where the ACD considers that no reliable price exists for a security at a Valuation Point or the most recent price available does not reflect the ACD's best estimate of the value of a security at the Valuation Point, the ACD may value an investment at a price that in its opinion reflects a fair and reasonable price for that investment (the fair value price). The circumstances which may prompt the ACD to apply fair value prices may include, but are not limited to, no recent transaction in the security concerned, the suspension of dealings in a collective investment scheme or the occurrence of a significant event since the most recent market closure or the Valuation Point at which one or more of the underlying funds or investments is valued.

The ACD may adjust values for individual securities, sectors, geographic areas or units in collective investment schemes. Adjustment for sectors, geographic areas or units in collective investment schemes will be based upon the percentage movement in a benchmark index or composite index or part thereof, one or more exchange traded funds or such other publicly available comparator which the ACD believes is correlated to part or the whole of the Company's value. The ACD will determine the threshold at which any adjustment will be applied.

## **CHARGES**

### **Preliminary Charge**

The ACD is permitted to make a preliminary charge on the sale or issue of Shares to an investor. The current rates of this charge are:

B Net Accumulation Shares 0%

I Net Accumulation Shares 0%

S Net Accumulation Shares 0%

Z Net Accumulation Shares 0%

The charge is calculated prior to the deduction of any Dilution Adjustment and is deducted from the investor's gross subscription before any Shares are purchased.

The preliminary charge does not form part of the property of the Company and no account is taken of the preliminary charge in calculating the NAV of the Company (whether for the calculation of the periodic charge or otherwise).

An investor who realises their Shares after a short period may not (even in the absence of a fall in the value of the property of the Company) realise the original amount invested. Therefore, the Shares should be viewed as a long term investment.

The ACD may not increase the preliminary charge unless it has given not less than 60 days' written notice to anyone who has made arrangements to purchase Shares from the ACD on a regular basis through a savings plan operated by the ACD and the ACD has revised this Prospectus to reflect the new charges.

### **Periodic Charges**

The ACD is permitted to make a periodic charge which shall be paid out of the property of the Company consisting of a fixed fee of £15,000 per annum, payable monthly in arrears plus for:

- B Net Accumulation Shares, a variable annual fee of 1% of the relevant proportion of the value of the scheme property;
- I Net Accumulation Shares, a variable annual fee of 0.75% of the relevant proportion of the value of the scheme property
- S Net Accumulation Shares a variable annual fee of 0.50% of the relevant proportion of the value of the scheme property
- Z Net Accumulation Shares a variable annual fee of 0% of the relevant proportion of the value of the scheme property

All the above will be calculated daily with reference to the previous business day's Net Asset Value and paid monthly in arrears

### **CHANGES TO PERIODIC CHARGES**

The ACD may not increase the current rate of the periodic charge unless it has: (a) given not less than 60 days' notice of such increase to all Shareholders and investors entered in plan registers maintained by the ACD for any individual savings account or group savings plan in which Shares are held; and (b) revised this Prospectus to reflect the new charges.

### **Dilution Adjustment**

The actual cost of purchasing, selling or switching assets and investments in the Funds may deviate from the mid-market value used in calculating its Share price, due to dealing charges, taxes, and any

spread between buying and selling prices of that Fund's underlying investments. These costs could have an adverse effect on the value of a Fund, known as "dilution". In order to mitigate the effect of dilution the Regulations allow the ACD to adjust the sale and purchase price of Shares in the Funds to take into account the possible effects of dilution. This practise is known as making a "dilution adjustment" or operating swinging single pricing. The power to make a dilution adjustment may only be exercised for the purpose of reducing dilution in the Funds.

In particular, dilution adjustment may be applied in the following circumstances:

- where the net creations or cancellation of Shares exceeds 2.00% of the Net Asset Value
- (excluding any dilution adjustment), on a Dealing Day (The ACD reserves the right to review the dilution adjustment threshold without prior notification, for the purpose of ensuring that the threshold does not have the effect of materially prejudicing existing shareholders.);
- to reflect the expanding or contracting trend of a Fund; or
- at any other time the ACD considers that the non-application of the dilution adjustment will materially affect the interests of Shareholders.

The ACD reserves the right to make a dilution adjustment every day. The dilution adjustment is calculated using the estimated dealing costs of a Fund's underlying investments and taking into consideration any dealing spreads, commission and transfer taxes. The price of each Class of Share in each Fund will be calculated separately but any dilution adjustment will in percentage terms affect the price of Shares of each Class identically.

Where a Fund is experiencing net acquisitions of its Shares the dilution adjustment would increase the price of Shares above their mid-market value. Where a Fund is experiencing net redemptions the dilution adjustment would decrease the price of Shares to below their mid-market value.

The dilution adjustment will be applied to the mid price for the Shares resulting in a figure calculated up to six decimal places. The final digit in this figure will then be rounded either up or down in accordance with standard mathematical principles resulting in the final price for the Shares.

Should a dilution adjustment be required, the ACD estimates that the estimated rate of dilution will typically fall in the range from 0.41% when buying to 0.40% when selling Shares.

In the event that a dilution adjustment is made it will be applied to all transactions in a Fund during the relevant measurement period and all transactions during the relevant measurement period will be dealt on the same price inclusive of the dilution adjustment.

The ACD's decision on whether or not to make this adjustment, and at what level this adjustment might be made in a particular case or generally, will not prevent it from making a different decision on future similar transactions.

On the occasions when a dilution adjustment is not applied if a Fund is experiencing net acquisitions of Shares or net redemptions there may be an adverse impact on the assets of that Fund attributable to each underlying Share, although the ACD does not consider this to be likely to be material in relation to the potential future growth in value of a Share.

The dilution adjustment for any one Fund, may vary over time because the dilution adjustment for each Fund will be calculated by reference to the costs of dealing in the underlying investments of that Fund, including any dealing spreads, and these can vary with market conditions.

It should be noted that as dilution is directly related to the inflows and outflows of monies from the Fund it is not possible to accurately predict whether or not dilution adjustment will occur at any particular future point in time, and how frequently the ACD will need to make such a dilution adjustment.

## **Redemption Charge**

The ACD will not make a charge for redemptions and cancellations of Shares.



## Performance Fee

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

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

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

For details of Fund NAV pricing, please refer to the Pricing section under Buying and selling of Shares in this Prospectus.

The Benchmark Index is measured using the price return of the MSCI ACWI Select Gold Index (Bloomberg ticker: MXWDS1MI, in GBP) The price return (displayed as a percentage) is the change in index price over the Performance Period, which reflects the capital appreciation of the index and does not include any income/dividends generated from the underlining asset of the index.

The Benchmark NAV is set as below:

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

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

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

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

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

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

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

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

Where Shares are cancelled during a Performance Period (this could happen when a Shareholder redeems Shares, for example), and at that Valuation Point the Share Price has outperformed the Benchmark NAV, any Performance Fee accrued and reflected in the price of those Shares will crystallise at the time of redemption but shall not be paid until the end of the Performance Period.

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

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

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

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

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

### Example Calculations

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

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

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

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

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

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

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

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

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

## **Expenses of the ACD**

The Company will also pay to the ACD out of the scheme property any expenses incurred by the ACD or its delegates of the kinds described below under "Other payments out of the property of the Company", including legal and professional expenses of the ACD and its delegates in relation to the proper performance of the ACD's duties under the ACD Agreement, or related to documents amending the ACD Agreement, all expenses incurred in preparing valuations of scheme property and publishing prices of Shares, all postage and communication costs incurred in the proper performance of duties under the ACD Agreement, and all expenses incurred in producing and distributing any Prospectus, including the Key Investor Information Document (KIID) and expenses of the ACD in buying or selling Shares (but excluding any commissions or similar payments as the Company is prohibited from making any such payments under the FCA Rules).

## **Fees of the Registrar & Transfer Agent**

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

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

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

subject to a minimum of £5,000.

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

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

## **Fees for the Fund Administration**

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

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

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

subject to a minimum of £13,000.

## **DEPOSITARY'S REMUNERATION AND EXPENSES**

The Depositary is entitled to receive for its own account from the Company a periodic fee which will be calculated daily with reference to the previous business day's Net Asset Value and paid monthly in arrears at the following rates:

On the first £50 million: 2.75 bps

On the next £50 million: 2.5 bps

Over £100 million: 2 bps

This is applied to the value of the property of the Fund, multiplied by the number of days in the period covered by the charge and divided by 365 (or 366 in the case of a leap year).

This is subject to a minimum annual payment of £7,500.

The amount or rate of any of the Depositary's fees and charges including those referred to above shall (unless otherwise stated) be determined by reference to the scale or tariff or such other basis from time to time agreed between the ACD and the Depositary, in accordance with the FCA Rules, and notified to the ACD by the Depositary. The current rate of such periodic fee must not be increased unless the ACD has: (a) given not less than 60 days' notice of such increase to all Shareholders and investors entered in plan registers maintained by the ACD for any individual savings account or group savings plan in which Shares are held; and (b) revised this Prospectus to reflect the new charges. The ACD will not delay the required notification and prospectus updates without cause.

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

On a winding up of the Company, the Depositary will be entitled to its pro rata fees, charges and expenses to the date of the commencement of the winding up and any additional expenses necessarily realised in settling or receiving any outstanding obligations. No compensation for loss of office is provided for in the Depositary Agreement.

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

## **OTHER PAYMENTS OUT OF THE PROPERTY OF THE COMPANY**

In accordance with the Regulations, the following payments may lawfully be made out of the property of the Company:

- (a) Broker's commission, fiscal charges and other disbursements which it is necessary to incur in effecting transactions for the Company and which are normally shown in contract notes, confirmation notes and difference accounts, as appropriate.
- (b) Interest on borrowings permitted under the FCA Rules and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings.
- (c) Taxation and duties payable in respect of the property of the Company or in respect of the issue of Shares, including stamp duties or other taxes or duties in relation to the transfer to the Company of assets acquired in exchange for the issue of Shares.
- (d) Any costs incurred in modifying the Instrument of Incorporation, including costs incurred in respect of meetings of Shareholders convened for purposes which include the modification of the Instrument of Incorporation where the modification is necessary to implement changes in the law, or necessary as a direct consequence of any change in the law, or expedient having regard to any change in the law made by, or under, any fiscal enactment and which the ACD and the Depositary agree is in the interests of Shareholders, or to remove obsolete provisions from the Instrument of Incorporation.
- (e) Any costs incurred in respect of meetings of Shareholders in the Company, including meetings convened on a requisition by Shareholders or by the ACD.
- (f) The audit fee of the Auditors of the Company and any proper expenses of such an Auditor.
- (g) The periodical fees of the FCA in respect of the Company as may be prescribed under the Financial Services and Markets Act 2000 (as amended), or any relevant Regulations made thereunder and any payments otherwise due by virtue of the FCA Rules or the corresponding fees of any regulatory authority in a country or territory outside the United Kingdom in which Shares are or may be marketed.
- (h) The Registrar's fees.
- (i) Any costs incurred by the Company in publishing the prices of Shares, including the costs of listing the prices of Shares in publications and information services selected by the ACD.
- (j) Any expenses incurred in relation to company secretarial duties, including all costs incurred in preparing accounts and producing and dispatching annual, half yearly and other reports of the Company.
- (k) Any costs incurred in producing and dispatching dividends or other payments of the Company.
- (l) Any fees, expenses or disbursements of any investment, legal or other professional adviser of the Company and those of the Company's sub-advisers.
- (m) Any costs incurred in taking out and maintaining an insurance policy in respect of the ACD and the Company.
- (n) All fees and expenses incurred in relation to the addition and initial organisation of any new Share classes, the listing of Shares on any stock exchange, any offer of Shares (including the preparation and printing of any Prospectus, including the Key Investor Information Document (KIID)) and the creation, conversion and cancellation of Shares.
- (o) Any value added or similar tax relating to any charge or expense set out above.

### **Allocation of Assets, Charges and Expenses to the Company**

All fees, duties, charges and expenses (other than any borne by the ACD) are charged to the Company. Investors should be aware that fees, duties, charges and expenses will normally be charged to the accumulated income of the Company, however if at the end of the annual accounting period there is a

negative balance, capital will be transferred to cover and bring the income account to zero, this may result in capital erosion or constrain capital growth of the Shares.

## **BUYING AND SELLING OF SHARES**

Requests for the purchase or redemption of Shares are dealt with by the issue or cancellation of such Shares by the Company.

Shares in any of the Funds may be bought or sold on any Dealing Day. Applications to buy, sell or switch Shares may be made by post or electronic means where available. Where the minimum investment levels allow, initial investments can only be made by sending a completed application form to the ACD's Transfer Agency Team at 177 Bothwell Street, Glasgow G2 7ER, or TADealing@Evelyn.com, having made a telegraphic transfer to the ACD's bank account. Application forms are available from the ACD. Previous dealt prices will be available. Currently, transfers of title to Shares may not be effected on the authority of an electronic communication to the ACD.

Orders received and accepted by the ACD by 12 noon (the "Valuation Point") on a Dealing Day will be dealt with at the price calculated on that day. Orders received and accepted after that time will be dealt at the price calculated on the next Dealing Day. The ACD may not accept an order unless the funds required to settle the order are available to the ACD at the time the order is received.

A contract note giving details of the transaction will be issued by the Business Day following the purchase or sale. Settlement will normally be made by bank transfer, within 3 Business Days of receipt of a renunciation form or other signed confirmation of redemption from the Shareholder that is acceptable to the ACD. Where such Shareholder document or information is incomplete, the ACD will hold the payment and notify the Shareholder till the ACD received all required information.

Payment of the subscription amount is made by bank transfer to the account details on the application form. Payment will be made in the Share Class currency and accompany the application for Shares. An order for the purchase of Shares will only be deemed to have been accepted by the ACD once it is in receipt of cleared funds for the application. The purchaser remains liable for any loss incurred by the ACD in the case of non-settlement.

The ACD is permitted to hold Shareholder money in certain circumstances and will usually only do so in order to effect redemptions of shares. To the extent that the ACD does hold Shareholder money, any such money will be held in a separate bank account in accordance with the FCA's Rules and no interest is paid on any such balances.

### **Minimum Value of Holdings**

The minimum initial investment for Shares in the Company is set out above in the section "Minimum Initial Investment". The minimum amount required for any subsequent investment is £50.

In the case of a partial sale, the minimum value of Shares which may be held in the Company is £500 and will be based on the last price calculated at the Valuation Point immediately before instructions were received. In the event that a Shareholder's holding of Shares is below the minimum value of holding of Shares required, the ACD may at its discretion redeem the remaining Shares held by the Shareholder. Redemption of holdings below the minimum value of holdings will occur at least once every six months and at the ACD's discretion may occur more frequently if the ACD believes it to be in the best interests of the Company and investors.

### **Suspension of Dealing**

The ACD may, with the prior agreement of the Depositary, or will, if the Depositary so requires at any time, temporarily suspend redemption of Shares in the Company, if the ACD, or the Depositary, is of the opinion that, due to exceptional circumstances, there is good and sufficient reason to do so having regard to the interests of the Shareholders. If the redemption of Shares is suspended, the obligations contained in Chapter 6 of the FCA Rules relating to the creation, cancellation, issue and redemption of Shares will cease to apply and the obligations relating to the valuation of Shares will be complied with only to the extent practicable in light of the suspension.

Appropriate notification of the suspension will be given to Shareholders as soon as practicable after a suspension commences. The ACD and the Depositary will review the suspension at least every 28 days and will inform the FCA of the results. The suspension will continue only for as long as it is justified having regard to the interests of the Shareholders.

During any suspension, a Shareholder may withdraw his redemption notice provided that such withdrawal is in writing and is received before determination of the suspension. Any notice not withdrawn will be dealt with on the Dealing Day next following the end of the suspension.

The first Valuation Point after the end of any such suspension period will be 12 noon on the Dealing Day next following the end of the suspension.

## **Pricing**

The ACD deals on a forward pricing basis. A forward price is the price calculated at the next Valuation Point after receipt of a request for a purchase or sale.

The price of a Share in the Company shall be calculated by taking the proportion of the net asset value of all Shares (by reference to the most recent valuation of the scheme property) and dividing it by the number of Shares in issue immediately before the relevant Valuation Point. The price will be expressed in pounds sterling and will be expressed to four significant figures.

## **Publication of Prices**

Shareholders can obtain the price of their shares on [www.trustnet.com](http://www.trustnet.com) or by telephoning 0141 222 1151.

## **Deferred Redemption**

The ACD may defer redemptions at a particular Valuation Point to the next Valuation Point where requested redemptions exceed 10% of the Company's value. Requests for redemption in these circumstances will be treated on a pro rata basis to ensure the consistent treatment of all Shareholders. At the next such Valuation Point all deals relating to an earlier Valuation Point will be completed before those relating to the later Valuation Point are considered.

## **In Specie Redemption**

If a Shareholder requests the redemption or cancellation of Shares, the ACD may at its sole discretion, if it considers the deal substantial in relation to the total size of the Company concerned, arrange for the Company to cancel the Shares and transfer 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 at its discretion agree an in specie redemption with a Shareholder whose selling Shares represent less than 5% in value of the Company.

Before the proceeds of cancellation of the Shares become payable, the ACD will give written notice to the Shareholder that relevant scheme property (or the proceeds of sale of that relevant scheme property) will be transferred to that Shareholder.

The ACD will select the property to be transferred (or sold) in consultation with the Depositary. 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. Any such redemption as set out above may be subject to a retention by the Company from that property (or proceeds), for the value (or amount) of any Stamp Duty Reserve Tax to be paid on the cancellation of Shares and any relevant transaction costs.

## **In Specie Creation**

If a Shareholder requests an in specie creation, the ACD may at its sole discretion, if it considers the deal significant in relation to the total size of the Fund concerned, arrange for the Fund to create Shares and transfer the property of the Shareholder to the Fund in exchange for Shares in the Fund. A deal

involving Shares representing 20% or more in value of the Fund will normally be considered significant, although the ACD may at its discretion agree an in specie creation with a Shareholder whose buying Shares represent less than 20% in value of the Fund concerned.

The ACD will agree the property to be transferred in consultation with the Depositary. They must ensure that the agreed receiving property is made with a view to attributing no greater advantage or disadvantage to the purchasing Shareholder than to continuing Shareholders and that the incoming property conforms with the Fund objective and does not breach any investment and borrowing power rules.

### **Compulsory Redemption**

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

- (i) constitute a breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or
- (ii) may (or may if other Shares are acquired or held in like circumstances) result in the Company incurring any liability to taxation or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory)

it may give notice to the holder of such Shares requiring him or her to transfer them to a person who is qualified or entitled to own them, or to request the redemption of the Shares by the Company. If the holder does not either transfer the Shares to a qualified person or establish to the ACD's satisfaction that he or she and any person on whose behalf he or she holds the Shares are qualified and entitled to hold and own them, he or she will be deemed on the expiry of a thirty-day period to have requested their redemption.

### **Compulsory conversions by the ACD**

The ACD may compulsorily convert shares held by any shareholder from one class of shares to another class of shares, provided that any such conversion will not result in any detriment to the shareholders concerned and is considered by the ACD to be in the best interests of shareholders. The ACD will provide shareholders with 60 days' prior notice of such conversion

## **GENERAL INFORMATION**

### **Reports and Accounts**

The annual accounting period of the Company ends on 31st August.

The Annual Report of the Company will be published on or before the end of December and the half-yearly long report on or before the end of April in each year. Copies of the annual long report and half-yearly long report may be inspected at, and copies obtained free of charge from the ACD at its operating address.

### **Availability of Documents**

Copies of the latest version of the Prospectus and any Key Investor Information Document (KIID), the Instrument of Incorporation of the Company, any amending instrument and the most recent annual and half-yearly reports may be inspected and obtained free of charge during normal office hours from the ACD at:

Evelyn Partners Fund Solutions Limited  
45 Gresham Street,  
London,  
EC2V 7B



## **Register of Shareholders**

The Register of Shareholders of the Company can be inspected during normal office hours at the Registrar's address, being:

Transfer Agency Team  
177 Bothwell Street,  
Glasgow,  
G2 7ER

Any notice or document required to be sent to a Shareholder will be forwarded by post to the address held on the Share register.

## **Genuine Diversity of Ownership**

Shares in the Funds are and will continue to be widely available. The intended categories of investors are retail investors who should seek independent financial advice before investing in a Fund. S Shares will be available for seed investors.

Shares in the Funds are and will continue to be marketed and made available sufficiently widely to reach the intended investors.

## **UNITED KINGDOM TAXATION**

The taxation of income and capital gains of both the Company and Shareholders is subject to the fiscal law and practice of the UK and of the jurisdictions in which Shareholders are resident or otherwise subject to tax. The following summary of the anticipated tax treatment in the UK does not constitute legal or tax advice and applies only to persons holding Shares as an investment. It is not a guarantee to any investor of the tax results of investing in the Company, and prospective investors should be aware that the relevant fiscal rules and practice or their interpretation may change.

Prospective investors should consult their own professional advisers as to the tax implications of making an investment in, holding, exchanging or disposing of Shares and the receipt of distributions with respect to such Shares under the laws of the jurisdictions in which they may be liable to taxation.

### **The Company**

As the Company is an open-ended investment company, to which The Authorised Investment Funds (Tax) Regulations 2006 apply, the Company will not be subject to UK taxation on capital gains arising on the disposal of investments held by it.

Subject to certain exclusions and anti-avoidance rules, the Company will not be subject to tax on dividends and similar distributions received from other companies (including distributions received from non-UK companies). The Company will be subject to corporation tax currently at 20% on other types of income after deducting allowable expenses. Where the Company suffers foreign tax on income received, this may normally be deducted from the UK tax due on that income.

Regulations adopted in 2009 allow open-ended investment companies such as the Company to elect to become "Tax Elected Funds" ("TEF"), subject to certain exclusions with effect from 1 September 2009. The effect of such an election would mean that the Company would not pay tax on its investment income and the point of taxation on such income would shift to the Shareholders in the Company. The ACD reserves the right to elect as a "TEF" in respect of the Company.

### **UK Shareholders**

#### **Income Tax**

Currently, only Net Accumulation Shares are available in the Company. On the specified allocation dates each Shareholder will become entitled to an allocation of accumulated income, but no distributions of accumulated income will be made. For the purposes of UK taxation, income that is accumulated is treated as if it had been distributed to the Shareholders holding the relevant Accumulation Shares. The accumulation is treated as dividend income for UK tax purposes.

A tax voucher will be distributed annually to each Shareholder which will show the amount of income to which they are entitled, the nature of the accumulations and related tax credits. Notes printed on the tax voucher indicate how the amount should be reflected in the Shareholder's tax return.

## **Dividends**

Dividend distributions to UK resident individual Shareholders will be charged at the rates below on amounts received above a threshold set in each tax year. The threshold for the 2022/2023/2023/2024 tax year is £2000 1000 and the amount paid will depend upon the individual's tax paying band. For the tax year 2022/2023/2023/2024 these are as follow:

- (a) basic rate taxpayers: 7.58.75%
- (b) higher rate taxpayers: 32.533.75%
- (c) additional rate taxpayers: 38.139.35%

## **Corporation Tax**

### **Dividends**

Dividend accumulations made on behalf of Shareholders within the charge to UK corporation tax are not subject to UK withholding tax. Such dividend accumulations may be split into two parts, namely a franked and an unfranked part. In general terms, the franked part will correspond to that part of the accumulation as derives from franked investment income and the unfranked part will correspond to that part of the accumulation as derives from other income. In the hands of a UK corporate Shareholder the franked part will be treated as a distribution from a UK company and the Shareholder will, as a consequence, have no additional tax to pay in respect of it. The unfranked part will be treated as an annual payment treated as paid after deduction of tax at the lower rate (currently 20%) and corporate Shareholders may accordingly have additional tax to pay in respect of that part of the accumulation, subject to credit for the tax deemed deducted. The percentages to be used to calculate the allocation between franked investment income and unfranked income received will be set out on the tax voucher.

The corporate streaming rules also limit the maximum amount of income tax that may be reclaimed from HM Revenue & Customs on the unfranked stream. The maximum amount reclaimable by a corporate Shareholder is the corporate Shareholder's portion of the Company's net liability to corporation tax in respect of gross income. The tax voucher will state the Company's net liability to corporation tax in respect of the gross income.

## **Non-Taxpayers**

### **Charities**

Charities are no longer able to reclaim a portion of the tax credit in respect of accumulations made.

### **ISAs/JISAs**

The tax credit on dividend accumulations is no longer repayable to ISA/JISA holders.

### **Individuals**

Individual non-taxpayers cannot reclaim the tax credit on dividend accumulations.

### **Pension Funds**

Pension funds cannot reclaim the tax credit on dividend accumulations.

### **Non-UK Resident Shareholders**

Shareholders who are not resident in the UK will generally not be entitled to a repayment of any part of any tax credit on the dividend accumulation, although it will normally satisfy their UK tax liability on that income. Shareholders may be subject to taxation in their country of residence.

### **Capital Gains Tax**

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

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

### **Income Equalisation**

Income equalisation is not operated by the Company.

## **WINDING-UP OF THE COMPANY**

The Company is to be wound-up:

- (i) if an extraordinary resolution of Shareholders is passed to wind-up the Company; or
- (ii) 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, albeit that such agreement is subject to there being no material change in any relevant factor prior to the date of the revocation;  
or

The Company may only be wound-up under the FCA Rules if the Company is solvent and there is no vacancy in the position of the ACD. If the Company is insolvent, or there is such a vacancy, the Company may only be wound-up under Part V of the Insolvency Act 1986 as an unregistered company.

On a winding-up (other than in accordance with an approved scheme of amalgamation or reconstruction) the ACD is required as soon as practicable after the time the Company falls to be wound-up, to realise the property of the Company and pay the liabilities of the Company out of the proceeds.

After making adequate provision for the expenses of the winding-up and the discharge of the liabilities of the Company remaining to be discharged, the ACD may arrange for the Depositary to make one or more interim distributions, and then a final distribution of the proceeds of the realisation of the Company's property to Shareholders, proportionately to the right to participate in the scheme property attached to their respective Shares.

If the Company is to be wound-up in accordance with an approved scheme of amalgamation or reconstruction, the ACD is required to wind-up the Company in accordance with a resolution of holders approving such scheme.

Where the Company and one or more Shareholders (other than the ACD) agree, the requirement to realise the property of the Company shall not apply to that part of the property which is proportionate to the right of that or those Shareholders, and the ACD may distribute that part in the form of property, after making such adjustments or retaining such provision as appears to the ACD appropriate for ensuring that that or those Shareholders bear a proportionate share of the liabilities and expenses.

If any sum of money is unclaimed or stands to the account of the Company at the date of its dissolution, the ACD shall arrange for the Depositary to pay such sum into court within one month after that date in accordance with the OEIC Regulations.

## ADDITIONAL INFORMATION

### Risk

#### General Risks

Investors should be aware that there are risks inherent in the holding of securities and other investments and in particular should be aware of the following:

1. Investments in smaller companies generally carry greater risk than is customarily associated with larger companies, which may include, for example, less public information, more limited financial resources and product lines, greater volatility, higher risk of failure than larger companies. The Company's ability to make and to liquidate investments in smaller companies may, from time to time, also be restricted by the liquidity of the market for the smaller company securities in which the Company is invested.
2. The Company may invest in a relatively small number of securities. This potential concentration means that a loss arising in a single investment may cause a proportionately greater loss in the Company than if a larger number of investments were made.
3. Past performance of the Company is not a reliable indicator of future results. The value of Shares, and any income from them, can go down as well as up, particularly in the short term, meaning that an investment may not be returned in full.
4. The tax treatment of the Company may change and such changes cannot be foreseen. The tax treatment of a Shareholder depends on the individual circumstances of that Shareholder and may be subject to change in future.
5. Where regular investments are made with the intention of achieving a specific capital sum in the future, this will normally be subject to maintaining a specified level of investment.
6. The Company is intended to be a medium to long-term investment. In the short-term, any preliminary charge can have a higher impact on the overall value of investments in the Company. Details of this charge can be found in the section entitled 'PRELIMINARY CHARGE'.
7. There can be no assurance that the Company will achieve its investment objective. Past performance of the Investment Manager cannot be construed as an indication of the future results of an investment in the Company.
8. The levels of income generated by the Company will fluctuate and are not guaranteed.
9. In addition, the values, in Pounds Sterling terms, of investments that are not denominated in pounds sterling may rise and fall purely on account of exchange rate fluctuations, which will have a related effect on the price of Shares.
10. In certain circumstances, investors' right to sell or redeem Shares may be temporarily suspended, as per the section entitled 'SUSPENSION OF DEALING'.
11. Investors may be subject to a Dilution Adjustment charge when redeeming Shares subject to the details set out in the section entitled 'DILUTION ADJUSTMENT'.
12. Where charges are not paid out of Income this will result in erosion of capital.
13. The level of income generated by the fund is not guaranteed. Where income earned is insufficient to cover charges and expenses, the balance will be charged to capital, which may constrain capital growth.
14. Equities are securities that represent an ownership interest in an issuer. Equities can lose value rapidly, and typically involve higher (often significantly higher) market risks than bonds, money market instruments or other debt instruments. Fluctuation in value may occur in response to

activities of individual companies, the general market, economic conditions, or changes in currency exchange rates.

15. Equities may be purchased in the primary or secondary market. Purchases in the primary market through initial public offerings may involve higher risks due to various factors including limited numbers of available shares, unfavourable trading conditions, lack of investor knowledge, and lack of operating history of the issuing company.
16. The Company's investments may be subject to liquidity constraints, which means that the investments may trade infrequently and in small volumes, or that a particular instrument is difficult to buy or sell. Normally liquid investments may also be subject to periods of disruption in difficult market conditions. As a result, changes in the value of investments may be unpredictable and, in certain circumstances, it may be difficult to deal an investment at the latest market price quoted or at a value considered by the ACD to be fair.

17. **Credit and Fixed Interest Securities Risk**

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

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

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

18. **Default Risk**

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

**19. Over the counter (OTC) Derivatives risk**

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

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

**20. Derivatives Risk**

The Company permits the use of derivatives for investment purposes by the Company.

The Company may invest in derivatives for the purposes of hedging and in accordance with the principles of Efficient Portfolio Management.

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

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

- (a) because of the effect of gearing, relatively small market movements can result in disproportionately high levels of loss;
- (b) off exchange transactions can carry higher levels of risk due to lack of liquidity, difficulty in valuing the investment and determining a fair price;
- (c) The Company can be exposed to counterparty risk through counterparty default or insolvency. The use of one or more separate counterparties will be made to undertake derivative transactions on behalf of the Company. The Company may be required to pledge or transfer collateral paid from within the assets of the Company to secure such contracts entered into including in relation to derivatives. There may be a risk that a counterparty will wholly or partially fail to honour their contractual arrangements under the arrangement with regards the return of collateral and any other payments due to the Company;
- (d) the ACD and Investment Manager measures the creditworthiness of counterparties as part of the risk management process. The counterparties of these transactions will be highly rated financial institutions specialising in these types of transactions and approved by the Investment Manager.
- (e) The Company's ability to settle derivative contracts on maturity may be affected by the level of liquidity in the underlying asset;
- (f) in adverse situations, the Company's use of derivatives may become ineffective in hedging or EPM and the Company may suffer significant loss as a result.

For an explanation of the Company's permitted derivatives investment strategy please refer to Appendix 1.

The investment policy in relation to derivatives of the Company is set out in the Investment Objective & Policy section of this prospectus document.

**21. Investment in Collective Investment Schemes Risk.**

The Company may make investments in collective investment schemes in accordance with the investment restrictions set out in Appendix 3. 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. Investee collective investment schemes may be subject to different regulations in the jurisdiction of their establishment, which may expose investors to a higher degree of risks.

**22. Interest Rate Risk**

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

**23. Volatility Risk**

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

**24. ESG Investing Risk**

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

## **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. A copy of the ACD's complaints handling policy is available upon request

A Shareholder may also have the right to complain directly to the Financial Ombudsman Service at Exchange Tower, Harbour Exchange Square, London E14 9SR. More details about the Financial Ombudsman Service are available from the ACD.

## **Money Laundering Procedures**

In order to comply with UK anti-money laundering legislation, all investors in the Company will be subject to full anti-money laundering procedures prior to account opening. All customers will be required

to provide suitable identification with their application form. If proof of identity is required, neither the ACD nor the Company can issue or sell Shares, remit cancellation or redemption proceeds or switch Shares until appropriate proof has been received. More details are available on request.

## **Financial Services Compensation Scheme**

Rights to compensation for Shareholders in the Company are those outlined in the Compensation Sourcebook issued by the FCA as part of its Handbook of rules and guidance. A statement of the rights to compensation for Shareholders is available from the ACD upon request. Alternatively, you can visit the scheme's website at [www.fscs.org.uk](http://www.fscs.org.uk) or by writing to the Financial Services Compensation Scheme, 10th Floor, Beaufort House, 15 St Botolph Street, London EC3A 7QU.

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

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

## **Conflicts of Interest**

- (i) The FCA Rules contain provisions on conflict of interest governing any transaction concerning the Company which is carried out by or with any "affected person", which means the Company, an associate of the Company, the ACD, an associate of the ACD, the Depositary, an associate of the Depositary, the Investment Manager, an associate of the Investment Manager and the Auditor.
- (ii) These provisions, among other things, enable an affected person (a) to deal in property to, or with, the Company (or the Depositary for the account of the Company); (b) vest property (other than cash) in the Company or the Depositary for the Account of the Company against the issue of Shares in the Company; or (c) acquire property from the Company (or the Depositary acting for the account of the Company), provided that any such transactions with or for the Company are subject to best execution on exchange, or independent valuation or arm's length requirements as set out in the FCA Rules. An affected person carrying out such transaction is not liable to account to the Depositary, the ACD, any other affected person, or to the holders of Shares or any of them for any benefits or profits thereby made or derived.
- (iii) These provisions also enable an affected person to enter into a stocklending transaction with or in relation to the Company, provided the transaction is at least as favourable to the Company as any comparable arrangement on normal commercial terms negotiated at arm's length between the affected person and an independent party. An affected person carrying out such transaction is not liable to account to the Depositary, the ACD, any other affected person, or to the holders of Shares or any of them for any benefits or profits thereby made or derived.
- (iv) In addition to the foregoing, conflicts of interest of the Investment Manager or its associates may also arise because, for example:
  - the Investment Manager or an associate undertakes investment business for other clients, which may invest in some of the same securities that are purchased or held by the Company.

Where conflicts of interest arise, the Investment Manager and/or its associates will ensure fair treatment of the Company in accordance with FCA Regulations, including by one or more of the following:



- relying on its conflicts of interest policy;
- disclosing the general nature and/or sources of conflicts of interest to the ACD;
- establishing internal arrangements (including the implementation of Chinese walls and the use of an investment committee to approve all investment decisions);
- declining to act.

## **Remuneration Policy**

The ACD has put in place a remuneration policy (the “Remuneration Policy”) that is in accordance with the requirements of SYSC 19 E of the FCA. The Remuneration Policy is designed to ensure that the ACD’s remuneration practices are consistent with and promote sound and effective risk management, do not encourage risk taking and are consistent with the risk profile of the Funds. The ACD considers the Remuneration Policy to be appropriate to the size, internal operations, nature scale and complexity of the Funds and in line with the risk profile, risk appetite and the strategy of the Funds.

The matters covered by the Remuneration Policy include:

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

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

In respect of any investment management delegates, the ACD requires that:

- (i) the entities to which such activities have been delegated are subject to regulatory requirements on remuneration that are equally as effective as those applicable under SYSC 19E of the FCA Rules; or
- (ii) appropriate contractual arrangements are put in place with entities to which such activities have been delegated in order to ensure that there is no circumvention of the remuneration rules set out in the FCA Handbook.

## **Further Information**

Shareholders are entitled to information supplementary to this Prospectus relating to:

- (i) the quantitative limits applying to the risk management of the scheme;
- (ii) the methods used in relation to (i) above; and
- (iii) any recent development of the risk and yields of the main categories of investment.
- (iv) copies of contracts of service between the ICVC and its directors, including the ACD.

Shareholders may obtain this information on request by writing to the ACD at its head office.



## **APPENDIX 1 – INVESTMENT LIMITS, BORROWING POWERS & EFFICIENT PORTFOLIO MANAGEMENT**

### **Investment Restrictions**

The property of the Company will be invested with the aim of achieving the investment objective and policy but subject to the limits on investment applicable to a UCITS scheme as set out in the FCA Rules. These limits apply to the Company as summarised below:

### **General**

(A) The scheme property of the Company must, except where otherwise provided in section 5.2 of the FCA Rules, consist only of any or all of:

- (i) transferable securities that fall within paragraph (P) but do not fall within paragraph (S);
- (ii) approved money market instruments within paragraph (H) or (I) below;
- (iii) derivatives and forward transactions within paragraph (J) below; and
- (iv) deposits within paragraph (O) below.

The Company will not invest in immovable or movable property.

(B) The Company will only hold transferable securities and approved money market instruments that are:

- (i) admitted to or dealt in on an eligible market which falls within paragraph (C)(i)(a) or (c) below;
- (ii) dealt in on an eligible market which falls within paragraph (C)(i)(b) below; or
- (iii) any other approved money market instruments not admitted to or dealt in on an eligible market within paragraph (I) below; or
- (iv) recently issued transferable securities provided that the terms of issue include an undertaking that application will be made to be admitted to an eligible market and such admission is secured within a year of issue.

However, the Company may invest no more than 10% of the scheme property in transferable securities and approved money market instruments other than those referred to in paragraph (B)(i) to (iv) above.

Rule 5.2.11R (Spread: general) and Rule 5.2.12R of the FCA Rules (Spread: government and public securities) do not apply until the expiry of a period of six months after the date of effect of the authorisation order of the Company (or on which the initial offer for sale of shares in the Company commenced, if later), provided that FCA Rule 5.2.3R(1) (Prudent spread of risk) is complied with during such period.

At times it is appropriate not to be fully invested. The Company may hold cash or near cash (as defined for the purposes of the FCA Rules) to the extent this may reasonably be regarded as necessary:

1. to enable the pursuit of the Company's investment objectives;
2. to enable shares to be redeemed;
3. for the efficient management of the Company in accordance with its investment objectives; or
4. for other purposes which may reasonably be regarded as ancillary to the investment objectives of the Company.

## Eligible Markets

(C) To protect investors, markets on which certain investments of the Company are admitted to or dealt in on must be of an adequate quality ("eligible") at the time of acquisition of the investment and until it is sold. If a market ceases to be eligible, investments on that market cease to fall within Paragraphs (B)(i) or (ii) and the 10% restriction will apply to them.

An eligible market is:

- (a) a regulated market; or
- (b) any market established in a European Union member state or any other state within the European Economic Area which is regulated, operates regularly and is open to the public.
- (c) any other market in the list below.
  - Australian Securities Exchange;
  - Hong Kong Stock Exchange;
  - New York Stock Exchange;
  - Toronto Stock Exchange.

A market may be added to the list (by appearing in a supplement to, or an updated version of this Prospectus) if the ACD, after consultation with the Depositary, considers the market is appropriate for the investment of, or dealing in, the property of the Company, 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.

However, a market will not be considered appropriate unless it:

- (a) is regulated;
- (b) operates regularly;
- (c) is recognised;
- (d) is open to the public;
- (e) is adequately liquid; and
- (f) has adequate arrangements for unimpeded transmission of income and capital to or to the order of investors.

## Spread of investments

(D) Other than in relation to holdings in government and public securities:

- (i) No more than 20% in value of the Company may consist of deposits with a single body as defined in Rule 5.2.13R(3) of the FCA Rules.
- (ii) No more than 5% in value may consist of transferable securities or approved money market instruments issued by any single body.
- (iii) The limit of 5% in paragraph (D)(ii) is raised to 10% in respect of up to 40% in value of the Company. Covered bonds need not be taken into account for the purpose of applying the limit of 40%.

- (iv) The limit of 5% in paragraph (D)(ii) is raised to 25% in value of the Company in respect of covered bonds, provided that when the Company invests more than 5% in covered bonds issued by a single body, the total value of covered bonds held must not exceed 80% in value of the Company.
- (v) For the purposes of paragraphs (D)(ii) and (D)(iii), certificates representing certain securities are to be treated as equivalent to the underlying security.
- (vi) The exposure of the Company to any one counterparty in an OTC derivative transaction must not exceed 5% in value of the Company (or 10% if the counterparty is an approved bank).
- (vii) No more than 20% in value of the Company may consist of transferable securities and approved money market instruments issued by the same group.
- (viii) No more than 20% in value of the Company may consist of the units of any single collective investment scheme.
- (ix) In applying the limits in paragraphs (D)(i), (D)(ii), (D)(iii), (D)(v) and (D)(vi) and subject to paragraph (D)(iv), no more than 20% in value of the Company may consist of any combination of two or more of the following:
  - (a) transferable securities (including covered bonds) or approved money market instruments issued by;
  - (b) deposits made with; or
  - (c) exposures from OTC derivatives transactions made with a single body.
- (x) In applying this 20% limit, government and public securities issued by that body shall be taken into account.

For purposes of this paragraph, companies included in the same group for the purposes of consolidated accounts as defined in accordance with the Seventh Company Law Directive (83/349/EEC) or, in the same group in accordance with international accounting standards, are regarded as a single body.

### **Government and Public Securities**

- (E) In relation to holdings in government and public securities, no more than 35% in value of the Company may be invested in government and public securities issued by any one body.

### **Collective Investment Schemes**

- (F) The Company does not intend to invest in units in collective investment schemes.

### **Partly paid securities**

- (G) The Company may only acquire a transferable security or money market instrument on which any sum is unpaid if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Company, at the time when payment is required, without contravening the investment restrictions and rules described in this section of this Prospectus and the FCA Rules.

### **Approved money market instruments**

- (H) An approved money market instrument is a money market instrument which is normally dealt in on the money market, is liquid and whose value can be accurately determined at any time. For these purposes:
  - (i) a money market instrument shall be regarded as normally dealt in on the money market if it:

- (a) has a maturity at issuance of up to and including 397 days;
  - (b) has a residual maturity of up to and including 397 days;
  - (c) undergoes regular yield adjustments in line with money market conditions at least every 397 days; or
  - (d) has a risk profile, including credit and interest rate risks, corresponding to that of an instrument which has a maturity as set out in paragraph (H)(i)(a) or (b) or is subject to yield adjustments as set out in paragraph (H)(i)(c).
- (i) a money market instrument shall be regarded as liquid if it can be sold at limited cost in an adequately short time frame, taking into account the obligation of the ACD to redeem units at the request of any qualifying unitholder; and
  - (ii) a money market instrument shall be regarded as having a value which can be accurately determined at any time if accurate and reliable valuations systems, which fulfil the following criteria, are available:
    - (a) enabling the ACD to calculate a net asset value in accordance with the value at which the instrument held in the portfolio could be exchanged between knowledgeable willing parties in an arm's length transaction; and
    - (b) based either on market data or on valuation models including systems based on amortised costs.

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

- (l) The Company may invest in an approved money market instrument that is not admitted to or dealt in on an eligible market provided it fulfils the following requirements:
  - (i) the issue or the issuer is regulated for the purpose of protecting investors and savings; and
  - (ii) the instrument is:
    - (a) issued or guaranteed by a central authority of the UK, 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 an EEA State of the UK, the European Central Bank or a central bank of an EEA State, the Bank of England the European Union or the European Investment Bank, a non-EEA State or, in the case of a federal state, by one of the members making up the federation, or a public international body to which one or more EEA States of the UK
    - (b) belong; or
    - (c) issued by a body, any securities of which are dealt in on an eligible market; or
    - (d) issued or guaranteed by an establishment which is:
      1. subject to prudential supervision in accordance with criteria defined by UK law; or
      2. subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by UK law. An establishment

shall be considered to satisfy this requirement if it is subject to and complies with prudential rules, and fulfils one or more of the following criteria: it is located in the UK, in the European Economic Area, it is located in an OECD country belonging to the Group of Ten, it has at least investment grade rating, or on the basis of an in-depth analysis of the issuer, it can be demonstrated that the prudential rules applicable to that issuer are at least as stringent as those laid down by UK law.

## Derivatives and Forwards

- (J) The Company may use its property to enter into transactions in transferable securities that contain an embedded derivative component for the purposes of efficient portfolio management (EPM) (including hedging) within (AA) below or meeting the investment objectives of the Company, or both. The Company does not currently intend to invest directly in derivatives. An investment in a transferable security that contains an embedded derivative component for the purposes of hedging may reduce the risk profile of the scheme by diminishing the risk of the fluctuation that is being hedged against (e.g. price or currency). An investment in a transferable security that contains an embedded derivative component for the purposes of meeting the investment objectives of the Company may increase the risk profile of the scheme.

Where a transferable security or approved money-market instrument embeds a derivative, this must be taken into account for the purposes of complying with the FCA Rules, including those summarised in paragraphs (J) through (N).

- (i) The FCA Rules further require that a transaction in derivatives or a forward transaction must not be effected for the Company unless:

- (a) the transaction is of a kind specified in paragraph (J)(ii) and (iii); and
- (b) the transaction is covered, as required by paragraph (U).

Furthermore, the exposure of the Company when it invests in derivatives to the underlying assets must not exceed the limits in paragraphs (D) and (E), unless the derivative in question is an index based derivative for which the relevant index satisfies the following three criteria:

1. the composition is sufficiently diversified in that its components adhere to the spread and concentration requirements in section 5.2 of the FCA Rules;
2. the index represents an adequate benchmark for the market to which it refers in that its provider uses a recognised methodology which generally does not result in the exclusion of a major issuer of the market to which it refers; and
3. the index is published in an appropriate manner.

- (ii) Any transaction by the Company in a derivative must:

- (a) be in a derivative which is traded or dealt in on an eligible derivatives market;  
or
- (b) comply with paragraph (N).

- (iii) Furthermore, any transaction in a derivative by the Company:

- (a) must have the underlying assets consisting of any or all of the following to which the Company is dedicated:
  1. transferable securities permitted under paragraph (B)(i), (B)(ii) or (B)(iv);

2. approved money market instruments permitted under paragraph (B)(i) to (iv);
  3. deposits permitted under paragraph (O);
  4. derivatives permitted under paragraph (J)(ii) and (iii);
  5. collective investment scheme units permitted under paragraph (F);
  6. financial indices which satisfy the criteria set out in paragraph (J)(v);
  7. interest rates;
  8. foreign exchange rates; and
  9. currencies;
- (b) (unless it falls within paragraph (N) below) must be effected on or under the rules of an eligible derivatives market.
- (c) must not cause the Company to diverge from the investment objectives as stated in the Instrument of Incorporation or this Prospectus.
- (d) must not be entered into by the Company if the intended effect is to create the potential for an uncovered sale of one or more transferable securities, approved money market instruments, units in collective investment schemes, or derivatives, provided that a sale is not to be considered uncovered if the conditions in paragraph (M)(i) or (M)(ii) are satisfied.
- (iv) An eligible derivatives market is:
- (a) a regulated market,
  - (b) a market established in the UK, in a European Union member state or any other state within the European Economic Area which is regulated, operate regularly and are open to the public.

A market may be added to the list (by appearing in a supplement to, or an updated version of this Prospectus) if the ACD, after consultation with the Depositary, considers the market is appropriate for the investment of, or dealing in, the property of the Company, 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.

However, a market will not be considered appropriate unless it:

- (a) is regulated;
- (b) operates regularly;
- (c) is recognised;
- (d) is open to the public;
- (e) is adequately liquid; and
- (f) has adequate arrangements for unimpeded transmission of income and capital to or to the order of investors.



- (v) The financial indices referred to in (J)(iii)(a)(6) are those which satisfy the following criteria:
  - (a) the index is sufficiently diversified, in that (1) it is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index, (2) where it is composed of assets in which a UCITS scheme is permitted to invest, its composition is at least diversified in accordance with the requirements with respect to spread and concentration set out in this section and (3) where it is composed of assets in which a UCITS scheme cannot invest, it is diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration set out in this section;
  - (b) the index represents an adequate benchmark for the market to which it refers, in that (a) it measures the performance of a representative group of underlyings in a relevant and appropriate way, (b) it is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers, following criteria which are publicly available and (c) the underlyings are sufficiently liquid, allowing users to replicate it if necessary; and
  - (c) the index is published in an appropriate manner, in that (a) its publication process relies on sound procedures to collect prices, and calculate and subsequently publish the index value, including pricing procedures for components where a market price is not available; and (b) material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.

(K) Any forward transaction by the Company may only be with an eligible institution or approved bank.

(L) A derivative or forward transaction (which is permitted under paragraphs (J) and (K) which will or could lead to the delivery of property for the account of the Company may be entered into only if that property can be held by the Company and the ACD, having taken reasonable care, determines that delivery of the property under the transaction will not occur or will not lead to a breach of the FCA Rules.

(M) The Company may not dispose of property or rights unless the obligation to make the disposal and any other similar obligation could immediately be honoured by delivery of property or the assignment (or, in Scotland, assignation) of rights; and the property and rights are owned by the Company at the time of the agreement. However this restriction does not apply to a deposit or where:

- (i) 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
- (ii) 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: (a) cash; (b) liquid debt instruments (e.g. government bonds of first credit rating) with appropriate safeguards (in particular, haircuts); or (c) other highly liquid assets having regard to their correlation with the underlying of the financial derivative instruments, subject to appropriate safeguards (e.g. haircuts where relevant). For these purposes, an asset may be considered as liquid where the instrument 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.

(N) Any transaction in an OTC derivative under paragraph (J)(ii)(b) must be:

- (i) with a counterparty which is an eligible institution or an approved bank or which is authorised by the FCA or its home state regulator to enter into transactions as principal off exchange;
- (ii) on approved terms, in that before the transaction is entered into, the Depositary must be satisfied that the counterparty has agreed with the Company or the ACD:
  - (a) to provide, at least daily and at any other time at the request of the Company or the ACD, a reliable and verifiable valuation in respect of that transaction corresponding to its fair value (being the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction) and which does not rely only on market quotations by the counterparty; and
  - (b) that it or an alternative counterparty will, at the request of the Company or the ACD, enter into a further transaction to sell, liquidate or close out the transaction at any time, at a fair value arrived at under the reliable market value basis or pricing model or other reliable basis agreed between the ACD and the Depositary under paragraph (N)(iii) below;
- (iii) capable of reliable valuation, in that the ACD having taken reasonable care determined that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy (a) on the basis of an up-to-date market value which the ACD and the Depositary have agreed is reliable, or (b) if the value referred to in (a) is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and
- (iv) subject to verifiable valuation in that, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by (a) an appropriate third party which is independent from the counterparty of the derivative, at an adequate frequency and in such a way that the authorised fund manager is able to check it; or (b) a department within the ACD which is independent from the department in charge of managing the scheme property and which is adequately equipped for such a purpose.

The Manager will use a risk management process enabling it to monitor and measure as frequently as appropriate the risk of the Company's positions and their contribution to the overall risk profile of the Company.

The following details of the risk management process must be notified by the ACD to the FCA in advance of their use: the methods for estimating risks in derivative and forward transactions; and the types of derivatives and forwards to be used together with their underlying risks and any relevant quantitative limits. The ACD must notify the FCA in advance of any material alteration to these details.

## **Deposits**

- (O) The Company may invest in deposits only with an approved bank and which are repayable on demand or have the right to be withdrawn, and mature in no more than 12 months.

## **Transferable securities**

- (P) The Company may invest in a transferable security only to the extent that the transferable security fulfils the following criteria:
  - (i) the potential loss which the Company may incur with respect to holding the transferable security is limited to the amount paid for it;
  - (ii) its liquidity does not compromise the ability of the ACD to comply with its obligation to redeem units at the request of any qualifying Shareholder;

- (iii) reliable valuation is available for it as follows:
  - (a) in the case of a transferable security admitted to or dealt in on an eligible market, where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers;
  - (b) in the case of a transferable security not admitted to or dealt in on an eligible market, where there is a valuation on a periodic basis which is derived from information from the issuer of the transferable security or from competent investment research;
- (iv) appropriate information is available for it as follows:
  - (a) in the case of a transferable security admitted to or dealt in on an eligible market, where there is regular, accurate and comprehensive information available to the market on the transferable security or, where relevant, on the portfolio of the transferable security;
  - (b) in the case of a transferable security not admitted to or dealt in on an eligible market, where there is regular and accurate information available to the authorised fund manager on the transferable security or, where relevant, on the portfolio of the transferable security;
- (v) it is negotiable; and
- (vi) its risks are adequately captured by the risk management process of the ACD.

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

- (iv) not to compromise the ability of the ACD to comply with its obligation to redeem units at the request of any qualifying Shareholder and
- (v) to be negotiable.

(Q) A unit in a closed end fund shall be taken to be a transferable security for the purposes of investment by the Company, provided it fulfils the criteria for transferable securities set out in paragraph (P), and either:

- (i) where the closed end fund is constituted as an investment company or a unit trust, it is subject to corporate governance mechanisms applied to companies, and where another person carries out asset management activity on its behalf, that person is subject to national regulation for the purpose of investor protection; or
- (ii) where the closed end fund is constituted under the law of contract, it is subject to corporate governance mechanisms equivalent to those applied to companies, and it is managed by a person who is subject to national regulation for the purpose of investor protection.

(R) The Company may invest in any other investment which shall be taken to be a transferable security for the purposes of investment by the Company provided the investment:

- (i) fulfils the criteria for transferable securities set out in paragraph (P); and
- (ii) is backed by or linked to the performance of other assets, which may differ from those in which a UCITS scheme can invest.

Where an investment in paragraph (R)(i) or (R)(ii) above contains an embedded derivative component, the requirements of this section with respect to derivatives and forwards will apply to that component.

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

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

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

### **Concentration limits**

(T) The Company:

- (i) must not acquire transferable securities (other than debt securities) which:
  - (a) do not carry a right to vote on any matter at a general meeting of the body corporate that issued them; and
  - (b) represent more than 10% of those securities issued by that body corporate;
- (ii) must not acquire more than 10% of the debt securities issued by any single body;
- (iii) must not acquire more than 25% of the units in a collective investment scheme;
- (iv) must not acquire more than 10% of the approved money market instruments issued by any single body;

However the limits in (ii), (iii) and (iv) above do not apply if, at the time of acquisition, the net amount in issue of the relevant investment in issue cannot be calculated.

### **Derivative exposure**

(U) A transaction in derivatives or a forward transaction may only be entered into by the Company 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 as defined in this paragraph.

- (i) Exposure is covered globally if adequate cover from within the Company (including cash not yet received but due within one month) is available to meet its total exposure, taking into account the value of the underlying assets, any reasonably foreseeable market movement, counterparty risk and the time available to liquidate any positions.
- (ii) Property the subject of a stock-lending transaction is only available for cover if the ACD has taken reasonable care to determine that it is obtainable (by return or re-acquisition) in time to meet the obligation for which cover is required.
- (iii) The global exposure relating to derivatives held for the Company may not exceed the net value of the Company.

## **Borrowing**

- (V) Cash obtained from borrowing, and borrowing which the ACD reasonably regards an eligible institution or an approved bank to be committed to provide, is not available for cover pursuant to paragraph (U), except if paragraph (W) applies.
- (W) If the Company borrows an amount of currency from an eligible institution or an approved bank; and keeps an amount in another currency, at least equal to that borrowing on deposit with that lender (or his agent or nominee); then paragraphs (U) and (V) apply as if the borrowed currency, and not the deposited currency, were part of the property of the Company.

## **Stock-lending**

- (X) The Company may enter into stock lending or repo contracts permitted by this paragraph (Q) when it reasonably appears to the ACD to be appropriate to do so with a view to generating additional income for the Company with an acceptable degree of risk.

The Company, or the Depositary at the request of the Company, may enter into repo contracts or certain stock-lending arrangements, but only if:

- (i) all the terms of the agreement under which securities are to be reacquired by the Depositary for the account of the Company are in a form which is acceptable to the Depositary and are in accordance with good market practice;
- (ii) the counterparty is an FCA authorised person, a person authorised in another EEA member state, a person registered as a broker-dealer with the US Securities and Exchange Commission or a US bank, or a branch of a US bank, supervised and authorised to deal in investments as principal, with respect to OTC derivatives by at least one of the following US federal banking supervisory authorities: the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System or the Office of Thrift Supervision; and
- (iii) collateral is obtained to secure the obligation of the counterparty under the terms referred to in (i) above and the collateral is acceptable to the Depositary and is adequate and sufficiently immediate as provided in the FCA Rules. However, the requirements of this sub-paragraph (iii) do not apply to a stock lending transaction made through Euroclear Bank SA/NV's Securities Lending and Borrowing Programme.

There is no limit on the value of the property of the Company which may be the subject of stock-lending arrangements. However the arrangements must always comply with the requirements of the Taxation of Chargeable Gains Act 1992 and the requirements of the FCA Rules as amended from time to time.

## **Underwriting**

- (Y) Underwriting and sub-underwriting contracts and placings may also, subject to certain conditions set out in the FCA Rules, be entered into for the account of the Company.

## **Borrowing powers**

- (Z) The Company may, on the instructions of the ACD and subject to the FCA Rules, borrow money from an eligible institution or approved bank for the use of the Company on terms that the borrowing is to be repayable out of the scheme property of the Company. Borrowing must be on a temporary basis, must not be persistent, and in any event must not exceed 3 months without the prior consent of the Depositary, which may be given only on such conditions as appear appropriate to the Depositary to ensure that the borrowing does not cease to be on a temporary basis. The ACD must ensure that borrowing does not, on any Business Day, exceed 10% of the value of the Company. These borrowing restrictions do not apply to "back-to-back" borrowing under paragraph (W).

At the date hereof, the Company does not intend to exercise its borrowing powers, other than where required to effect the settlement of underlying securities.

### **Efficient Portfolio Management (EPM)**

(AA) Techniques and instruments entered into for EPM purposes are those which relate to transferable securities or approved money-market instruments and which fulfil the following criteria:

- (i) they are economically appropriate in that they are realised in a cost effective way;
- (ii) they are entered into for one or more of the following specific aims:
  1. reduction of risk;
  2. reduction of cost;
  3. generation of additional capital or income for the scheme with a risk level which is consistent with the risk profile of the scheme and the risk diversification rules laid down in the FCA Rules.

## APPENDIX 2 – LIST OF DELEGATES AND SUB-DELEGATES OF THE DEPOSITARY

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

## APPENDIX 3 – COMPANY'S EXCLUSION POLICY

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

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

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

The Investment Manager will not make new investments in companies which operate in certain ‘blacklisted’ jurisdictions, or in the event that existing investee companies have interests in countries which subsequent to initial investment are deemed to be ‘blacklisted’, will seek to exit those investments expeditiously, where possible, without prejudice to clients’ interests. These are regions where either sovereign risk or security concerns preclude responsible investment being effectively implemented as well

as countries where the operating environment is unlikely to facilitate conducting business in accordance with either the ESG principles outlined in Section 2, or the UN PRI. This ‘blacklist’ shall be continually monitored and will be updated by the Investment Manager’s investment team as and when global events dictate.

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

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

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.



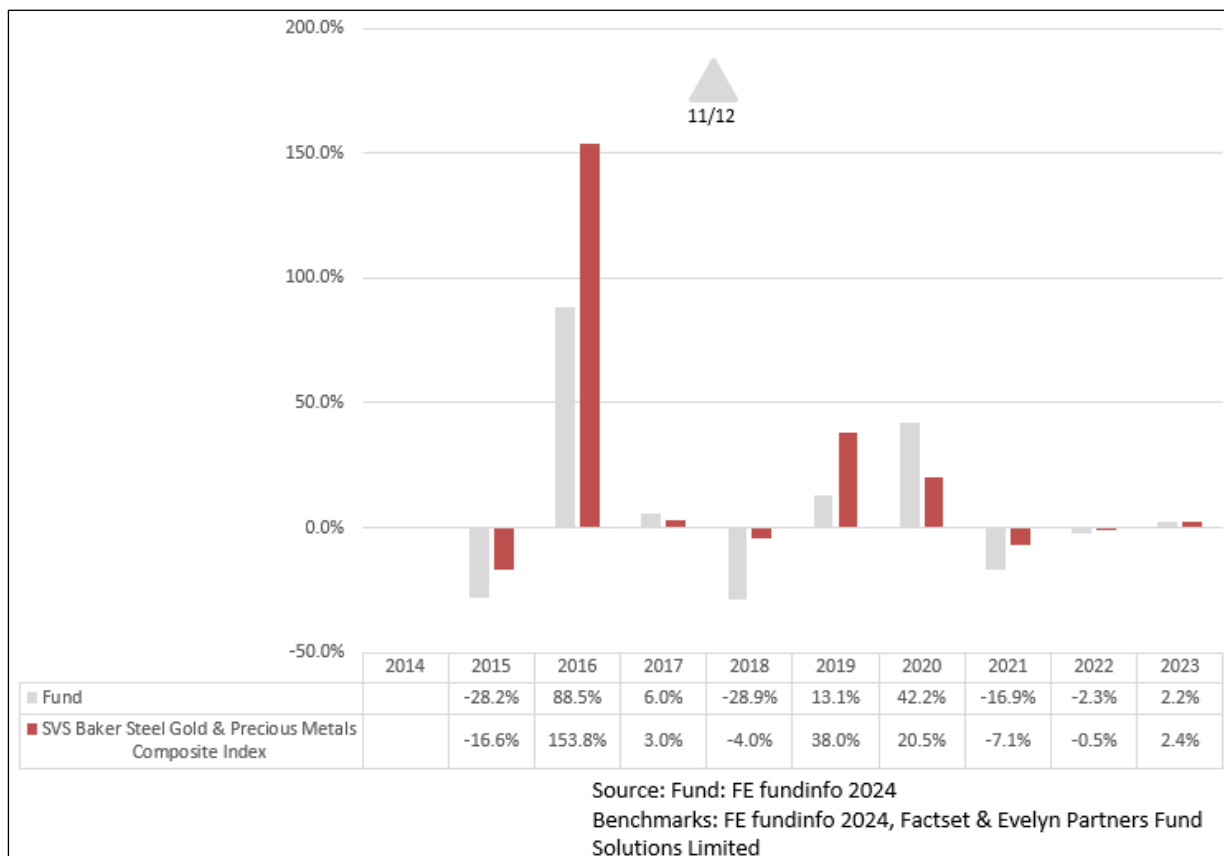
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

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

## APPENDIX 4 – HISTORICAL PERFORMANCE DATA

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

### SVS Baker Steel Gold & Precious Metals Fund B Accumulation



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

Prior to 11/12/2017, the Company had different characteristics: the Company's investment objective and policy changed on 11/12/2017 and the performance before this date was achieved using an investment objective and policy that no longer applies.

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

## APPENDIX 5 – AUTHORISED SCHEMES OF WHICH THE ACD IS THE AUTHORISED FUND MANAGER

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

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

Authorised Unit Trusts	Investment Companies with Variable Capital
	<p> 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>

## **APPENDIX 6 – 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.**