

**PROSPECTUS**

**OF**

**TB SARACEN INVESTMENT FUNDS ICVC**

**(an investment company with variable capital)**

**Registered with the Financial Conduct Authority under  
product reference number 187933.**

**This document is a Prospectus prepared in accordance with**

**The Collective Investment Schemes Sourcebook,**

**valid from 31 December 2020**

**TB SARACEN INVESTMENT FUNDS ICVC**

## **Important Notice**

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

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

The Shares described in this Prospectus have not been and will not be registered under the United States Securities Act of 1933, as amended the United States Investment Company Act of 1940 or the securities laws of any of the states of the United States. The Shares may not be offered, sold or delivered directly or indirectly in the United States or to the account or benefit of any US Person (as defined below).

“US Person” means any citizen or resident of the United States of America, its territories and possessions including the State and District of Columbia and all areas subject to its jurisdiction (including the Commonwealth of Puerto Rico), and corporation, trust, partnership or other entity created or organised in or under the laws of the United States of America, any state thereof or any estate or trust the income of which is subject to United States federal income tax, regardless of source. The expression also includes any person falling within the definition of the term “US Person” under Regulation S promulgated under the United States Securities Act of 1933.

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

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

This Prospectus has been issued for the purpose of section 21 of the Financial Services and Markets Act 2000 by T. Bailey Fund Services Limited.

This Prospectus is based on information, UK law and practice at the date hereof. The ACD cannot be bound by an out of date Prospectus when it has issued a new Prospectus and investors should check with T. Bailey Fund Services Limited that this is the most recently published Prospectus.

## **Directory**

### **Head Office**

19 Rutland Square,  
EDINBURGH,  
EH1 2BB.

### **Authorised Corporate Director (“ACD”)**

T. Bailey Fund Services Limited,  
64 St. James’s Street,  
Nottingham,  
NG1 6FJ.  
Tel: 0115 988 8200

### **Administrator & Registrar**

T. Bailey Fund Services Limited,  
64 St. James’s Street,  
Nottingham,  
NG1 6FJ.  
Tel: 0115 988 8200

### **Investment Manager**

Saracen Fund Managers Limited,  
19 Rutland Square,  
Edinburgh,  
EH1 2BB.  
Tel: 0131 202 9100  
Fax: 0131 221 1895

### **Depositary**

NatWest Trustee & Depositary  
Services Limited,  
250 Bishopsgate,  
London,  
EC2M 4AA.

### **Custodian**

The Northern Trust Company,  
50 Bank Street,  
Canary Wharf,  
London,  
E14 5NT.

### **Auditors**

Deloitte LLP,  
Four Brindley Place,  
Birmingham,  
B1 2HZ.

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## 1. Definitions

In this Prospectus, unless the context shall otherwise require, the following words and expressions shall have the meanings hereafter ascribed to them:

<b>“ACD”</b>	the authorised corporate director of the Company, being at the date hereof T. Bailey Fund Services Limited of 64 St. James’s Street, Nottingham, NG1 6FJ;
<b>“Accumulation Shares”</b>	Shares in the Company, further characteristics of which are set out on page 10 of this Prospectus;
<b>“Administrator”</b>	T. Bailey Fund Services Limited or any subsequent administrator of the Funds from time to time;
<b>“Business Day”</b>	a business day is a “Dealing Day”;
<b>“COLL”</b>	refers to the appropriate chapter in the COLL Sourcebook;
<b>“The COLL Sourcebook”</b>	The Collective Investment Schemes Sourcebook issued by the FCA or any successor authority as amended or re-enacted from time to time;
<b>“Company”</b>	TB Saracen Investment Funds ICVC;
<b>“Comparator”</b>	a factor against which investors may compare a Funds’ performance;
<b>“Custodian”</b>	The Northern Trust Company or such other entity as is appointed to provide custody functions by the Depositary from time to time;
<b>“Dealing Day”</b>	a dealing day under the COLL Sourcebook; Dealing Days are normally Monday to Friday (i.e. week days) between 9.00 am and 5.00 pm.  Dealing Days do not include: -  - UK bank and public holidays,  - Any other day at the ACD’s discretion and with the agreement of the Depositary
<b>“Depositary”</b>	NatWest Trustee & Depositary Services Limited, 250 Bishopsgate, London, EC2M 4AA;
<b>“Depositary Agreement”</b>	the Agreement, and any subsequent revised agreement, among the Company, the ACD and the

	Depository, relating to the provision of Depository services by the Depository;
<b>“Director”</b>	any director of the Company from time to time (including the ACD);
<b>“Distribution Shares”</b>	shares in which a bi-annual distribution of net earned income is paid;
<b>“EU Benchmark Regulation”</b>	Regulation (EU) 2016/1011 issued by the European Parliament and the Council of 8 June 2016 on indices used as benchmarks in financial instrument and financial contracts or to measure the performance of investment funds, as implemented in the United Kingdom;
<b>“FCA”</b>	the Financial Conduct Authority of 12 Endeavour Square, London, E20 1JN; or any successor authority;
<b>"FCA Rules"</b>	the Handbook of Rules and Guidance published by the FCA or any successor authority as amended, supplemented or replaced from time to time;
<b>“Fund(s)”</b>	means each sub-fund of the Company (being part of the Scheme Property of the Company which is pooled separately) to which specific assets and liabilities of the Company may be allocated and which is invested in accordance with the investment objective applicable to such sub-fund, the current sub-funds, being TB Saracen UK Alpha Fund, TB Saracen Global Income and Growth Fund and/or TB Saracen UK Income Fund;
<b>“Instrument of Incorporation”</b>	the Instrument of Incorporation of the Company;
<b>“Investment Manager”</b>	the investment manager of the Company from time to time, being at the date hereof Saracen Fund Managers Limited of 19 Rutland Square, Edinburgh, EH1 2BB;
<b>“Net Asset Value” or “NAV”</b>	the value of the scheme property of the Company or as appropriate, of a Fund less the liabilities of the Company (or of the Fund concerned) as calculated in accordance with the provisions of the Instrument of Incorporation as summarised on page 41 of this Prospectus;

<b>“KIID”</b>	the Key Investor Information Document;
<b>“OEIC”</b>	Open-Ended Investment Company;
<b>“OEIC Regulations”</b>	The Open-Ended Investment Companies Regulations 2001, as amended from time to time;
<b>“Prospectus”</b>	this prospectus of TB Saracen Investment Funds ICVC dated 31 December 2020;
<b>“Registrar”</b>	T. Bailey Fund Services Limited or any subsequent registrar of the Funds from time to time;
<b>“Regulations”</b>	the OEIC Regulations and the regulations contained in the FCA Handbook including the COLL Sourcebook;
<b>“Rolling Period”</b>	a defined period of time going back from a given date, where the given date moves forward by 1 day every day;
<b>“Scheme Property”</b>	the scheme property of the Company or a Fund (as appropriate) required under the COLL Sourcebook to be given for safekeeping to the Depositary;
<b>“Service Agreement”</b>	an agreement between the Company and the ACD dated 1 <sup>st</sup> July 2016;
<b>“Shares”</b>	a share in the Company (or a Fund as the context requires) (including both a larger and a smaller denomination share);
<b>“Shareholder”</b>	a holder of Shares;
<b>“SID”</b>	Supplementary Information Document;
<b>“Target”</b>	a level of performance which the Investment Manager has in mind when managing a Fund and is usually expressed by reference to an index or as a particular value. There is no certainty that the target will be achieved, and it is not guaranteed
<b>“Valuation Point”</b>	The time, 12:00 hrs (London time) on each dealing day, at which the ACD carries out a valuation of the Scheme Property for the Company or a Fund (as the case may be) for the purpose of determining the price at which Shares of a Class may be issued, cancelled or redeemed.

Words and terms used in this document shall, unless the context requires otherwise, have the meaning defined in the COLL Sourcebook. References in this document to Chapters

and regulations are, unless the context requires otherwise, references to Chapters and regulations in the COLL Sourcebook.

## PROSPECTUS OF TB SARACEN INVESTMENT FUNDS ICVC

### 2. Introduction

This document constitutes the Prospectus for the TB Saracen Investment Funds ICVC which has been prepared in accordance with the COLL Sourcebook and the Open-Ended Investment Companies Regulations 2001 (as amended). This Prospectus is valid from 31 December 2020.

### 3. Details of the Company

#### (i) *The Company*

The Company is an open-ended investment company with variable capital, incorporated in Scotland with registered number of SI000005. The effective date of the authorisation order made by the Financial Services Authority (which has since been succeeded by the FCA) in respect of the Company was 19 January 1999. The Company's duration is unlimited. The Company is a UCITS Scheme in terms of COLL and is also structured as an umbrella company so that the Scheme Property of the Company may be divided among two or more funds. Shareholders of the Company are not liable for the debts of the Company.

#### (ii) *Head Office and Address for Service*

The address of the Company's head office is 19 Rutland Square, Edinburgh, EH1 2BB. This is also the address for the service of notices or other documents required or authorised to be served on the Company.

#### (iii) *Base Currency*

The base currency for the Company is Pounds Sterling. The Funds and the Shares are designated in Pounds Sterling.

#### (iv) *Share Capital of the Company*

The maximum share capital of the Company is £20,000,000,000 and the minimum share capital of the Company is £100.

Shares in the Company have no par value. The share capital of the Company equals the Net Asset Value of the Funds, and any other fund or funds established by the Company.

#### (v) *Structure of the Company*

As at the date of this document, the Company has three funds, TB Saracen UK Alpha Fund<sup>1</sup>, TB Saracen Global Income and Growth Fund and TB Saracen UK Income Fund. Subject to the COLL Sourcebook, different funds or classes of share may be established from time to time by the Company, with the approval

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<sup>1</sup> This Fund, previously known as "Saracen Growth Fund" was renamed on 1 July 2016.

of the FCA, the agreement of the Depositary and only as permitted by the Instrument of Incorporation. On the introduction of a new fund or class of Share, a revised prospectus will be prepared, setting out the relevant details of each fund or class of Share.

The assets of each Fund will be treated as separate from every other Fund, and will be invested in accordance with the investment objective and investment policy applicable to the relevant Fund. Details of the investment objective and investment policy in respect of each Fund are set out in Appendix 5.

Claims of creditors of the Company on the assets of the Company will rank ahead of those of the Shareholders irrespective of the Fund in respect of which the creditor has arisen. Shareholders are not liable for the debts of the Fund. The funds of an umbrella ICVC are segregated portfolios of assets and, accordingly, the assets of a fund belong exclusively to that fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the umbrella, or any other fund, and shall not be available for any such purpose. While the provisions of the OEIC Regulations provide for segregated liability between funds, the concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known how those foreign courts will react to regulation 11A and 11B of the OEIC Regulations.

Each Fund will be responsible for the payment of expenses, costs and other charges of the Company attributable to that Fund, and within the individual Funds the expenses will be allocated between classes in accordance with the terms of issue of Shares of those classes. Any expenses, charges or liabilities not attributable to a particular Fund will usually be allocated to all Funds on a pro-rata basis with respect to the value of the net assets of the relevant Funds, if this is deemed to be fair and reasonable to all of the Shareholders. If this is not the case, then the ACD (at its sole discretion) and with the agreement of the Depositary, will allocate the expenses, charges or liabilities in a manner which it deems fair and reasonable to all of the Shareholders

(vi) ***Characteristics of Accumulation and Distribution Shares***

More than one class of Share may be issued in respect of each Fund.

An Accumulation Share is a Share in respect of which the income allocated after the date of issue thereof is to be accumulated. No cash distributions are made, and no additional shares are issued. Instead, the income that would be otherwise available for distribution is re-invested and the re-investment reflected in the price of the Accumulation Share.

Accumulation shares are issued on a net basis meaning that the income (net of any tax deducted or accounted for by the Company) is allocated periodically to capital in accordance with the COLL Sourcebook.

A Distribution Share is a Share in respect of which the income is distributed to shareholders by way of an interim and final dividend each year.

The Company also has the ability to issue shares on a gross basis (meaning that no tax is so deducted) but no such Shares are currently on offer.

Shares may differ in their charging structures and levels of minimum shareholdings.

Details of the classes of Shares currently available, together with the charging structures and the minimum shareholding are set out in Appendix 5. It should be noted that no bearer Shares are issued and there are no present plans to issue bearer shares.

The procedure relating to the conversion and switching of different classes of Shares is set out in Appendix 1.

(vii) ***Unclaimed, de minimis and joint shareholder distributions***

Any distribution remaining unclaimed after a period of six years will become part of the capital property.

The ACD and the Depositary may agree a *de minimis* amount in respect of which a distribution of income is not required, and how any such amounts are to be treated.

Distributions made to the first named joint shareholder on the register will be as effective a discharge to the trustee and manager, as if the first named joint shareholder had been a sole shareholder.

**4. Directors of the Company**

The ACD is the sole director of the Company. The ACD of the Company is T. Bailey Fund Services Limited, a private company incorporated with limited liability in England and Wales under the Companies Act 1985. The registered office of the ACD is at 64 St James's Street, Nottingham, NG1 6FJ, which is also its head office. The ACD was incorporated on 25 February 1999. The authorised, issued and paid up share capital of the ACD is £1,250,001.00

Directors of the ACD and their business activities as at the date of this prospectus:

<b>Name</b>	<b>Activity</b>
Mike Hughes (Chief Executive Officer)*  *Acting pending FCA approval	Youth Adventure Trust HL Partnership Limited  Josewin Limited.
Gavin Padbury (Director of Operations)	None.
Rachel Elliott (Finance Director)	None.
Anna Troup (Chairman)*	Pension Protection Fund Aberdeen Diversified Income and Growth Trust plc

*Acting pending FCA approval	MS Amlin Investment Company Limited British Triathlon Foundation Trust.
Alain Kerneis  (Non-Executive Director)	Kerneis Advisory Limited.

The ACD is authorised and regulated by the FCA.

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

Pursuant to the Service Agreement, the ACD manages and administers the affairs of the Company in accordance with the Regulations, the Instrument of Incorporation and this Prospectus. The Service Agreement incorporates detailed provisions relating to the ACD’s responsibilities.

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

Details of the fees payable to the ACD are set out on pages 16 - 17.

The ACD is also under no obligation to account to the Depositary, the Company or the Shareholders for any profit it makes on the issue or re-issue or cancellation of Shares which it has redeemed.

The Company has no directors other than the ACD. The ACD is the manager of certain authorised unit trusts and open-ended investment companies, details of which are set out in Appendix 6.

The specific responsibilities of the ACD include:

- (a) Reclaiming, or enabling the Custodian or Depositary to reclaim, all refunds due of tax associated with dividends and interest or otherwise in respect of the assets or other property of the Funds.
- (b) Pricing the Shares and effecting issues and redemptions.
- (c) Maintenance of the Register of Shareholders.

- (d) Maintenance of the accounting and other records of the Company in compliance with the COLL Sourcebook.
- (e) The issue of the Interim and Annual Long Reports and Accounts to Shareholders.
- (f) (f) Execution of any agreements required to be signed or sealed by the Company.

## **5. The ACD's Remuneration Policy**

In accordance with FCA Rules, the ACD is required to establish and apply a remuneration policy for certain categories of staff whose activities have a material impact on the risk profile of the ACD or the UCITS that it manages ("Code Staff"). The ACD has approved and adopted the remuneration policy (the "Remuneration Policy") of the T. Bailey group of companies (the "T. Bailey Group").

The Remuneration Policy documents the remuneration policies, practices and procedures of the T. Bailey Group and is reviewed annually.

The Remuneration Policy:

- (i) Is consistent with and promotes sound and effective risk management;
- (ii) Does not encourage risk taking that exceeds the level of tolerated risk of the T. Bailey Group or the relevant UCITS managed by the ACD;
- (iii) Encourages behaviour that delivers results which are aligned to the interests of the UCITS managed by the ACD;
- (iv) Aligns the interests of Code Staff with the long-term interests of the ACD, the funds it manages and its investors;
- (v) Recognises that remuneration should be competitive and reflect both financial and personal performance. Accordingly, Remuneration for Code Staff is made up of fixed pay (salary and benefits, including pension) and variable (performance-related) pay;
- (vi) Recognises that fixed and variable components should be appropriately balanced and that the variable component should be flexible enough so that in some circumstances no variable component may be paid at all. Variable pay is made up of short-term awards typically based on short-term financial and strategic measures for the area of the business in which the member of Code Staff works;

Up-to-date details of the Remuneration Policy are laid out in the Remuneration Code disclosure document on the ACD's website ([www.tbaileyfs.co.uk](http://www.tbaileyfs.co.uk)). A paper copy of that information will be made available free of charge from the ACD upon request.

## **6. Investment Management**

The ACD has appointed the Investment Manager, Saracen Fund Managers Limited to provide investment management services to the ACD. The Investment Manager is authorised and regulated by the Financial Conduct Authority.

The Investment Manager's registered office is at 19 Rutland Square, Edinburgh, EH1 2BB.

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

The specific responsibilities of the Investment Manager include:

- (a) The investment management of the assets of the Company including investment, realisation and re-investment of any of the assets or property of the Funds in accordance with the investment objectives and policies of the Funds.
- (b) Directing the Custodian on the exercise of voting rights attached to the portfolios of the Funds.
- (c) Marketing the Shares of the Funds.

## **7. Administrator and Registrar**

The ACD acts as the administrator and as registrar in relation to the Company.

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

The plan register, where applicable (being a record of persons who subscribe for Shares through Individual Savings Accounts (ISAs)) can also be inspected at the office of the Registrar during normal business hours.

The fees to which the Administrator and Registrar is entitled for the provision of its services as Administrator and Registrar are detailed on page 17 of this Prospectus.

## **8. Depositary**

The Depositary of the Company is NatWest Trustee & Depositary Services Limited, a private limited company incorporated in England & Wales. Its registered office is at 250 Bishopsgate, London EC2M 4AA. The ultimate holding company of the Depositary is NatWest Group plc, a public limited company incorporated in Scotland. The Depositary is authorised and regulated by the Financial Conduct Authority and its principal business activity is the provision of trustee and depositary services.

## **9. Duties of the Depositary**

The Depositary is responsible for the safekeeping of all the Scheme Property of the Company, monitoring the cash flows of the Funds, and has a duty to take reasonable care to ensure that the Company is managed in accordance with the Instrument of Incorporation, Prospectus and the provisions of the COLL Sourcebook relating to the pricing of, and dealing in, Shares and relating to the income and the investment and borrowing powers of the Sub-funds.

## **10. Terms of Appointment**

The appointment of the Depositary is made under 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 Company will indemnify the Depositary for any loss suffered in the performance or non-performance of its obligations except in the case of fraud, wilful default, negligence or failure to exercise due care and diligence on its part.

The Depositary Agreement may be terminated on 90 days’ notice by the Company or the Depositary or earlier on certain breaches or the insolvency of a party. However, termination of the Depositary Agreement will not take effect, nor may the Depositary retire voluntarily, until the appointment of a new Depositary.

Details of the fees payable to the Depositary are given in the Fees and Expenses section below. The Depositary is under no obligation to account to the ACD, the Company or the Shareholders for any profits or benefits it makes or receives that are made or derived from or in connection with its role as depositary.

## **11. Conflicts of interest**

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

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

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

Up to date information regarding (i) the Depositary's name, (ii) the description of its duties and any conflicts of interest that may arise between the Company, the shareholders or the ACD and the depositary, and (iii) the description of any safekeeping functions delegated by the Depositary, the description of any conflicts of interest that may arise from such delegation, and the list showing the identity of each delegate and sub-delegate, will be made available to Shareholders on request.

## **12. Delegation of Safekeeping Functions**

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

The Depositary has delegated safekeeping of the Scheme Property to The Northern Trust Company ("the Custodian"). In turn, the Custodian has delegated the custody of assets in certain markets in which the Funds may invest to various sub-delegates ("sub-custodians"). A list of sub-custodians is given in Appendix 7. Investors should note that the list of Sub-custodian is updated only at each Prospectus review. An updated list of Sub-custodians is maintained by the ACD at [www.tbaileyfs.co.uk](http://www.tbaileyfs.co.uk).

## **13. 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 shareholders on request.

## **14. Fees and Expenses**

Any fund established after the date of this Prospectus may bear its own direct establishment costs. The Company may pay out of the Scheme Property charges and expenses incurred by a Fund, which will include, but not be restricted to, the

ACD's remuneration, the Administrator's and Registrar's expenses, the Depositary's fees and other expenses, as set out below.

(i) ***The ACD's Remuneration***

In payment for carrying out its duties and responsibilities, the ACD is entitled to an annual fee, paid out of the property of each Fund. This fee will be paid by the Company to the ACD within 15 business days of the end of each calendar month. The fee is accrued on a daily basis, is reflected in the value of the Shares on a daily basis and is currently calculated by reference to the Net Asset Value of the Shares of the Funds.

The annual fee is calculated separately in respect of each class of Share. The current rates of the ACD's annual fee are set out in Appendix 5.

The ACD pays the Investment Manager out of its annual fee.

The ACD may only increase the annual fee in accordance with the COLL Sourcebook.

Subject to the COLL Sourcebook, the ACD is also entitled to reimbursement from the relevant Fund for all expenses properly incurred by it in the performance of its duties.

(ii) ***Administrator and Registrar's Expenses***

The ACD, in respect of the administration functions is entitled to receive out of the property of the Company for its own account, by way of remuneration, a periodic charge (in addition to an amount equivalent to the standard rate of any Value Added Tax or any equivalent tax thereon) which will accrue daily and be payable monthly on the same basis as the annual fee (the "**Administration Charge**"). The rate of the Administration charges will (subject to the COLL Sourcebook) be such amount as the Company and the ACD may, from time to time, agree (and in all cases together with an amount equivalent to the standard rate of Value Added Tax or any equivalent tax thereon which will be paid by the Company in respect of such charges). The current rate of the Administration Charge is as follows:

0.15% per annum on the first GBP 50 million of the net assets of the Company.

0.10% per annum on the next GBP 100 million of the net assets of the Company.

0.06% per annum on the balance over GBP 150 million of the net assets of the Company.

The above fee is subject to a minimum fee of £75,000 per annum (plus any VAT). Whilst the total net assets of the above Funds (i.e. the net assets of the Funds added together) based on daily valuations is £50,000,000 or more, an Administration Charge as outlined above will be charged daily to each Fund. If the total net assets of the Funds falls below £50,000,000 then an amount of £75,000/365 (or 366 in a leap year) will be charged daily pro rata to each Fund.

The ACD makes an additional charge for Fund Accounting fee of £6,500 per annum (plus any VAT) in respect of each Fund.

In addition, the ACD is, in respect of administration functions, entitled to be repaid all of its reasonable agreed upon transaction and other charges (which will be at normal commercial rates) and other out-of-pocket expenses (plus VAT thereon, if any).

A separate charge is made by the ACD in respect of registrar functions which is payable out of the Scheme Property. The Registrar's fee for the Company are currently at a rate of £10.00 per manual transaction and £5.00 per STP transaction plus an annual rate of £12.50 per registered account, plus expenses and disbursements. The Registrar's fee is payable monthly in arrears based on the number of transactions in the month and on the total accounts held at the month end.

(iii) ***Depository's Fee***

The Depository is entitled to receive a fee (as agreed among the ACD, the Company and the Depository) out of the Scheme Property (in addition to an amount equivalent to the standard rate of Value Added Tax or any equivalent tax thereon) for its services as Depository.

The rate of the periodic fee is agreed between the ACD and the Depository and is calculated on a sliding scale for each Fund on the following basis:

0.035% per annum on the first £70 million of the Scheme Property

0.030% per annum on the next £30 million of the Scheme Property

0.020% per annum on the next £100 million of the Scheme Property

Thereafter 0.010% per annum of the balance, subject to a minimum of £5,000 per annum per Fund.

In addition, VAT on the amount of the periodic charge will be paid out of the Scheme Property.

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

In addition to the periodic charges referred to above, the Depository is entitled to reimbursement for all expenses properly incurred by it in the discharge of its duties, subject to approval by the ACD and the Company and in accordance with the COLL Sourcebook.

The Depository has appointed The Northern Trust Company as Custodian of the property of the Company and is entitled to receive reimbursement of the Custodian's fees as an expense out of the property of the Company or the Funds. The remuneration for acting as custodian is calculated at such rate, rates and/or amounts as may be agreed from time to time. The current remuneration ranges from between 0.0025% per annum to 1.10% per annum of the value of the

property of each Fund, plus VAT (if any) represented by the Net Asset Value of the Fund calculated on the last business day of each month. The valuation used for each day which is not a business day will be the value calculated on the previous business day. The current range of transaction charges is between £10.00 and £175.00 per transaction plus VAT (if any). Custody and transaction charges will be payable monthly out the property of each Fund in arrears.

Any increase of the Depositary's fee, transaction charges or custody charges may be made with the agreement of the ACD in accordance with the COLL Sourcebook.

(iv) ***Other Expenses***

In addition to the specific fees and charges detailed in Sections (i) - (iii) above, the Company may also pay out of the Scheme Property all charges and expenses incurred by the Company or the Funds, which will include the following expenses:

- (a) fees and expenses with respect to establishing and maintaining the Register of Shareholders and related functions;
- (b) any expenses incurred in relation to company secretarial duties;
- (c) the cost of minute books and other documentation required to be maintained by the Company;
- (d) all fees and expenses incurred in relation to the incorporation and initial organisation of any new funds, the listing of Shares on any stock exchange, any offer of Shares (including the preparation and printing of any prospectus) and the creation, conversion and cancellation of Shares;
- (e) certain liabilities on amalgamation or reconstruction arising after transfer of property to the Company in consideration for the issue of Shares as more fully detailed in the COLL Sourcebook;
- (f) expenses incurred in effecting transactions which will include commission of brokers, fiscal charges and other payments which are necessary to effect transactions in the Funds;
- (g) any costs incurred in taking out and maintaining insurance policies in respect of the ACD and the Company;
- (h) interest on borrowings permitted under the COLL Sourcebook and expenses incurred in effecting, terminating, negotiating or varying the terms of such borrowings;
- (i) expenses incurred with respect to the publication and circulation of details of the Net Asset Value of the Funds;
- (j) the fees and expenses of the auditors, tax advisers, legal advisers and other professional advisers of the Company, including any professional

fees or expenses related to the Company being satisfied with the systems of the Administrator (or any other relevant administrator);

- (k) any costs incurred in modifying the Instrument of Incorporation of the Company, including the removal from the Instrument of Incorporation of obsolete provisions, Prospectus, KIIDs or any other document relating to the Company;
- (l) the costs of convening and holding Shareholders' meetings, including class meetings of the Shareholders of a fund;
- (m) the expenses incurred as a result of printing and distributing reports, accounts and any prospectus (except the costs and expenses of distributing any KIID) including any costs incurred as a result of periodic updates of any prospectus and any other administrative expenses;
- (n) any amount payable by the Company under any indemnity provisions provided for in the Instrument of Incorporation or any agreement to which the Company is party;
- (o) the periodic fees of the FCA in respect of the Company as may be prescribed under the OEIC Regulations, or the corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which Shares in any fund are, or may be, marketed;
- (p) any sum due by virtue of the Regulations;
- (q) to the extent permitted by the COLL Sourcebook the cost of printing and distributing promotional material in respect of the Company, or the Funds, and of any marketing activities undertaken by the ACD in relation to the Company, or the Funds;
- (r) the charge budgeted for by the Investment Manager, or any other investment adviser duly appointed from time to time, in respect of research undertaken for the benefit of a Fund (the "Research Charge"), further details of which are set out in the section headed "Research Charge" below;
- (s) any other charges or expenses that may be taken out of the property of the Company in accordance with the Regulations;
- (t) in respect of any Director including the ACD (and its directors and employees), any travelling, hotel and other expenses properly incurred by such Director in connection with such Director's attendance at and return from meetings of the Directors, committee meetings, general meetings of the Company, class meetings, or otherwise in connection with the business of the Company; and

- (u) Value Added Tax or any equivalent tax chargeable in respect of any of the charges and expenses payable by the Company.

In respect of the TB Saracen UK Alpha Fund, the ACD and the Depositary have agreed, in accordance with the COLL Sourcebook, that all of the expenses set out in Sections (i) to (iv) above will be paid from the income of the TB Saracen UK Alpha Fund as appropriate, although in the event that any such expense which would normally be payable out of income cannot be so paid because there is insufficient income property available for that purpose, such expenses may be allocated to capital in accordance with the COLL Sourcebook. It is not the current intention to allocate any of the payments or expenses set out in Sections (i) to (iv) above to capital. If this policy changes, then any payments or expenses allocated to capital may result in capital erosion or constrain capital growth of any of the Funds.

In respect of the TB Saracen UK Income Fund and the TB Saracen Global Income and Growth Fund, the ACD and the Depositary have agreed, in accordance with the COLL Sourcebook, that the expenses set out in sections (i) to (iv) above will be paid out of capital. In the event that there is insufficient Capital property to pay these expenses, such expenses may be allocated to income in accordance with the COLL Sourcebook.

The Company does not currently intend to acquire, nor does it have any interest in any tangible moveable or immovable property (such as office equipment). If the company does acquire any interest in moveable or immovable property, then the cost associated with such acquisition will be treated the same as all other expenses in Section (i) to (iv) above.

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

#### *Research Charge*

In accordance with the FCA Rules, the Investment Manager has set, and has agreed with the ACD, an annual research budget to establish how much it needs to spend on third party research to provide the investment services to the Company. The Research Charge described in section 14(iv)(r) above will be used to fund the purchase of research that the Investment Manager believes will benefit the Funds by assisting the Investment Manager to make investment decisions in respect of the Funds. The Investment Manager will take into account each Fund's investment objective, policy and investment strategy when considering whether to purchase research for the benefit of that Fund. The costs of any such research will be allocated fairly among the Funds.

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

research contributes to its decision making process when making investment decisions on behalf of the Funds.

The current rate of the Research Charge in respect of each Fund is 0.10% and will be charged on transactions within each Fund, albeit as a defined identifiable research charge separate to the execution rate. The charge will accrue each time there is a transaction. Amounts collected will be paid monthly into a Research Payment Account which will only be used for the purchase of third party research. The payments from the Research Payment Account are not linked to the volume or the value of transactions executed on behalf of a Fund. The Research Payment Account will be controlled by the Investment Manager and established in accordance with the FCA Rules. The Investment Manager's budgeted amount for research is set out at <http://www.tbaileyfs.co.uk/funds/tb-saracen-investment-funds>.

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

The Investment Manager utilises research across all Funds within the Company.

A summary of the following information in respect of the most recent annual reporting period will be included in the annual report of the Company and is available to investors from the ACD on request and from <http://www.tbaileyfs.co.uk/funds/tb-saracen-investment-funds>:

- The research providers paid using the Research Charge;
- The total amount each provider was paid;
- The benefits and services received by the Investment Manager in connection with the purchase of the relevant research; and
- How the total amount spent from the account compares to the total budgeted amount for research in respect of that period.

## **15. Dilution**

The basis on which the Company's investments are valued for the purposes of calculating the dealing price of Shares is documented in the paragraph headed "Valuations" (Page 28) as required by the COLL Sourcebook and the Instrument of Incorporation. However, the actual cost of selling assets and investments for each Fund may deviate from the value used in calculating the relevant investment's price, due to dealing charges, taxes, and any spread between buying and selling prices of the investments. These costs have an adverse effect on the value of a Fund, known as "dilution". The COLL Sourcebook allows the cost of dilution to be met directly from the Fund's assets or to be recovered from investors on the redemption of any of the Shares.

## 16. Dilution Levy

To mitigate the effect of dilution the ACD applies a dilution levy. A dilution levy is a separate charge of such amount or at such rate as is determined by the ACD to be made for the purpose of reducing the effect of dilution. This amount is not retained by the ACD, but is paid into the Company.

The need to charge a dilution levy will depend on the volume of sales and redemptions. The ACD may require a dilution levy on the sale and redemption of Shares if, in its opinion, the existing Shareholders (for sales) or remaining Shareholders (for redemptions) might otherwise be adversely affected. In particular, the dilution levy may be charged in the following circumstances:

- (a) where the Scheme Property is in continual decline;
- (b) on "large deals" (where the net issues or net redemptions of Shares at a particular dealing point exceed £500,000 or 5% of the size of the Scheme Property, whichever is lower); and/or
- (c) in any case where the ACD is of the opinion that the interests of remaining Shareholders require the imposition of a dilution levy.

It is not possible to predict accurately whether dilution would occur at any point in time, although a dilution levy could be charged on large individual deals (dependent on the size of the Scheme Property at the time). If a dilution levy is required then it is anticipated that the rate of such a levy would be as per the table below, although the actual percentages can only be accurately calculated at the time and will be on a projected basis.

<b>Fund</b>	<b>Large subscriptions</b>	<b>Large redemptions</b>
TB Saracen UK Alpha	Approx. 1.4%	Less than 1.00%
TB Saracen Global Income & Growth	Less than 0.5%	Less than 0.5%
TB Saracen UK Income	Approx. 1%	Less than 0.75%

The ACD's policy currently is to charge a dilution levy on the purchase or sale of Shares if it is in the interest of Shareholders. The ACD may alter its current dilution policy in accordance with the procedure set out in the COLL Sourcebook.

## 17. Minimum Shareholdings and Transactions

Each class of Share may have its own investment minima or other features. Details of any investment minima are set out in Appendix 5.

## **18. Share Denominations**

The rights attaching to the Shares are expressed in two denominations, being larger denomination Shares and smaller denomination Shares. The smaller denomination Shares are whole Shares, but with fractional rights. The proportion of a larger denomination Share represented by a smaller denomination Share is one thousandth of the larger denomination Share.

## **19. Eligible Markets**

Details of eligible markets through which the Funds may invest or trade are set out in Appendix 3.

## **20. Investment Powers**

The types of property which may be included in the Funds and the proportion of the Funds which may be invested in such property are also limited by the provisions of the COLL Sourcebook and their stated investment objective and policy.

A summary of the investment and borrowing powers is set out in Appendix 2.

## **21. Transactions in the Shares**

### **(i) *Issue and Redemption***

Requests for the issue of Shares can be made by sending a completed application form to the ACD. Application forms may be obtained from the ACD's website ([www.tbaileyfs.co.uk/funds](http://www.tbaileyfs.co.uk/funds)) or the Saracen Fund Managers website ([www.saracenfundmanagers.com](http://www.saracenfundmanagers.com)).

Payment in respect of the issue of Shares must be made within 4 Business Days of the relevant Dealing Day, (the "Settlement Date") unless the ACD, in its absolute discretion determines otherwise, by telegraphic transfer or cheque (net of handling charges and fees) in cleared funds in the currency denomination of the relevant Share. If payment in full has not been received by the Settlement Date, or in the event of non-clearance of funds, all or part of any allotment of Shares made in respect of such application may, at the discretion of the ACD, be cancelled, or, alternatively, the ACD may treat the application as an application for such number of Shares as may be purchased with such payment on the Dealing Day next following receipt of payment in full or of cleared funds. In such cases the Company may charge the applicant for any resulting loss incurred by the relevant Fund.

The ACD has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for Shares in whole or in part, and in this event the ACD will return any money sent, or the balance of such monies, to the applicant at the risk of the applicant. Interest will not be paid on any monies so returned.

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

On an issue of Shares, the applicant (or the first named applicant in the case of a joint applicant) will receive a contract note giving details of the number and price of Shares issued. The contract note will be issued within 24 hours of the valuation point by reference to which the issue price is determined, together with, where appropriate, a notice of the right of the applicant to cancel.

A share certificate will not be issued in respect of Shares but ownership of Shares will be evidenced by an entry in the Company's Register of Shareholders. A statement of shareholding in such form as the ACD may decide will be sent to the Shareholders at least on an annual basis.

Requests, signed by or on behalf of the Shareholder, to redeem Shares may be made to the ACD by email (containing a scanned copy of the completed and signed redemption request form) to [clientservices@tbailey.co.uk](mailto:clientservices@tbailey.co.uk) or in writing to the ACD at 64 St James's Street, Nottingham, NG1 6FJ. The redemption request form may be obtained from the ACD. The signed redemption request must be received by the ACD not later than 12pm on the Dealing Day. Redemption requests received after such time will be processed on the next following Dealing Day. Redemption requests sent by email will be treated as definite orders.

A contract note giving details of the number and price of Shares redeemed will normally be sent to the Shareholder redeeming such Shares (the first-named on the Register of Shareholders in the case of joint Shareholders) within 24 hours of the valuation point by reference to which the redemption price is determined. No payment of redemption proceeds will be made without receipt of the original signed Subscription application form and all requested AML documentation. Shareholders' proceeds will normally be transmitted by wire transfer, at the cost of the selling Shareholder, within 4 Business Days of (i) the valuation point following receipt by the ACD of the request to redeem; and (ii) receipt of the necessary documentation. No interest will be paid on the redemption proceeds between the relevant Dealing Day and the date of actual payment.

Shares will not be transferred until the Company has all duly executed instruments and authorisations required to effect (or enable the Company to procure) transfer of title of the Shares.

A Shareholder may be requested to produce evidence of title to his Shares in a fund by submitting the contract note to the ACD, plus proof of the actual payment and method thereof, and by fulfilling any other reasonable requirements of the ACD.

The Company is not required to issue a payment with respect to a redemption of Shares where it has not yet received the money due on the earlier issue of those Shares, or where it considers it necessary or appropriate to carry out or complete identification procedures in relation to the Shareholder, or another person pursuant to applicable laws and regulations.

The ACD is responsible for the issue or cancellation of Shares in the Company by making a record of the issue or cancellation of such Shares and the number of Shares in each class concerned.

**Redemption proceeds are sent at the Shareholder's risk and the ACD will not be responsible if the bank transfer is delayed, unless this is as a result of the ACD's negligence.**

(ii) ***Anti-Money Laundering and Countering Terrorist Financing Measures***

As a result of legislation in force in the United Kingdom to prevent money laundering, persons conducting investment business are responsible for compliance with money laundering regulations. Accordingly, in certain circumstances investors may be asked to provide proof of identity when buying or selling Shares and, until satisfactory proof of identity is provided, the ACD reserves the right to refuse to issue or redeem Shares or to delay processing and/or withhold any payments due to investors in respect of their investment and to discontinue any deals it is conducting on behalf of those investors. No interest will be payable in respect of sums held pending receipt of a satisfactory proof of identity.

The ACD also reserves the right to request additional information or proof of identity, in order to validate any element of a transaction and to comply with any relevant money laundering regulations. The checks on identity may include an electronic search of information held on the electoral roll and the use of credit reference agencies and in applying to buy Shares an investor gives permission to access this information in accordance with the Data Protection Act 1998.

For example, an individual may be required to produce a duly certified copy of his passport or identification card together with evidence of his address such as a utility bill or bank statement and his date of birth. In the case of corporate applicants this may require production of a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), the names, occupations, dates of birth and residential and business address of the directors of the company.

(iii) ***In Specie Redemptions***

Where a Shareholder requests redemption of a number of Shares, the ACD at its discretion may, by serving a notice of election on the Shareholder not later than the close of business on the second business day following the day of receipt of the request, elect (provided that the Depositary is satisfied that such in specie redemption of Shares is not likely to result in any material prejudice to the interests of Shareholders) that the Shareholder shall not be paid the redemption price of his Shares but instead there shall be a transfer to that holder of property of the relevant fund having the appropriate value. The selection of property to be transferred (or sold) will be made by the ACD in consultation with the Depositary, with a view to achieving no more advantage or disadvantage to the Shareholder requesting redemption of his Shares than to continuing Shareholders. The Company may retain out of the property to be transferred (or

the proceeds of sale) property or cash of value or amount equivalent to any stamp duty or stamp duty reserve tax to be paid in relation to the redemption of the Shares.

(iv) ***Issue of Shares in Exchange for In Specie Assets***

The ACD may arrange for the Company to issue Shares in exchange for assets other than money, but will only do so where the ACD and the Depositary are satisfied that the Company's acquisition of those assets in exchange for the Shares concerned is not likely to result in any material prejudice to the interests of Shareholders. The Depositary will ensure that the beneficial interest in the assets is transferred to the Company with effect from the date of issue of the Shares. The Company may retain out of the property to be transferred (or the proceeds of sale) property or cash of a value or amount equivalent to any stamp duty or stamp duty reserve tax to be paid in relation to the transfer.

(v) ***Suspension of Dealings***

The ACD may, with the prior agreement of the Depositary, or shall, without delay, if the Depositary so requires, for a period of up to 28 days, suspend the issue, cancellation, sale, redemption and exchange of Shares in a fund, where due to exceptional circumstances, it is in the interests of Shareholders. In any case where dealings are suspended, COLL 7 of the COLL Sourcebook will apply.

The Company will not be prevented from agreeing, during the suspension period, to issue or to cancel Shares at a price calculated by reference to the first valuation point in respect of the fund concerned following resumption of issue and cancellation.

(vi) ***Restrictions and Compulsory Transfer and Redemption***

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

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

- (a) are owned directly or beneficially in breach of any law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or
- (b) would result in the Company incurring any liability to taxation which the Company would not be able to recoup itself or suffering any other adverse consequence (including a requirement to register under any

securities or investment or similar laws or governmental regulation of any country or territory);

- (c) are held in any manner by virtue of which the Shareholder or Shareholders in question is/are not qualified to hold such Shares or if it reasonably believes this to be the case; or
- (d) are owned by a Shareholder who is registered in a jurisdiction (where the Fund is not registered or recognised by the relevant competent authority) whereby communication with that Shareholder by the ACD, on behalf of the Fund, might constitute a breach of the regulations in that jurisdiction (unless specific action is taken by the ACD to prevent such a communication constituting a breach):

or if the ACD is not satisfied that any Shares may not give rise to a situation discussed in (a), (b), (c) or (d) above, the ACD may give notice to the Shareholder(s) of the affected Shares requiring the transfer of such Shares to a person who is qualified or entitled to own them or that a request in writing be given for the redemption of such Shares in accordance with the COLL Sourcebook. If any Shareholder upon whom such a notice is served does not within thirty days after the date of such notice transfer his affected Shares to a person qualified to own them or submit a written request for their redemption to the ACD or establish to the satisfaction of the ACD (whose judgement is final and binding) that he or the beneficial owner is qualified and entitled to own the affected Shares, he shall be deemed upon the expiry of that 30 day period to have given a request in writing for the redemption or cancellation (at the discretion of the ACD) of all the affected Shares.

This may include a situation where a Shareholder has moved to a different jurisdiction which either does or may give rise to a situation described in (a), (b), (c) or (d) above.

It is not possible for the ACD to be fully informed of current law and regulations in every jurisdiction and accordingly in the interests of Shareholders and to be able to ensure no Shares are held or acquired by any person in breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory or which would result in any Fund incurring any liability to taxation which a Fund is not able to recoup itself or suffering any other adverse consequence. The ACD's policy will be to treat Shares of Shareholders moving to jurisdictions other than the United Kingdom as affected Shares and may refuse to issue Shares to anyone resident outside of the United Kingdom.

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

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

(vii) ***Initial Charge***

The ACD may make (and retain) an initial charge on the sale of Shares to be borne by Shareholders. The current level of the initial charge (if any) in respect of each Share class is set out in Appendix 5.

The ACD may only increase the initial charge in accordance with the COLL Sourcebook.

(viii) ***Redemption Charge***

There is no redemption charge for the Funds.

The ACD may only introduce redemption charges in accordance with the COLL Sourcebook.

(ix) ***Governing Law***

All transactions in Shares are governed by the laws of Scotland.

**22. Termination of a Fund and Winding Up of the Company**

A summary of the procedures involved in terminating a Fund and winding up of the Company is set out in Appendix 5.

**23. Valuations**

(i) ***Net Asset Value***

The Net Asset Value per Share of a Fund shall be calculated by dividing the assets of that Fund less its liabilities by the number of Shares in issue in the Fund. Where more than one class of Shares is in issue in respect of a Fund, Net Asset Value of the relevant Fund shall be allocated between each class based on the relative value of each class in issue. Where different entitlements, costs or liabilities apply in respect of different classes, these are excluded from the initial calculation of the Net Asset Value of the fund and applied separately to the Net Asset Value allocated to the relevant class (including the gains/losses on and costs of financial instruments employed for the currency hedging of a particular class). The portion of the Net Asset Value of each Fund attributable to each class shall then be converted into the relevant currency of denomination of the class at prevailing exchange rates applied by the ACD and shall be divided by the number of Shares of the relevant class in issue in order to calculate the Net Asset Value per Share of the relevant class. The Net Asset Value per Share will be calculated and will be rounded naturally up to two decimal places.

Assets will be valued in accordance with the following methods:

- (A) any security which is listed or quoted on any securities exchange will be valued at its mid-price or it will be valued at the last available mid-price. Where prices are available on more than one exchange for a particular security the price will be the mid-price on the exchange which constitutes the main market for such security or the one which the ACD determines provides the fairest criteria in ascribing a value to such security. If an exchange is closed, any security which is listed or quoted on that exchange will be valued at its last mid-price on the trading day prior to the closure of the exchange.
- (B) Any security which is listed or quoted on a securities exchange, where the securities exchange price is unrepresentative or not available and unlisted, shall be valued in good faith by the ACD or a competent person appointed by them for the purpose at the probable realisation value estimated with care having regard to its cost price, the price at which any recent transaction in the security may have been effected, the size of the holding having regard to the total amount of such security in issue, and such other factors as the ACD in its sole discretion deems relevant in considering a positive or negative adjustment to the valuation.
- (C) Any security which is not listed or quoted on a securities exchange will be valued at the probable realisation value estimated with care and in good faith by a stockbroker or other competent person approved for the purpose by the ACD.
- (D) Derivative instruments dealt in or traded on an exchange or market will be valued at the relevant settlement price on the applicable exchange or market. If such price is not available the value of such investments shall be the probable realisation value estimated with care and in good faith by a competent person appointed for the purpose by the ACD. Derivative instruments which are not dealt in or traded on an exchange or market will be valued on the basis of the latest valuation obtained from the counterparty to the transaction;
- (E) Investment in a collective investment scheme will be valued at the latest available net asset value of the shares or units in that collective investment scheme.
- (F) Forward foreign exchange contracts will be valued by reference to the price at which a new forward contract of the same size and maturity could be undertaken as of the relevant Valuation Day.
- (G) Cash deposits will be valued at their face value plus accrued interest;
- (H) Fixed Income securities shall be valued at the best estimate of their realisable value utilising a reputable vendor supplied feed. This feed applies a matrix approach to determine the value using key variables which may include but is not limited to; reported trade prices, broker/dealer quotes, benchmark yields, issuer spreads, bids, offers and

other reference data. Interest is accrued from the date on which the securities are acquired. Where such prices are not available, those securities shall be valued at a closing mid-market price.

- (I) Any value (whether of an investment or cash) otherwise than in the base currency will be converted into the base currency, at the rate (whether official or otherwise) which the ACD deems applicable having regard, among other things, to any premium or discount which they consider may be relevant and to the costs of exchange.
- (J) Commercial Paper and Treasury bills will be valued at par plus accrued interest.

In the event of it being impossible or impracticable to carry out a valuation of a specific asset in accordance with the valuation methods set out in paragraphs (A) to (J) above, the ACD is entitled to use other generally recognised valuation methods in order to reach a proper valuation of such assets.

Notwithstanding the above, in calculating the value of any investment the ACD, may rely upon such automatic pricing services as it may in its absolute discretion determine. For investments for which a price is not available from such an automated source, the ACD in their absolute discretion use information provided by other suitable independent sources, independent brokers, market makers, other intermediaries or any third parties. The ACD shall not in any circumstances, be liable for any loss suffered by reason of any error in the calculation of the value of any investment resulting from any inaccuracy in the information provided by any such pricing service, broker, market maker or other intermediary.

The ACD at its discretion, permit any other method of valuation to be used if it considers that such method of valuation better reflects the value of the investment and is in accordance with good accounting practice.

## **24. Pricing**

The price per Share at which Shares are sold is the NAV of those Shares. The price per Share at which Shares are redeemed is the NAV per Share. In addition, there may be, for both purchases and sales, a dilution levy as described on page 21 of this Prospectus. The price per Share applies to each fund and class of Share in issue from time to time.

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

The most recent price of Shares of Classes in issue (that is, the price calculated as at the last Dealing Day or additional Valuation Point) will be available at [www.tbaileyfs.co.uk](http://www.tbaileyfs.co.uk) and by telephoning 0115 988 8274 between 9:00am and 5:00pm on Business Days. For reasons beyond the control of the ACD, the published prices may not necessarily be the current prices. Potential investors

should note that shares are, however, issued on a forward pricing basis and not on the basis of the published prices.

## **25. Fair Value Pricing**

Where the ACD has reasonable grounds to believe that:

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

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

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

- no recent trade in the security concerned; or
- suspension of dealings in an underlying collective investment scheme; or
- the occurrence of a significant event since the most recent closure of the market where the price of the security is taken.

In determining whether to use such a fair value price, the ACD will include in their consideration but need not be limited to:

- the type of authorised fund concerned;
- the securities involved;
- whether the underlying collective investment schemes may already have applied fair value pricing;
- the basis and reliability of the alternative price used; and
- the ACD's policy on the valuation of Scheme Property as disclosed in this Prospectus.

## **26. Genuine diversity of ownership**

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

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

## 27. Risk Factors

Potential investors should be aware of, and consider, the risk factors prior to investing in the Company. The following are important warnings and investors should consult their own professional advisers to ensure that they understand the risk factors. The risks listed below do not necessarily comprise all those associated with an investment in the Company.

- (a) In any equity investment, there are risk factors present. Investments in the Company are subject to normal market fluctuations which can be affected by numerous and diverse factors. Potential investors should, therefore, regard any investment in the Company as being of a long-term nature and they should be aware that there can be no guarantee that the objectives of a Fund will be achieved. Investors should not invest money that they may require in the short term. The value of investments and the income derived from them may decline as well as rise, and investors may not recover the original amount invested in the Company. It should be noted that at the outset, the initial charge (see page 27), relating to Fees and Expenses) is deducted from an investment and an equivalent rise in the value of the Shares will be necessary before the original investment can be recovered. When Shares are redeemed by the ACD, the redemption charge (as detailed on page 27) will be deducted from the proceeds of the sale of Shares of an investor.
- (b) Investors are reminded that, under certain circumstances, their right to redeem Shares may be suspended (see page 25, relating to Suspension of Dealings).
- (c) Neither income nor capital is guaranteed.
- (d) Dealing charges and the bid/offer spread on the underlying securities in the Funds could have the effect that investors would not achieve the indicative returns stated.
- (e) A movement in exchange rates may have an effect, favourable or unfavourable, depending upon the investor's currency of reference.
- (f) It must be emphasised that past performance as detailed in Appendix 5 of this Prospectus is not a guide to future growth or rates of return.
- (g) If you are entitled to cancellation rights and you return your cancellation notice, you may not receive the full amount which you invested.
- (h) Changes in legislation, particularly taxation, may make such investments less attractive or, in certain instances, impossible.
- (i) The Funds of an umbrella ICVC are segregated portfolios of assets and, accordingly, the assets of a sub-fund belong exclusively to that sub-fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the umbrella, or

any other sub-fund, and shall not be available for any such purpose. While the provisions of the OEIC Regulations provide for segregated liability between Funds, the concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known how those foreign courts will react to regulation 11A and 11B of the OEIC Regulations.

Investors should bear in mind that all investment carries risk and in particular should be aware of the following:

- (i) **Market Risk:** The value of your invested capital may go down as well as up and as a result you may not get back what you originally invested. This can be as a result of market movements and also of variations in the exchange rates between currencies. For example, there may be the risk that an entire market of an asset class will decline thus affecting the prices and values of the assets. Past performance is not a guide to the future. There is no assurance that investment objectives will actually be achieved. In addition, in some circumstances you may have a right to cancel (see “May I change my mind after I have invested?” in the SID). Where you do cancel, you will not get back the full amount invested if the share price has fallen before we are aware of your wish to cancel the contract.
- (ii) **Performance Risk:** There is no guarantee of the performance of your investment.
- (iii) **Liquidity Risk:** Depending on the types of assets that the Funds invest in, there may be occasions where there is an increased risk that a position cannot be liquidated in a timely manner at a reasonable price. This will usually occur where the Funds have invested in shares in smaller companies or in emerging markets for example, where the shares are traded less frequently.
- (iv) **Credit Risk:** The Funds may be subject to the risk that an issuer or a counterparty will default.
- (v) **Settlement Risk:** The Funds may be subject to the risk that a settlement in a transfer system does not take place as expected because a counterparty does not pay or deliver on time as expected.
- (vi) **Exchange or Currency Risk:** Due to investments overseas, currency fluctuations may adversely affect the value of your investment.
- (vii) **Concentration Risk:** Where the Funds invest in a concentrated portfolio of assets, short-term volatility could be relatively high which means that should a particular investment decline in value or be adversely affected, it may have a more pronounced effect than within a fund with a larger number of investments.

- (viii) **Capital Risk:** Charges and expenses attributable to the Funds may be treated as capital charges and accordingly the imposition of such charges may result in capital erosion or constrain the capital growth of the Funds.
- (ix) **Tax Risk:** The levels of relief from taxation will depend upon individual circumstances. Please note current tax levels and reliefs may change and their value will depend on the investor's individual circumstances.
- (x) **Hedging Risk:** In certain circumstances, for efficient portfolio purposes to reduce or to eliminate risk arising from fluctuations in interest or exchange rates and the price of investment, the ACD may enter into certain derivative transactions, including, without limitations, forward transactions, futures and options. The value of these investments may fluctuate significantly. By holding these types of investments there is a risk of capital depreciation in relation to certain fund assets. There is also the potential for capital appreciation of such assets. There is also a risk that in a rising market, potential gains may be restricted as a result of using these types of investments. Currently the ACD does not intend to enter into derivative transactions.
- (xi) **Custody Risk:** The Funds may be subject to the risk of loss of assets held in custody that could result from the insolvency, negligence or fraudulent action of the Depository or of a sub-custodian.
- (xii) **Investing in other Collective Investment Schemes:** Each Fund may invest in other regulated collective investment schemes. As an investor in another collective investment scheme, a Fund will bear, along with the other investors, its portion of the expenses of the other collective investment scheme, including management, performance and/or other fees. These fees will be in addition to the management fees and other expenses which a Fund bears directly with its own operations.
- (xiii) **Investment in “non-reporting funds”:** Where a Fund invests in an offshore fund that falls within the UK's offshore funds legislation, then gains realised on the disposal of the holding will generally be subject to corporation tax at 20%, although the tax may not be payable depending on the Fund's tax situation at the time and the availability of income and tax information.
- (xiv) **Technology (including healthcare and telecommunications):** Where Funds invest in technology stocks, their potential volatility may increase the risk to the value of these investments in which above average price movements can be expected. Technology and technology-related industries may also be subject to greater government regulation than many other industries. Accordingly, changes in government policies and the need for regulatory approvals may have a materially adverse effect on these industries. Additionally, these

companies may be subject to risks of developing technologies, competitive pressures and the risk of obsolescence caused by other scientific advances. Many companies in the technology sector are smaller companies and are therefore also subject to the risks attendant on investing in such companies set out below.

- (xv) **Smaller companies:** Funds investing in smaller companies invest in transferable securities which may be less liquid than the securities of larger companies, as a result of inadequate trading volume or restrictions on trading. Securities in smaller companies may possess greater potential for capital appreciation, but also involve risks, such as limited product lines, markets and financial or managerial resources and trading in such securities may be subject to more abrupt price movements than trading in the securities of larger companies.
- (xvi) **Inflation Risk:** Inflation will, over time, reduce the value of your investments in real terms which will reduce the buying power of the money you have saved and your investments.
- (xvii) **Cancellation Rights:** Where cancellation rights are applicable, if Shareholders choose to exercise their cancellation rights and the value of their investment falls before notice of cancellation is received by the ACD in writing, a full refund of the original investment may not be provided but rather the original amount less the fall in value.

## 28. General Information

### (i) *Accounting Periods*

The annual accounting period of the Company ends each year on 31 December (the accounting reference date) or, if not a Business Day, the immediately preceding Business day and the interim accounting period ends on 30 June or, if not a Business Day, the immediately preceding Business Day.

### (ii) *Reports and Accounts*

The annual long reports of the Company will be published within four months of the end of each annual accounting period. The Prospectus and the long annual and interim reports prepared in accordance with Statement of Recommended Practice (or 'SORP') are available free of charge to any person on request from the ACD and these may be requested by calling 0115 988 8274.

### (iii) *Income Allocations*

Allocations of income are made in respect of the income available for allocation in each accounting period (whether annual or interim). The annual and interim income allocation dates (if any) for each Fund are set out in Appendix 5.

(iv) ***Income Equalisation of the Funds***

The price of a Share is based on the value of that Share's entitlement in relation to each Fund, including its entitlement to the income of that Fund, since the previous deemed distribution. In the case of the first distribution received in respect of a Share, part of the amount, namely the equalisation payment, is a return of capital and is not taxable as income in the hands of the Shareholder. This amount is, however, deducted from the cost of the Share in computing any capital gains. In the case of Accumulation Shares, the equalisation payment is reinvested along with taxed income; as a result no adjustment is made to the cost of the Share for capital gains tax purposes.

Equalisation applies only to Shares purchased during the relevant accounting period. The ACD's policy is to calculate the average amount of income included in the issue price of all Shares concerned issued during the relevant twelve month accounting period. Equalisation is calculated on a deal by deal basis using an income per Share rate calculated to four decimal places, with the total equalisation on the deal rounded to the nearest penny.

The ACD, at its sole discretion, may procure that the Company will dispense with income equalisation.

**29. Shareholder Meetings**

(i) ***General Meetings***

Shareholders representing not less than one tenth in value of all Shares then in issue may requisition general meetings of the Company in accordance with COLL.

The ACD or the Depositary may convene a general meeting of Shareholders at any time.

The ACD has decided not to hold annual general meetings, consequently copies of contracts of service between the ICVC and its directors, including the ACD, will be provided to a shareholder on request.

(ii) ***Changes to Prospectus and Instrument of Incorporation***

In accordance with the Regulations, certain changes to this Prospectus or the instrument of incorporation of the Company require the prior approval of a resolution of the Shareholders, or, where a change affects only holders of Shares of a particular class or classes, a resolution of a class meeting of those holders.

In the circumstances when approval of the Shareholders is not required, the ACD can make changes to the Prospectus or to the Instrument of Incorporation of the Company, subject to the COLL Sourcebook.

(iii) ***Class Rights***

The rights attaching to a class of Shares cannot be altered unless a resolution is passed at a class meeting of the holders of that class of Shares giving approval for any variation in class rights.

(iv) ***Voting Rights***

At a meeting of Shareholders or a class meeting of Shareholders of a fund on a show of hands every Shareholder who is an individual, and who is present in person or by proxy or, in the case of a corporation, is present by its properly authorised representative, has one vote. On a poll, a Shareholder may vote either in person or by proxy. On a poll, the voting rights attaching to each Share, (or Share of the relevant class at a class meeting of a fund) are such proportion of the voting rights attached to all of the Shares in issue (or all of the Shares of the particular class at a class meeting of a fund) as the price of the Share bears to the aggregate price(s) of all of the Shares in issue (or all of the Shares in issue of the particular class) at the date seven days before the notice of the meeting is deemed to have been served. This excludes holders who are known to the ACD not to be Shareholders at the time of the meeting.

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

A corporation which is a Shareholder may authorise such person as it thinks fit to act as its representative at any meeting of Shareholders (or a class meeting of a fund) and the person duly authorised is entitled to exercise the same powers on behalf of the corporation as he would be entitled to exercise if the corporation were an individual Shareholder.

In the case of joint Shareholders, the vote of the most senior who votes, whether in person or by proxy, must be accepted to the exclusion of the votes of the other joint Shareholders. For this purpose, seniority must be determined by the order in which the names stand in the register of Shareholders.

The ACD and any associate of the ACD is entitled to receive notice of and attend any meeting of the Shareholders, but the ACD is only entitled to vote or be counted in a quorum in respect of any Shares which the ACD or the associate holds on behalf of, or jointly with, a person who, if the registered Shareholder, would be entitled to vote, and from whom the ACD or the associate has received voting instructions.

The above provisions, unless the context otherwise requires, apply to class meetings, and meetings of Shareholders of Funds as they apply to general meetings of Shareholders, but by reference to the Shares of the class or Fund concerned, *mutatis mutandis*.

Where a resolution (including an extraordinary resolution) is required to conduct business at a meeting of Shareholders and every Shareholder is prohibited under the COLL Sourcebook from voting, it shall not be necessary to convene such a

meeting and a resolution may, with the prior written agreement of the Depositary to the process, instead be passed with the written consent of Shareholders representing 50% or more, or for an extraordinary resolution 75% or more, of the shares in issue.

### **30. UK Taxation**

The information under this heading does not constitute legal or tax advice and prospective investors should consult their own professional advisers as to the implications of subscribing for, purchasing, holding, switching or disposing of Shares under the laws of the jurisdiction in which they are resident for tax purposes.

### **31. General**

#### **(i) *The Company***

Each Fund will be treated as a separate entity for UK tax purposes.

Each Fund is exempt from UK tax on dividends received from UK companies and overseas companies (subject to certain conditions). Each Fund can choose to elect to tax particular overseas dividends it receives and, where it makes such an election, these dividends will be included in the taxable income of the Fund. Most other sources of income (e.g. interest income) will also constitute taxable income of the Fund. Each Fund will be subject to corporation tax (at the rate of 20% for the tax year beginning 1 April 2020) on its taxable income after deducting allowable expenses and interest distributions (see below) and subject to any relief for some or all of any foreign tax suffered in respect of that taxable income.

Gains and losses on creditor relationships (e.g. loan stocks, corporate bonds, gilts) will not be taxable if they are included in the accounts as ‘net gains/losses on investments’ or ‘other gains/losses’.

Capital gains realised on the disposal of the investments held by any of the Funds are not subject to UK corporation tax. However, in certain circumstances, income may be deemed to arise for tax purposes in respect of investments (e.g. interests in limited partnerships and material interests in offshore funds) notwithstanding that the income concerned has not been received as such by the Fund.

There is no specific exemption from UK stamp taxes (i.e. stamp duty or stamp duty reserve tax (“SDRT”)) for the Company. Broadly speaking, stamp duty is paid on transactions involving stock or marketable securities, and the rate is 0.5% of the amount paid for the stock or securities. There is no SDRT liability on amounts paid for any Shares redeemed. A charge may apply for certain in specie redemptions. The Company may incur similar taxes in another jurisdiction if it carries out transactions involving that jurisdiction.

(ii) ***Shareholders***

Allocations of income to Shareholders are treated as taxable distributions regardless of whether the income is retained within the Fund or actually paid to Shareholders.

*Income – dividend distributions*

Any dividend distribution made by a Fund to an individual Shareholder will be treated as if it were a dividend from a UK company. No deduction of UK income tax is made from a dividend distribution. The first £2,000 of dividend income paid to individuals is currently exempt from income tax. Dividend income in excess of this amount will be taxed at a rate of either 7.5% (for basic rate taxpayers), 32.5% (for higher rate taxpayers), or 38.1% for additional rate taxpayers (there are no tax credits attached to dividend distributions).

Corporate Shareholders within the charge to UK corporation tax will receive this income distribution as dividend income to the extent that the distribution relates to underlying dividend income (before deduction of expenses, but net of UK corporation tax) for the period in respect of which the distribution is made. Subject to certain conditions, this dividend income should normally be exempt from UK corporation tax. Any part of the distribution which is not received as dividend income is deemed to be an annual payment subject to UK corporation tax in the hands of the corporate shareholder.

*Income – interest distributions*

A Sub-fund for which the market value of its "qualifying investments" (broadly interest generating assets) exceeds 60% of the market value of all its investments throughout the distribution period (a "bond" fund for UK tax purposes) may make an interest distribution instead of a dividend distribution. The amount of the interest distribution is deductible in computing the Fund's income for corporation tax purposes.

Interest distributions made by a Sub-fund to UK resident shareholders will not be paid subject to the deduction of UK income tax.

Individual UK resident Shareholders will therefore be subject to UK income tax at their normal rate, subject to any exempt income received under an individual's personal savings allowances, as described below.

A personal savings allowance for UK resident individuals effectively exempts the first £1,000 (for basic rate taxpayers) or £500 (for higher rate taxpayers) of interest income (including from interest distributions) that an individual receives in any given year. No allowances will be available to additional rate taxpayers.

UK resident corporate Shareholders are subject to UK corporation tax on gross interest distributions, whether paid or allocated to them.

## *Capital Gains*

Shareholders who are resident in the UK for tax purposes may be liable to capital gains tax or, where the Shareholder is a company, corporation tax in respect of gains arising from the sale, exchange or other disposal of Shares (including Switches between Funds but not Switches between Classes in respect of the same Fund, provided that no consideration is given or received other than the Shares being converted).

Capital gains made by individual Shareholders on disposals from all chargeable sources of investment will be tax free if the net gain (after deduction of allowable losses) falls within an individual's annual capital gains exemption. For the tax year 2020/2021, this annual exemption is £12,300. An individual's net chargeable gains are taxed at 10% if the individual's total chargeable gains do not exceed the upper limit of the income tax basic rate band and at 20% if the total exceeds that limit.

Shareholders chargeable to UK corporation tax must include all chargeable gains realised on the disposal of Shares in their taxable profits. The amount chargeable will be reduced by an indexation allowance.

Special provisions apply to a UK corporate Shareholder which invests in a bond fund (see above). Where this is the case, the corporate Shareholder's Shares in the Fund are treated for tax purposes as rights under a creditor loan relationship. This means that the increase or decrease in value of the Shares during each accounting period of the corporate Shareholder is treated as a loan relationship credit or debit, as appropriate and constitutes income (as opposed to a capital gain) for tax purposes and, as such, is taxed in the year that it arises.

The first income allocation received by an investor after buying Shares may include an amount of income equalisation. This is effectively a repayment of the income equalisation paid by the investor as part of the purchase price.

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

### (iii) ***Reporting of tax information***

#### *US Foreign Account Tax Compliance*

Due to US tax legislation (the Foreign Account Tax Compliance Act, "FATCA"), which can affect financial institutions such as the Company, the Company may need to disclose to HMRC\* the name, address and taxpayer identification number relating to certain US investors who fall within the definition of Specified US Person in FATCA that own, directly or indirectly, an interest in certain entities, as well as certain other information relating to such interest. HMRC will in turn exchange this information with the Internal Revenue Service of the United States of America.

\*The UK has entered into an inter-governmental agreement (“IGA”) with the US to facilitate FATCA compliance. Under this IGA, FATCA compliance will be enforced under UK tax legislation and reporting.

While the Company shall use reasonable endeavours to cause the Company to avoid the imposition of US federal withholding tax under FATCA, the extent to which the Company is able to do so and report to HMRC will depend on each affected shareholder in the Company providing the Company or its delegate with any information that the Company determines is necessary to satisfy such obligations. The 30% withholding tax regime could apply if there is a failure by Shareholders to provide certain required information.

By signing the application form to subscribe for Shares in the Company, each affected

Shareholder is agreeing to provide such information upon request from the Company or its delegate. The Company may exercise its right to completely redeem the holding of an affected Shareholder (at any time upon any or no notice) if he fails to provide the

Company with the information the Company requests to satisfy its obligations under

FATCA.

#### *Other Reporting to Tax Authorities*

The UK and a number of other jurisdictions have also agreed to enter into multilateral arrangements modelled on the Common Reporting Standard for Automatic Exchange of Financial Account Information (“CRS”) published by the Organisation for Economic Cooperation and Development (“OECD”). This allows for the automatic exchange of financial information between tax authorities. These agreements and arrangements, as transposed into UK law, may require the Company, as a UK Financial Institution, (or the ACD on its behalf) to provide certain information to HMRC about investors from the jurisdictions which are party to such arrangements (which information will in turn be provided to the relevant tax authorities).

Two UK corporate criminal offences for failure to prevent the facilitation of tax evasion (“Facilitation Offences”) were created by the Criminal Finances Act 2017. The offences came into force on 30 September 2017. The Facilitation Offences impose criminal liability on a company or a partnership (a “Relevant Body”) if it fails to prevent the criminal facilitation of tax evasion by a “person associated” with the Relevant Body. There is a defence to the charge if the Relevant Body can show that it had in place “reasonable prevention procedures” at the time the facilitation took place.

In light of the above, Shareholders in the Company and, in some cases their financial intermediaries, may be required to provide certain information (including personal information) to the ACD to enable the Company to comply

with the terms of the UK law. Where a Shareholder fails to provide any requested information (regardless of the consequences), the Company reserves the right to take any action and/or pursue all remedies at its disposal to avoid any resulting sanctions including, without limitation, compulsory redemption or withdrawal of the Shareholder concerned.

**The foregoing statements are based on UK law and HMRC practice as known at the date of this Prospectus and are intended to provide general guidance only. These statements relate only to Shareholders that are resident in the UK for tax purposes and beneficially hold their Shares as an investment. The tax position may be different for other Shareholders, and certain types of Shareholder (such as life insurance companies) may be subject to specific rules. Shareholders and applicants for Shares are recommended to consult their professional advisers if they are in any doubt about their tax position.**

## 32. Additional Information

### (i) *Documents of the Company*

Copies of the following documents of the Company may be inspected during normal business hours on each Business Day at the offices of the ACD at 64 St James's Street, Nottingham, NG1 6FJ.

- (i) the most recent annual and interim long reports and Accounts of the Company;
- (ii) the Instrument of Incorporation;
- (iii) the Register of Shareholders of the Funds;
- (iv) the Prospectus;
- (v) the KIIDs; and
- (vi) the Service Agreement.

Copies of each of the above documents may also be obtained from the ACD.

Any shareholder may obtain on request from the ACD information supplementary to the Prospectus relating to:

- (i) the quantitative limits applying to the risk management of the Funds;
- (ii) the methods used in relation to (i); and
- (iii) any recent development of the risks and yields of the main categories of investment.

(ii) ***Complaints***

Complaints may be made to the Compliance Officer, T. Bailey Fund Services Limited, 64 St James's Street, Nottingham, NG1 6FJ. If a complaint is not settled satisfactorily, complaints may be made to the Financial Ombudsman Service, at Exchange Tower, London E14 9SR, Tel 0845 080 1800 (complaint.info@financial-ombudsman.org.uk).

(iii) ***General***

No person has been authorised by the Company to give any information or to make any representations in connection with the offering of Shares other than those contained in the Prospectus. If any such information is given or representations are made, then they must not be relied upon as having been made by the Company. The delivery of this Prospectus, irrespective of whether or not it is accompanied by other material or the issue of Shares, shall not, under any circumstances, create the impression, implied or otherwise, that the affairs of the Company have not changed since the date thereof.

Potential Shareholders should take note of the provisions of the Company's Instrument of Incorporation (a copy of which is available as described above) as the contents thereof are binding on each of the Shareholders.

The ACD is responsible for the information contained in this Prospectus. To the best of the ACD's knowledge and belief, after having taken all reasonable precautions and care to ensure that this is the case, the information contained in this Prospectus does not contain any untrue or misleading statement or omit any matters required by the COLL Sourcebook to be included in the Prospectus.

The Company is bound by this Prospectus which is based on information, law and practice at the date thereof. It is the responsibility of investors, either existing or potential, to check with the ACD that this is the most recently published Prospectus.

Shareholders will be contacted by post at their last known address held on the register or by using an electronic medium in accordance with the COLL Sourcebook for the service of any notice or document in respect of a shareholder meeting or any such matter of which a shareholder should be notified.

None of the Company, its Depositary, a director of the Company, any investment adviser of the Company, any associate of any of the foregoing or the Auditor are liable to account to any of the others or to the shareholders of any of the Funds for any profits or benefits it, or any of the others, makes or receives that are made or derived from or in connection with: dealings in the shares of any of the Funds; or any transaction in the property of any of the Funds; or the supply of services to the Funds.

### **33. Client Money**

In certain circumstances money in respect of Shares will be transferred to a client money bank account with any recognised bank or banks that the ACD may from time to time select until such transactions can be completed. Money transferred to a client money account will be held in accordance with the rules made by the FCA relating to the holding of client money. The purpose of utilising client money accounts is to protect investors should the ACD become insolvent during such a period. No interest will be paid on money held in these client money bank accounts.

The ACD will not be responsible for any loss or damages suffered by Shareholders because of any error or action taken or not taken by any third parties holding client money in accordance with the FCA's client money rules unless the loss arises because the ACD has been negligent or acted fraudulently or in bad faith. Should the recognised bank or banks holding the client money bank account become insolvent, the ACD will attempt to recoup the money on behalf of Shareholders. However, if the recognised bank or banks cannot repay all the persons to whom it owes money, any shortfall may have to be shared proportionally between all its creditors including Shareholders. In this situation, Shareholders may be eligible to claim under the Financial Services Compensation Scheme ("FSCS"). Further information about compensation arrangements is available from the ACD on request or from the FSCS at:

The Financial Services Compensation Scheme  
10th Floor  
Beaufort House  
15 St Botolph Street  
London  
EC3A 7QU

Telephone: 0800 678 1100 or 020 7741 4100  
Website: [www.fscs.org.uk](http://www.fscs.org.uk)

The ACD may, in certain circumstances permitted by the FCA's client money rules (for example if the ACD decides to transfer all or part of its business to a third party), transfer any client money held in respect of the business being transferred in accordance with the FCA's client money rules, to that third party without that investor's prior consent. On request, the third party must return any balance of client money to the investor as soon as possible. Subject to the FCA's client money rules, the sums transferred may be held by the third party in accordance with the FCA's client money rules, otherwise the ACD will exercise all due skill, care and diligence to assess whether the third party has adequate measures in place to protect shareholder money. The ACD will act at all times in accordance with the prevailing FCA's client money rules.

### **34. EU Benchmark Regulation**

The EU Benchmark Regulation requires the ACD to produce and maintain robust written plans setting out the actions that it would take in the event that a benchmark (as defined by the EU Benchmark Regulation) materially changes or ceases to be provided. The Funds are not tracker funds and neither the Investment Manager, ACD or the Funds are a "user" of a benchmark for the purposes of the EU Benchmark Regulation. Further information is available on request.

Updated information, if required, as to whether any benchmark for the Funds is provided by an administrator included in the FCA's register of benchmark administrators will be available from 1 January 2020.

## **APPENDIX 1**

### **Conversion and Switching**

#### **1. Conversion between classes**

Conversion will be effected by the ACD recording the change of class on the Register. Conversion requests must be made to the ACD by telephone on 0115 988 8274 or in writing sent to the ACD at 64 St James's Street, Nottingham, NG1 6FJ.

Conversion will be effected at the next valuation point following receipt of instructions. For UK Shareholders, conversions will not be treated as a disposal or capital gains tax purposes. There is currently no fee on conversions but the ACD, subject to the FCA Rules, may at its discretion introduce such a fee.

The ACD may, upon appropriate notice to affected Shareholders, effect a compulsory conversion of Shares in one class of a Fund for another class of the same Fund. A compulsory conversion will only be undertaken where the ACD reasonably considers it is in the best interests of affected Shareholders. By way of example, the ACD may effect a compulsory conversion where the ACD reasonably believes it is in the best interests of Shareholders to reduce the number of available classes of Share.

#### **2. Switching between Funds**

A holder of Shares may, subject as mentioned below, at any time Switch all or some of those Shares (the "Original Shares") for Shares in relation to another Fund (the "New Shares"). No Switch will be effected during any period when the right of Shareholders to require the redemption of their Shares is suspended. Switching requests must be made to the ACD by telephone on 0115 988 8274 (in which case the identification procedures and controls required by the ACD from time to time must be satisfied) or in writing sent to the ACD at 64 St. James's Street, Nottingham NG1 6FJ and must specify:

- (1) the number and Class of the Original Shares to be Switched,
- (2) the Fund to which the Original Shares relate and
- (3) the Class of the New Shares and the Fund to which they relate.

Switching requests made by telephone must be confirmed in writing (which, in the case of joint Shareholders, must be signed by all the joint Shareholders) sent to the ACD at the address stated in this paragraph. Subject as mentioned above, a Switch will be effected as at the next Valuation Point following the time at which the valid Switching request is received by the ACD or (if required by the ACD) when written, signed Switching instructions are received by the ACD or as at such other Valuation Point as the ACD may agree at the request of the Shareholder.

Where the Switch is between Funds that have different Valuation Points, the cancellation or redemption of the Original Shares shall take place at the next Valuation Point of the Fund to which the Original Shares relate following receipt (or deemed receipt) by the ACD of the Switching request or (if required by the ACD) the duly completed and signed Switching instructions and the issue or sale of the New Shares shall take place at the next subsequent Valuation Point of the Fund to which the New Shares relate. The ACD may at its discretion charge a switching fee, which is described below under "Switching Fee". If the Switch would result in the Shareholder holding a number of Original Shares or New Shares of a value which is less than the minimum holding specified in Appendix 5 in respect of the Fund concerned, the ACD may, if it thinks fit, convert the whole of the Shareholder's holding of Original Shares into New Shares or refuse to effect the requested Switch of the Original Shares.

The ACD shall refuse to effect a requested switch by a shareholder if any other conditions attached to the purchase or holding of New Shares are not satisfied with respect to that shareholder or if the ACD has reasonable grounds for refusing the request.

The number of New Shares to which the Shareholder will become entitled on a Switch will be determined by reference to the respective prices of New Shares and Original Shares at the Valuation Point applicable at the time the Original Shares are cancelled or redeemed or, where the Switch is between Funds that have different Valuation Points, by reference to the price of Original Shares at the Valuation Point applicable at the time the Original Shares are cancelled or redeemed and by reference to the price of New Shares at the Valuation Point applicable at the time of the issue or sale of the New Shares.

A Switch of Shares in one Fund for Shares in another Fund is treated as a redemption and sale and will, for persons subject to United Kingdom taxation, be a realisation for the purposes of the taxation of capital gains. A Conversion of Shares in one Class for Shares in another Class in relation to the same Fund will not normally be treated as a realisation for UK tax purposes.

## **APPENDIX 2**

### **1. Investment powers and restrictions**

The ACD must ensure that, taking account of the investment objective and policy of the Funds the investments held by the Fund aim to provide a prudent spread of risk.

Subject always to the investment objective and policy of the Funds, the eligible investments for the Funds are transferable securities, money-market instruments, cash and near cash, deposits and units in collective investment schemes.

Derivatives and forward transactions may be used only for the purpose of efficient portfolio management (which includes hedging) in relation to the Funds, not for the purpose of meeting the investment objective of the Funds. Currently the ACD does not intend to enter into such transactions.

Subject always to the investment objective and policy of the Funds, the following is a summary of the investment powers and limits in COLL 5 as at 31 December 2020 as it applied to UCITS schemes incorporated in the UK. The ACD intends to take advantage of the FCA's Transitional Directions and accordingly will continue to comply with the rules as summarised below. For these purposes, any reference to an EEA State shall be deemed to include the UK.

#### **1.1.1 Transferable Securities/Approved Money-Market Instruments**

Not more than 5% of the value of the property of each Fund may be invested in transferable securities or money-market instruments issued by any single body. However, (i) the figure of 5% may be regarded as 10% in respect of up to 40% of the value of the property of each Fund and (ii) the figure of 5% may be increased to 25% in respect of covered bonds provided that when the Fund invests more than 5% in covered bonds issued by a single body, the total value of covered bonds must not exceed 8% of the Net Asset Value of the Scheme Property of the Fund. A transferable security is an investment which is a share, a debenture, a government and public security (see paragraph 1.1.11 below for the limits applicable to investment in government and public securities), a warrant or a certificate representing certain securities. An investment is not a transferable security if the title to it cannot be transferred or can be transferred only with the consent of a third party. An investment is not a transferable security unless the liability of the holder of it to contribute to the debts of the issuer is limited to any amount for the time being unpaid by the holder of it in respect of the investment.

Not more than 10% of the value of the property of each Fund may be invested in transferable securities which are not approved securities and money-market instruments which are not admitted to or dealt in on an eligible market (any such money-market instruments must however be liquid and have a value which can be determined accurately at any time).

Not more than 20% in value of the property of each Fund may consist of transferable securities and money-market instruments issued by the same group.

### 1.1.2 Deposits

Not more than 20% in value of the property of each Fund is to consist of deposits with a single body. A Fund may only invest in deposits 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.

### 1.1.3 Nil and Partly-Paid Securities

A transferable security or an approved money-market instrument on which any sum is unpaid may be invested in only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the relevant Fund, at the time when payment is required, without contravening the other rules in this Appendix 2.

### 1.1.4 Collective Investment Schemes.

Each Fund may invest in units of collective investment schemes provided that such schemes satisfy all of the following conditions, and further provided that no more than 10% of the value of each Fund is invested in collective investment schemes.

#### 1.1.4.1 The collective investment scheme must:

- (a) be a UCITS scheme; or
- (b) be recognised under the provisions of section 272 of the Act (Individually recognised overseas schemes) that is authorised by the supervisory authorities of Guernsey, Jersey or the Isle of Man (provided the requirements of article 50(1)(e) of the UCITS Directive are met); or
- (c) be a non-UCITS retail scheme (provided the requirements of article 50(1) (e) of the UCITS Directive are met); or
- (d) be authorised in another EEA State (provided the requirements of article 50(1)(e) of the UCITS Directive are met); or
- (e) is authorised by the competent authority of an OECD member country (other than another EEA State) which has signed the IOSCO Multilateral Memorandum of Understanding and which has approved the scheme's management company, rules and depositary/custody arrangements (provided the requirements of the said article 50(1)(e) are met.

#### 1.1.4.2 The collective investment scheme must comply, where relevant, with the requirements of the COLL Sourcebook in respect of investment in associated collective investment schemes and investment in other group schemes;

#### 1.1.4.3 The collective investment scheme must have terms which prohibit more than 10% in value of the scheme's property being invested in collective investment schemes; and

- 1.1.4.4 Where the collective investment scheme is an umbrella, the provisions in paragraphs 1.1.5.2 and 1.1.5.3 apply to each fund as if it were a separate collective investment scheme.

Subject to COLL, each Fund may invest in units of collective investment schemes operated by the ACD or an associate of the ACD.

1.1.5 Cash and near cash

The property of each Fund may consist of cash and near cash to the extent that it may reasonably be regarded as necessary to enable the pursuit of the relevant Fund's investment objectives; or the redemption of shares; or the efficient management of the relevant Fund in accordance with its objectives; or other purposes which may reasonably be regarded as ancillary to the investment objectives of the relevant Fund.

1.1.6 Additional Spread Limits

In applying the limits in paragraphs 1.1.1(i) and 1.1.2, not more than 20% in value of the property of each Fund is to consist of any combination of the following:

- (a) transferable securities or money-market instruments issued by; or
- (b) deposits made with; or
- (c) exposures from over-the-counter derivatives transactions made with, a single body.

1.1.7 Significant influence

The Company must not acquire, or cause to be acquired, 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 immediately before the acquisition, the aggregate of any such securities held for the Company, taken together with any such securities already held for the Company, gives the Company power significantly to influence the conduct of business of that body corporate; or the acquisition gives the Company that power.

The power significantly to influence is assumed if such securities allow the Company to exercise or control the exercise of 20% or more of the voting rights in that body corporate.

1.1.8 Concentration

The Company

- Must not acquire transferable securities (other than debt securities) which do not carry a right to vote on any matter at a general meeting of the body corporate that issued them; and represent more than 10% of those securities issued by that body corporate;

- Must not acquire more than 10% of the debt securities issued by any single body;
- Must not acquire more than 25% of the units of a single collective investment scheme;
- Must not acquire more than 10% of the approved money-market instruments issued by any single body.

#### 1.1.9 Placing and Underwriting

Each Fund is permitted to enter into underwriting and placing agreements provided that there is no breach of any of the above limits or any regulatory limit should all possible obligations arising under such agreements on any business day require to be met in full.

#### 1.1.10 Government and Public Securities

The following section applies to transferable securities or approved money market instruments issued by (a) an EEA State; (b) a local authority of an EEA State; (c) a non-EEA State; or (d) a public international body to which one or more EEA States belong ("Such Securities").

Up to 35% in value of the property of each Fund may be invested in Such Securities issued by any one issuer or of any one issue. Subject to this restriction, there is no limit on the amount of the property of each of Fund which may be invested in Such Securities or Such Securities issued by any one issuer or of any one issue.

The ACD must avoid the property of the Company being used or invested contrary to COLL 5 of the COLL Sourcebook or any provision in the Instrument of Incorporation or the Prospectus, except to the extent that there is a transaction ("subsequent transaction") deriving from a right (such as the right to convert stock or subscribe to a rights issue) attributable to an investment ("original investment") of the Company if the subsequent transaction but for this provision would constitute a breach of COLL 5 and at the time of the acquisition of the original investment, it was reasonable for the ACD to expect that a breach would not be caused by the subsequent transaction; and the exercise of a right includes the taking effect of a right without no action by or on behalf of the Depositary or the ACD. The ACD must however restore compliance with COLL 5 as soon as reasonably practicable having regard to the interests of Shareholders and, in any event, within the period specified in COLL 6 of the COLL Sourcebook.

## 2. Derivatives and Forward Use

### 2.1 Efficient Portfolio Management

Derivatives and forwards may only be used for the efficient management of the Funds. Derivatives may not be used for investment purposes.

The purpose of efficient portfolio management is to achieve one or more of the following in respect of the Funds: -

- (i) the reduction of risk;

- (ii) the reduction of cost; and
- (iii) the generation of additional capital or income for the Funds with no, or with an acceptably low level of, risk. There is an acceptably low level of risk in any case where the ACD reasonably believes that the Fund is certain (or certain barring events which are not reasonably foreseeable) to derive a benefit either (a) by taking advantage of pricing imperfections in relation to the acquisition and disposal (or vice versa) of rights in relation to the same or equivalent property which the Fund holds or may properly hold, or (b) by receiving a premium for the writing of a covered call option or a covered put option, even if that benefit is obtained at the expense of surrendering the chance of yet greater benefit, or (c) pursuant to stock-lending within the meaning of the COLL Sourcebook.

The purpose of efficient portfolio management relates to property of the Funds, property (whether precisely identified or not) which is to be or is proposed to be acquired for the Funds and anticipated cash receipts of the Funds, if due to be received at some time and likely to be received within one month.

Before entering into a transaction in relation to derivatives or forwards for the purpose of efficient portfolio management, the following conditions have to be satisfied: -

- (i) The transaction must be one which (alone or in combination with one or more others) is reasonably believed by the ACD to be economically appropriate to the efficient portfolio management of the Funds. In the case of transactions entered into for the purpose of the reduction of risk and/or cost, this will be where the ACD reasonably believes the transaction (alone or in combination) will diminish a risk or cost of a kind or level which it is sensible to reduce. In the case of a transaction entered into for the purpose of generating additional capital or income, this will be where the ACD reasonably believes the Fund is certain (barring events which are not reasonably foreseeable) to derive a benefit from the transaction. In all cases the transaction will not be entered into if its purpose could reasonably be regarded as speculative.

Where, for example, the ACD wishes to use the technique commonly called tactical asset allocation to achieve a switch in exposure by use of derivatives rather than a sale and purchase of property of the Funds it may do so if the transactions reasonably appear to the ACD to satisfy the foregoing paragraph and to be for the purpose of the reduction of risk and/or cost.

Where the transaction relates to the actual or potential acquisition of transferable securities, the ACD must intend that the Funds should invest in transferable securities within a reasonable time (and thereafter realise that intention within such time unless the position has itself been closed out).

- (ii) The ACD must ensure that its global exposure relating to derivatives held by the Funds does not exceed the net value of the property of the Funds. The ACD must calculate global exposure on at least a daily basis. The ACD will calculate the global exposure of the Funds by using the commitment approach which converts the derivatives into the market value of an equivalent position in the underlying assets and assesses the potential loss. The ACD may take account of netting or hedging positions where these positions do not disregard obvious and material risks and result in a clear reduction in risk exposure.

The ACD shall, at each valuation point (and more frequently if necessary) for the Funds, recalculate the amount of cover required in respect of positions already in existence and derivatives and rights under forward transactions may be retained in the property of the Funds only so long as they remain so covered both individually and globally.

If at any time any fact or matter relating to the Funds or its economic environment, or the aggregate of all outstanding positions, is such that at least one of the relevant transactions (assuming it did not exist) could not then properly have been effected, either in that size or at all, the ACD shall, on becoming aware of that fact, take such steps as are necessary to rectify the situation.

The types of transaction which may be entered into for the purpose of efficient portfolio management are: -

- (i) a derivatives transaction which must be: -
- (a) an approved derivative (for the purposes of the COLL Sourcebook); or
  - (b) an off-exchange derivative or synthetic future which complies with the relevant requirements of the COLL Sourcebook; or
- (ii) a forward transaction in a currency with a counterparty approved in terms of the COLL Sourcebook.

Up to 5% of the value of the Scheme Property of a Fund can be directed to initial outlay in respect of off-exchange transactions with any one counterparty. A derivatives or forward transaction which will or could lead to the delivery of property to the Depositary or to the Company can only be entered into if such property can be held by the relevant Fund and the ACD has taken reasonable care to determine that delivery of the property pursuant to the transaction will not occur or will not lead to a breach of the COLL Sourcebook.

Any such transaction may at any time be closed out.

The ACD may decide to make use of all the foregoing powers available to the Company in respect of efficient portfolio management and accordingly may be

likely to enter into any of the types of transactions referred to above under this paragraph 2 of this Appendix 2.

When using derivatives and forwards, the ACD will employ a risk management process to allow the ACD to measure derivative and forward positions and their contribution to the risk profile of the Funds.

### **3. Stock Lending**

The Depositary, at the request of the ACD, may enter into stock lending arrangements of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992 (without extension by section 263C) when it reasonably appears to the ACD to be appropriate to do so with a view to generating additional income for the Fund with an acceptable degree of risk, but only if:

- (i) all the terms of the agreement under which securities are to be reacquired by the Depositary are in a form which is acceptable to the Depositary and are in accordance with good market practice,
- (ii) the counterparty is an authorised person or a person authorised by a Home State regulator, and
- (iii) collateral is obtained to secure the obligation of the counterparty under the terms of agreement.

Collateral must be acceptable to the Depositary, high quality and liquid.

Collateral is adequate for the purposes of this paragraph 3 only if it is transferred to the Depositary or its agent, is received under a title transfer, is at all times equal in value to the market value of the securities transferred by the Depositary plus a premium.

Collateral is sufficiently immediate for the purposes of this paragraph 3 if it is transferred before or at the time of the transfer of the securities by the Depositary or the Depositary takes reasonable care to determine at that time that it will be transferred at the latest by the close of business on the day of the transfer.

The Depositary must ensure that the value of the collateral at all times is at least equal to the value of the securities transferred by the Depositary. In respect of collateral the validity of which is about to expire or has expired the Depositary may satisfy this duty by taking reasonable care to determine that sufficient collateral will again be transferred at the latest by the close of business on the day of expiry.

For the purposes of pricing shares in the Funds any agreement for the transfer at a future date of securities or collateral under this paragraph 3 may be regarded as an unconditional agreement for the sale or transfer of property, whether or not the property is part of the property of the Funds.

There is no limit to the value of the property of the Funds which may be the subject of stock lending transactions.

The ACD currently envisages that stocklending transactions may be entered into from time to time if, and to the extent that, the ACD considers it appropriate in the circumstances.

#### **4. Borrowing**

The Company may, in accordance with the COLL Sourcebook, borrow money from an eligible institution or an approved bank (as defined in the COLL Sourcebook) for the use of the Funds on terms that the borrowing is to be repayable out of the Scheme Property. Borrowing includes, as well as borrowing in a conventional manner, any other arrangement designed to achieve a temporary injection of money into the Scheme Property, in the expectation that the sum will be repaid, for example by way of a combination of derivatives which produces an effect similar to borrowing.

The ACD must ensure that the borrowing of a Fund does not, on any business day, exceed 10% of the value of the property of the Fund, as the case may be. Any cash obtained by borrowing may be made available for cover in respect of any transactions effected for the purposes of efficient portfolio management.

The ACD must also ensure that any borrowing is on a temporary basis, that it is not persistent, and, in any event, no period of borrowings exceed three months in respect of any specific sum or at all, without the prior consent of the Depositary, which consent may only be given on appropriate conditions to ensure that the borrowing does not cease to be on a temporary basis only.

The ACD reserves the right to require the Depositary to exercise the borrowing powers of the Company where it believes that there is good and sufficient reason to do so having regard to the interest of the shareholders and potential shareholders.

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

## **APPENDIX 3**

### **Eligible Markets**

Markets which are regulated markets (as defined for the purpose of the FCA Rules) or which are markets established in the United Kingdom or any EEA State which are regulated, operated regularly and are open to the public are eligible markets for all Funds.

In addition, markets are also eligible if the ACD, after consultation and notification with the Depositary, has decided that the market is appropriate for the purpose of investment of or dealing in the property of the Funds. The Depositary must have taken reasonable care to determine that adequate custody arrangements can be provided for the investment dealt in on such markets and that all reasonable steps have been taken by the ACD in deciding whether the market is eligible. Any such market must operate regularly and be regulated, be recognised, be adequately liquid, be open to the public and have adequate arrangements for unimpeded transmission of income and capital to or to the order of investors.

A list of those other eligible securities markets and eligible derivatives markets for each Fund is set out below. A securities or derivative market may be added to any of those lists in accordance with the FCA Rules.

No market shall be an eligible securities or derivatives market unless it would be eligible in terms of COLL 5 of the FCA Rules.

#### **Australia**

Australian Securities Exchange (ASX)

#### **Canada**

Canadian Securities Exchange (CSE)

Nasdaq Canada

**Toronto Stock Exchange (TSX)**

**TSX Venture Exchange**

#### **Hong Kong**

Hong Kong Exchanges and Clearing Company (HKEx)

#### **Japan**

Japan Exchange Group

Fukuoka Stock Exchange

JASDAQ Market

Nagoya Stock Exchange

Sapporo Securities Exchange

#### **New Zealand**

New Zealand Exchange Limited (NZX)

## **Norway**

### **Oslo Stock Exchange**

## **Switzerland**

SIX Swiss Exchange

### **Berne eXchange**

## **Pan-European**

Euronext

Including Brussels, Paris, Amsterdam

### **OMX Exchanges**

## **Singapore**

Singapore Exchange (SGX)

## **South Africa**

JSE Limited

## **United States of America**

Chicago Stock Exchange (CHX)

NASDAQ Stock Market

**New York Stock Exchange (NYSE)**

## **APPENDIX 4**

### **Winding up of the Company and Termination of Funds**

#### **1. Winding up the Company**

The Company may be wound up under the provisions of the COLL Sourcebook or as an unregistered company under Part V of the Insolvency Act 1986. Winding up under the COLL Sourcebook is only permitted with the approval of FCA and if a statement has been lodged with the FCA by the ACD confirming that the Company will be able to meet all its liabilities within twelve months of the date of the statement (a "solvency statement").

Subject to the foregoing, the Company will be wound up under the COLL Sourcebook:

- if an extraordinary resolution to that effect is passed; or
- if FCA agrees to a request by the ACD for the revocation of the authorisation order in respect of the Company;
- on the effective date of a duly approved scheme of arrangement which is to result in the Company ceasing to hold any Scheme Property;
- on the date on which all of the Funds have otherwise ceased to hold any scheme property, notwithstanding that the Company may have assets and liabilities that are not attributable to any particular Fund; or
- if any period fixed for the duration of the Company by the Instrument of Incorporation expires or any event occurs for which the Instrument of Incorporation provides that the Company is to be wound up.

Winding up under the COLL Sourcebook is carried out by the ACD, which will, as soon as practicable, cause the property of the Company attributable to each Fund to be realised and the liabilities of the Company attributable to the Fund to be met out of the proceeds. Provided that there are sufficient liquid funds available after making provision for the expenses of winding up and the discharge of the liabilities of the Company, the ACD may arrange for interim distribution(s) to be made to shareholders, when all liabilities have been met, the balance (net of a provision for any further expenses of the Company) will be distributed to shareholders. The distributions out of each Fund will be made to the holders of shares linked to the Fund which their shares represent.

On completion of the winding up, the Company will be dissolved and any money (including unclaimed distributions) standing to the account of the Company will be paid into court within one month of dissolution.

#### **2. Termination of a Fund**

A Fund may wound up under Part V of the Insolvency Act 1986 as an unregistered company or may be terminated with the approval of the FCA, if a solvency statement is lodged with the FCA in respect of the liabilities of the Company relating to the Fund and:

- an extraordinary resolution to that effect has been passed at class meeting(s) of the class(es) of shares linked to the Fund; or
- any period fixed for the duration of a Fund by the Instrument of Incorporation expires or any event occurs for which the Instrument of Incorporation provides that the Company is to be wound up;
- on the effective date of a duly approved scheme of arrangement which is to result in the Fund ceasing to hold any Scheme Property; or
- the FCA has agreed to a request by the ACD for the termination of the Fund.

Termination of a Fund will be carried out by the ACD in accordance with the COLL Sourcebook in broadly the same way as the winding up of the Company as described above.

## **APPENDIX 5**

### **Sub-Fund Details**

Investment of the assets of each of the Funds must comply with the COLL Sourcebook and its own investment objective and policy. Details of each Fund's investment objective and policy are set out in this Appendix, together with other information including available Share Classes, charges, minimum investment levels (if any) and distribution dates. A detailed statement of the investment and borrowing restrictions applicable to the Company is contained in Appendix 2. A list of the eligible securities and derivatives markets on which the Funds may invest is contained in Appendix 3.

Derivative instruments may, in respect of the Funds, be used for efficient portfolio management purposes only – but the Investment Manager does not currently intend to use these in the management of the Funds. The use of these instruments, when applicable, may mean that from time to time the portfolio composition of Shares in the Funds will be highly volatile. The ACD's risk management process in relation to the use of these instruments is available on request.

## SUB-FUND DETAILS

**Name:** TB SARACEN UK ALPHA FUND<sup>†</sup>

**FCA Product Reference Number (“PRN”):** 645351

**Investment Objective:** The Fund aims to achieve a return in excess of the return on the MSCI UK All Cap Index over Rolling Periods of 5 years (after charges).

**Investment Policy:** At least 80% of the Fund will be invested in shares in UK companies which the Investment Manager considers provide the potential for long-term growth with the aim of generating an excess return to that of the index (known as alpha generation). UK companies are companies which are incorporated in the UK, domiciled in the UK or are listed in the UK and have the majority of their business in the UK.

To the extent not fully invested in UK companies, the Fund may also invest in global equities, deposits, cash and near cash. Up to 10% of the Fund may also be invested in collective investment schemes, which may include those managed by the ACD and its associates.

The Fund is actively managed, taking into account the Investment Manager’s views on value and growth opportunities, and is not restricted to investments in companies by market capitalisation or by industry sector. The Investment Manager will manage the Fund on a concentrated basis and the Fund will typically hold shares in between 25 and 40 UK companies at any given time. The Investment Manager’s views on allocation between small, medium and large companies by market capitalisation will vary depending on market conditions. The Investment Manager is not constrained by the index and aims to retain a high active share at all times. Active share is a measure of how much the portfolio holdings in the Fund differ from the holdings within the index.

**Target Benchmark:** The Fund is managed to outperform the MSCI UK All Cap (the “Index”) over Rolling Periods of 5 years. The Index has been chosen as a target benchmark as it is a broadly based UK index which includes a broad range of companies across all market capitalisations which is

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<sup>†</sup> This Fund changed its name from “Saracen Growth Fund” to “TB Saracen UK Alpha Fund” on 1 July 2016.

consistent with the ‘multicap’ stock selection process. Please note the Fund is not constrained by or managed to the Index.

**Comparator Benchmark:**

Shareholders may wish to compare the Fund’s performance against other funds within the Investment Association’s UK All Companies sector as that will give investors an indication of how the Fund is performing compared with others investing in a similar but not identical investment universe. As the sector aligns with the Fund’s asset allocation, it is considered that this is an appropriate comparator.

**Typical Investor Profile:**

The Fund is intended for investors who see funds as a convenient way of participating in capital market developments and who wish to attain the defined investment objectives. In addition, investors should have experience with volatile products and must be able to accept significant temporary losses. Investors should have an investment time horizon of at least 5 years.

**Identified Target Market:**

The following section sets out the type of clients for whose needs, characteristics and objectives the Fund is compatible.

**Type of client:** Given the nature of the Fund (a non-complex UCITS fund) the Fund is targeted towards retail clients, professional clients and eligible counterparties.

**Knowledge and experience of client:** The Fund is compatible with those clients who have basic investment knowledge and experience, including knowledge of collective investment schemes and the asset classes in which the Fund may invest.

**Financial situation of client with a focus on the ability to bear losses:** As the value of the Fund can go down as well as up, the Fund is compatible for investors that can bear capital losses of up to the amount invested. However, the nature of the Fund means that there would be no loss beyond the amount of capital invested.

**Risk tolerance of client and compatibility of the risk/reward profile of the Fund with the target market:** Due to the historic volatility of the Fund, the fund has a Synthetic Risk and Reward Indicator (SRRI), as calculated in accordance with UCITS methodology,

of 6<sup>‡</sup> (on a scale of 1-7, with 1 being the lowest risk and 7 being the highest risk) and is therefore compatible with investors with a medium-high risk tolerance. Investors should be willing to accept price fluctuations in exchange for the opportunity to achieve possible higher returns.

**Objectives and needs of client:** Those clients who seek capital growth over the medium- to long-term.

**Clients who should not invest in the Fund (negative target market):** This product is deemed incompatible for investors who are:

- (i) seeking full or partial capital protection
- (ii) fully risk averse and have no or low tolerance for risk

**Distribution channels:** The Fund is eligible for all distribution channels (e.g. execution only, non-advised sales, advised sales and portfolio management).

<b>Final accounting date:</b>	31 December	
<b>Interim accounting date:</b>	30 June	
<b>Income distribution dates:</b>	28/29 February	
<b>Shares Classes and type of Shares:</b>	B Accumulation Shares	
<b>Initial charge:</b>	B Accumulation Shares: Nil	
<b>Redemption charge:</b>	Nil	
<b>Switching charge:</b>	Nil	
<b>Annual Management Charge:</b>	B Accumulation Shares: 0.75%	
<b>Charges taken from Income:</b>	Yes	
<b>Investment minima:</b>		B Accumulation Shares
Lump sum	N/A	N/A
Holding	N/A	N/A

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<sup>‡</sup> This figure may have been updated since the date that this prospectus was published - please see latest published Key Investor Information Document (KIID) published on the T. Bailey Fund Services Limited website ([www.tbaileys.co.uk](http://www.tbaileys.co.uk)).

Top-up	N/A	N/A
Redemption	N/A	N/A

**Performance Table – TB Saracen UK Alpha Fund – B Accumulation Shares**

	<b>12 months ended 31 Dec 2019</b>	<b>12 months ended 31 Dec 2018</b>	<b>12 months ended 31 Dec 2017</b>	<b>12 months ended 31 Dec 2016</b>	<b>12 months ended 31 Dec 2015</b>
<b>TB Saracen UK Alpha Fund – B Acc</b>	31.47%	-9.72%	20.71%	5.47%	10.61%
<b>Target Benchmark – MSCI UK All Cap</b>	18.34%	-9.80%	13.10%	17.29%	0.13%
<b>Comparator Benchmark – IA UK All Companies Sector</b>	22.24%	-11.19%	13.99%	10.82%	4.86%

*Source: Financial Express*

*Single pricing basis with allowance for charges. Net income accumulated.*

This performance information is net of tax and charges with the exception of any preliminary charge that may be paid on the purchase of an investment. All data is percentage performance (total return, bid to bid, UK tax net, i.e. excluding initial charges), and is based on Financial Express data.

Past performance is not a reliable indicator of future results.

**Name:** **TB SARACEN GLOBAL INCOME AND GROWTH FUND**

**FCA Product Reference Number (“PRN”):** 645352

**Investment Objective:** The Fund aims to provide both income and capital growth over Rolling Periods of 5 years (after charges).

**Investment Policy:** At least 80% of the Fund will be invested in a global portfolio of equities (i.e. shares) in large companies anywhere in the world (including but not limited to the UK). For these purposes, large companies are companies with a market capitalisation equal to or greater than \$5 billion.

The Fund is actively managed and will be invested in assets that in the opinion of the Investment Manager provide the potential for income and long-term capital growth. The Fund’s holdings in equities will be diversified by sector, and at any given time the Fund may be exposed to companies in sectors such as, for example, healthcare, financials, technology, or consumer goods.

To the extent not fully invested in such equities, the Fund may invest in other equity-related securities (i.e. other investments whose value is related to equities), or bonds giving exposure to such companies. The Fund may also invest in deposits, cash and near cash. Up to 10% of the Fund may also be invested in collective investment schemes, which may include those managed by the ACD and its associates.

**Comparator Benchmark:** Shareholders may wish to compare the Fund’s performance against other funds within the Investment Association’s Global Equity Income sector as that will give investors an indication of how the Fund is performing compared with other funds that invest in global equities and have an income focus. As the sector aligns with the Fund’s asset allocation and income delivery objectives, it is considered that this is an appropriate comparator.

**Typical Investor Profile:**

The Fund is intended for investors who see funds as a convenient way of participating in capital market developments and who wish to attain the defined investment objectives, including a degree of income. In addition, investors should have experience with volatile products and must be able to accept significant temporary losses. Investors should have an investment time horizon of at least 5 years.

**Identified Target Market:**

The following section sets out the type of clients for whose needs, characteristics and objectives the Fund is compatible.

**Type of client:** Given the nature of the Fund (a non-complex UCITS fund) the Fund is targeted towards retail clients, professional clients and eligible counterparties.

**Knowledge and experience of client:** The Fund is compatible with those clients who have basic investment knowledge and experience, including knowledge of collective investment schemes and the asset classes in which the Fund may invest.

**Financial situation of client with a focus on the ability to bear losses:** As the value of the Fund can go down as well as up, the Fund is compatible for investors that can bear capital losses of up to the amount invested. However, the nature of the Fund means that there would be no loss beyond the amount of capital invested.

**Risk tolerance of client and compatibility of the risk/reward profile of the Fund with the target market:** Due to the historic volatility of the fund, the fund has a Synthetic Risk and Reward Indicator (SRRI), as calculated in accordance with UCITS methodology, of 6<sup>§</sup> (on a scale of 1-7, with 1 being the lowest risk and 7 being the highest risk) and is therefore compatible with investors with a medium-high risk tolerance. Investors should be willing to

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<sup>§</sup> This figure may have been updated since the date that this prospectus was published - please see latest published Key Investor Information Document (KIID) published on the T. Bailey Fund Services Limited website ([www.tbaileys.co.uk](http://www.tbaileys.co.uk)).

accept price fluctuations in exchange for the opportunity to achieve possible higher returns.

**Objectives and needs of client:** Those clients who seek capital growth and income growth over the medium- to long-term.

**Clients who should not invest in the Fund (negative target market):** This product is deemed incompatible for investors who are:

- (i) seeking full or partial capital protection
- (ii) fully risk averse and have no or low tolerance for risk

**Distribution channels:** The Fund is eligible for all distribution channels (e.g. execution only, non-advised sales, advised sales and portfolio management).

<b>Final accounting date:</b>	31 December
<b>Interim accounting date:</b>	30 June
<b>Income distribution dates:</b>	28/29 February, 31 August
<b>Shares Classes and type of Shares:</b>	B Accumulation Shares B Distribution Shares
<b>Initial charge:</b>	B Accumulation Shares / B Distribution Shares: Nil
<b>Redemption charge:</b>	Nil
<b>Switching charge:</b>	Nil
<b>Annual Management Charge:</b>	B Accumulation Shares / B Distribution Shares: 0.75%
<b>Charges taken from Income:</b>	No
<b>Investment minima:</b>	All shares
Lump sum	N/A
Holding	N/A
Top-up	N/A
Redemption	N/A



**Performance Table – TB Saracen Global Income and Growth Fund – B Accumulation Shares**

	<b>12 months ended 31 Dec 2019</b>	<b>12 months ended 31 Dec 2018</b>	<b>12 months ended 31 Dec 2017</b>	<b>12 months ended 31 Dec 2016</b>	<b>12 months ended 31 Dec 2015</b>
<b>TB Saracen Global Income &amp; Growth – B Acc</b>	14.22%	-10.51%	10.60%	31.64%	0.02%
<b>Comparator Benchmark – IA Global Equity Income Sector</b>	18.63%	-5.83%	10.37%	23.21%	1.53%

*Source: Financial Express*

This performance information is net of tax and charges with the exception of any preliminary charge that may be paid on the purchase of an investment. All data is percentage performance (total return, bid to bid, UK tax net, i.e. excluding initial charges), and is based on Financial Express data.

Past performance is not a reliable indicator of future results.

**Name:** **TB SARACEN UK INCOME FUND**

**FCA Product Reference Number (“PRN”):** 681400

**Investment Objective:** The Fund aims to provide income exceeding 110% of the dividend income of the MSCI UK All Cap Index and an overall return (income plus capital growth) in excess of that index, in each case over Rolling Periods of 5 years (after charges).

**Investment Policy:** At least 80% of the Fund will be invested in the shares of UK companies which the Investment Manager considers provide the potential for secure and growing dividends over the long term. UK companies are companies which are incorporated in the UK, domiciled in the UK or are listed in the UK and have the majority of their business in the UK.

To the extent not fully invested in UK companies, the Fund may also invest in global equities, bonds, deposits, cash and near cash. Up to 10% of the Fund may also be invested in collective investment schemes, which may include those managed by the ACD and its associates.

The Fund is actively managed, taking into account the Investment Manager’s views on value and growth opportunities, and is not restricted to investments in companies by market capitalisation or by industry sector. The Investment Manager will manage the Fund on a concentrated basis and the Fund will typically hold shares in between 25 and 40 UK companies at any given time. The Investment Manager’s views on allocation between small, medium and large companies by market capitalisation will vary depending on market conditions.

**Target Benchmark:** The Fund is managed to outperform the MSCI UK All Cap (the “Index”) over the medium to long term and to provide an income in excess of 110% of the Index. The Index has been chosen as a target benchmark as it is a broadly based UK index which includes a broad range of companies across all market capitalisations which is consistent with the ‘multicap’ stock selection process. Please note the Fund is not constrained by or managed to the Index.

**Comparator Benchmark:**

Shareholders may wish to compare the Fund's performance against other funds within the Investment Association's UK Equity Income sector as that will give investors an indication of how the Fund is performing compared with other funds that invest in UK equities and have an income focus. As the sector aligns with the Fund's asset allocation and income delivery objectives, it is considered that this is an appropriate comparator.

**Typical Investor Profile:**

The Fund is intended for investors who require an income from a predominantly UK equity portfolio with the potential for capital growth and who wish to attain the defined investment objectives. Investors must have experience with volatile products. In addition, investors must be able to accept significant temporary losses. Investors should have an investment time horizon of at least 5 years.

**Identified Target Market:**

The following section sets out the type of clients for whose needs, characteristics and objectives the Fund is compatible.

**Type of client:** Given the nature of the Fund (a non-complex UCITS fund) the Fund is targeted towards retail clients, professional clients and eligible counterparties.

**Knowledge and experience of client:** The Fund is compatible with those clients who have basic investment knowledge and experience, including knowledge of collective investment schemes and the asset classes in which the Fund may invest.

**Financial situation of client with a focus on the ability to bear losses:** As the value of the Fund can go down as well as up, the Fund is compatible for investors that can bear capital losses of up to the amount invested. However, the nature of the Fund means that there would be no loss beyond the amount of capital invested.

**Risk tolerance of client and compatibility of the risk/reward profile of the Fund with the target market:** Due to the historic volatility of the Fund and the MSCI UK All Cap Index, the Fund has a Synthetic Risk and Reward Indicator (SRRI), as calculated in accordance

with UCITS methodology, of 6<sup>5</sup> (on a scale of 1-7, with 1 being the lowest risk and 7 being the highest risk) and is therefore compatible with investors with a medium-high risk tolerance. Investors should be willing to accept price fluctuations in exchange for the opportunity to achieve possible higher returns.

**Objectives and needs of client:** Those clients who seek capital growth and income growth over the medium- to long-term.

**Clients who should not invest in the Fund (negative target market):** This product is deemed incompatible for investors who are:

- (i) seeking full or partial capital protection
- (ii) fully risk averse and have no or low tolerance for risk

**Distribution channels:** The Fund is eligible for all distribution channels (e.g. execution only, non-advised sales, advised sales and portfolio management).

<b>Final accounting date:</b>	31 December
<b>Interim accounting date:</b>	30 June
<b>Income distribution dates:</b>	28/29 February, 31 August
<b>Shares Classes and type of Shares:</b>	B Accumulation Shares B Distribution Shares
<b>Initial charge:</b>	Nil
<b>Redemption charge:</b>	Nil
<b>Switching charge:</b>	Nil
<b>Annual Management Charge:</b>	0.50%
<b>Charges taken from Income:</b>	No

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<sup>5</sup> This figure may have been updated since the date that this prospectus was published - please see latest published Key Investor Information Document (KIID) published on the T. Bailey Fund Services Limited website ([www.tbaileyfs.co.uk](http://www.tbaileyfs.co.uk)).

**Investment minima:**

Lump sum	N/A
Holding	N/A
Top-up	N/A
Redemption	N/A

**Performance Table – TB Saracen UK Income – B Accumulation Shares**

	<b>12 months ended 31 Dec 2019</b>	<b>12 months ended 31 Dec 2018</b>	<b>12 months ended 31 Dec 2017</b>	<b>12 months ended 31 Dec 2016</b>	<b>12 months ended 31 Dec 2015</b>
<b>TB Saracen UK Income – B Acc</b>	26.22%	-8.94%	18.24%	5.27%	*
<b>Target Benchmark – MSCI UK All Cap</b>	18.34%	-9.80%	13.10%	17.29%	0.13%
<b>Comparator Benchmark – IA UK Equity Income</b>	20.07%	-10.54%	11.32%	8.84%	6.20%

*Source: Financial Express. \*There is no performance data available for this period.*

This performance information is net of tax and charges with the exception of any preliminary charge that may be paid on the purchase of an investment. All data is percentage performance (total return, bid to bid, UK tax net, i.e. excluding initial charges), and is based on Financial Express data.

Past performance is not a reliable indicator of future results.

## **APPENDIX 6**

### **Other Regulated Collective Investment Schemes**

The ACD also acts as the Authorised Fund Manager of the following authorised unit trusts:

T. Bailey Dynamic Fund

T. Bailey Growth Fund

TB Guinness Global Energy Fund

The ACD also acts as the ACD for the following authorised investment companies with variable capital:

Aptus Investment Fund

Heriot Investment Funds

TB Amati Investment Funds

TB Doherty Funds

TB Elite Investment Funds

TB Enigma Funds

TB Evenlode Investment Funds ICVC

TB Guinness Investment Funds

TB Wise Investment Funds

The Chapel Funds ICVC

The Sandwood Fund ICVC

Ocean Investment Funds

The Sandwood Fund ICVC

TB Chawton Investment Funds

TB New Sarum Funds OEIC

TB Opie Street ICVC

TB Whitman OEIC



## **APPENDIX 7**

### **List of sub custodians**

<b>LIST OF SUB CUSTODIANS USED BY THE NORTHERN TRUST COMPANY</b>		
	<b>Country</b>	<b>Sub custodian</b>
1.	<b>Argentina</b>	Citibank N.A.
2.	<b>Australia</b>	HSBC Bank Australia Limited
3.	<b>Austria</b>	UniCredit Bank Austria AG
4.	<b>Bahrain</b>	HSBC Bank Middle East Limited
5.	<b>Bangladesh</b>	Standard Chartered Bank
6.	<b>Belgium</b>	The Northern Trust Company, London
7.	<b>Benin</b>	Standard Chartered Bank (Mauritius) Limited
8.	<b>Bermuda</b>	HSBC Bank Bermuda Limited
9.	<b>Bosnia-Herzegovina – Federation of B &amp; H</b>	Raiffeisen Bank International AG
10.	<b>Bosnia-Herzegovina – Republic of Srpska</b>	Raiffeisen Bank International AG
11.	<b>Botswana</b>	Standard Chartered Bank Botswana Limited
12.	<b>Brazil</b>	Citibank N.A.
13.	<b>Bulgaria</b>	Citibank Europe plc
14.	<b>Burkina Faso</b>	Standard Chartered Bank (Mauritius) Limited
15.	<b>CD's USD</b>	Deutsche Bank AG, London Branch
16.	<b>Canada</b>	(1) The Northern Trust Company, Canada  (2) Royal Bank of Canada
17.	<b>Chile</b>	Banco de Chile
18.	<b>China A</b>	(1) HSBC Bank (China) Company Limited

		(2) Industrial and Commercial Bank of China Limited
19.	<b>China B</b>	HSBC Bank (China) Company Limited
20.	<b>Clearstream</b>	Clearstream Banking S.A.
21.	<b>Colombia</b>	Cititrust Colombia S.A. Sociedad Fiduciaria
22.	<b>Costa Rica</b>	Banco Nacional de Costa Rica
23.	<b>Croatia</b>	UniCredit Bank Austria AG
24.	<b>Cyprus</b>	Citibank Europe plc, Greece Branch
25.	<b>Czech Republic</b>	UniCredit Bank Czech Republic and Slovakia, a.s.
26.	<b>Denmark</b>	Nordea Bank Abp
27.	<b>Egypt</b>	Citibank NA
28.	<b>Estonia</b>	Swedbank AS
29.	<b>Eswatini (formerly Swaziland)</b>	Standard Bank Eswatini Limited
30.	<b>Euroclear Bank</b> (classified as International Central Securities Depository, not a subcustodian relationship)	Euroclear Bank S.A/N.V
31.	<b>Finland</b>	Nordea Bank Finland Abp
32.	<b>France</b>	The Northern Trust Company, London
33.	<b>Germany</b>	The Northern Trust Company, London
34.	<b>Ghana</b>	Standard Chartered Bank Ghana Limited
35.	<b>Greece</b>	Citibank Europe plc, Greece Branch
36.	<b>Guinea Bissau</b>	Standard Chartered Bank (Mauritius) Limited
37.	<b>Hong Kong SAR</b>	The Hongkong & Shanghai Banking Corporation Ltd
38.	<b>Hungary</b>	UniCredit Bank Hungary Zrt
39.	<b>Iceland</b>	Landsbankinn hf
40.	<b>India</b>	Citibank, N.A.

41.	<b>Indonesia</b>	Standard Chartered Bank
42.	<b>Ireland</b>	The Northern Trust Company, London
43.	<b>Israel</b>	Bank Leumi Le-Israel B.M.
44.	<b>Italy</b>	Citibank Europe Plc
45.	<b>Ivory Coast</b>	Standard Chartered Bank (Mauritius) Limited
46.	<b>Japan</b>	The Hongkong & Shanghai Banking Corporation Limited
47.	<b>Jordan</b>	Standard Chartered Bank
48.	<b>Kazakhstan</b>	JSC Citibank Kazakhstan
49.	<b>Kenya</b>	Standard Chartered Bank Kenya Limited
50.	<b>Kuwait</b>	HSBC Bank Middle East Limited
51.	<b>Latvia</b>	Swedbank AS
52.	<b>Lithuania</b>	AB SEB Bankas
53.	<b>Luxembourg</b>	Euroclear Bank S.A/N.V  (classified as International Central Securities Depository, not a subcustodian relationship)
54.	<b>Malaysia</b>	HSBC Bank Malaysia Berhad
55.	<b>Mali</b>	Standard Chartered Bank (Mauritius) Limited
56.	<b>Mauritius</b>	The Hongkong & Shanghai Banking Corporation Ltd
57.	<b>Mexico</b>	Banco Nacional de Mexico S.A.
58.	<b>Morocco</b>	Societe Generale Marocaines de Banques
59.	<b>Namibia</b>	Standard Bank Namibia Ltd
60.	<b>Netherlands</b>	The Northern Trust Company, London
61.	<b>New Zealand</b>	The Hongkong and Shanghai Banking Corporation Limited
62.	<b>Niger</b>	Standard Chartered Bank (Mauritius) Limited

<b>63.</b>	<b>Nigeria</b>	Stanbic IBTC Bank Plc
<b>64.</b>	<b>Norway</b>	Nordea Bank Norge Abp
<b>65.</b>	<b>Oman</b>	HSBC Bank Oman SAOG
<b>66.</b>	<b>Pakistan</b>	Citibank NA
<b>67.</b>	<b>Panama</b>	Citibank, N.A., Panama Branch
<b>68.</b>	<b>Peru</b>	Citibank del Peru S.A.
<b>69.</b>	<b>Philippines</b>	The Hongkong & Shanghai Banking Corporation Ltd
<b>70.</b>	<b>Poland</b>	Bank Polska Kasa Opieki SA
<b>71.</b>	<b>Portugal</b>	BNP Paribas Securities Services
<b>72.</b>	<b>Qatar</b>	HSBC Bank Middle East Limited
<b>73.</b>	<b>Romania</b>	Citibank Europe plc
<b>74.</b>	<b>Russia</b>	AO Citibank
<b>75.</b>	<b>Saudi Arabia</b>	1) HSBC Saudi Arabia Limited 2) The Northern Trust Company of Saudi Arabia
<b>76.</b>	<b>Senegal</b>	Standard Chartered Bank (Mauritius) Limited
<b>77.</b>	<b>Serbia</b>	UniCredit Bank Austria A.G.
<b>78.</b>	<b>Singapore</b>	DBS Bank Ltd
<b>79.</b>	<b>Slovakia</b>	Citibank Europe plc
<b>80.</b>	<b>Slovenia</b>	UniCredit Banka Slovenija d.d
<b>81.</b>	<b>South Africa</b>	Standard Bank of South Africa Limited
<b>82.</b>	<b>South Korea</b>	The Hongkong & Shanghai Banking Corporation Ltd
<b>83.</b>	<b>Spain</b>	Deutsche Bank SAE
<b>84.</b>	<b>Sri Lanka</b>	Standard Chartered Bank
<b>85.</b>	<b>Sweden</b>	Svenska Handelsbanken AB (publ)

<b>86.</b>	<b>Switzerland</b>	Credit Suisse (Switzerland) Ltd
<b>87.</b>	<b>Taiwan*</b>	Bank of Taiwan
<b>88.</b>	<b>Tanzania</b>	Standard Chartered Bank (Mauritius) Limited
<b>89.</b>	<b>Thailand</b>	Citibank NA
<b>90.</b>	<b>Togo</b>	Standard Chartered Bank (Mauritius) Limited
<b>91.</b>	<b>Tunisia</b>	Union Internationale de Banques
<b>92.</b>	<b>Turkey</b>	Deutsche Bank AS
<b>93.</b>	<b>Uganda</b>	Standard Chartered Bank Uganda Limited
<b>94.</b>	<b>Ukraine</b> (market suspended)	JSC “Citibank”
<b>95.</b>	<b>United Arab Emirates-ADX</b>	HSBC Bank Middle East Limited
<b>96.</b>	<b>United Arab Emirates-DFM</b>	HSBC Bank Middle East Limited
<b>97.</b>	<b>United Arab Emirates-NASDAQ Dubai</b>	HSBC Bank Middle East Limited
<b>98.</b>	<b>United Kingdom</b>	The Northern Trust Company, London
<b>99.</b>	<b>United States</b>	The Northern Trust Company
<b>100.</b>	<b>Uruguay</b>	Banco Itau Uruguay S.A.
<b>101.</b>	<b>Vietnam</b>	HSBC Bank (Vietnam) Ltd
<b>102.</b>	<b>Zambia</b>	Standard Chartered Bank Zambia plc
<b>103.</b>	<b>Zimbabwe</b>	Standard Chartered Bank (Mauritius) Limited

*Source: The Northern Trust Company. Updated 20/08/20*