

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

FundRock Partners Limited, the authorised corporate director of the Company, is the person responsible for the information contained in this Prospectus. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained herein does not contain any untrue or misleading statement or omit any matters required by the FCA Rules to be included in it. FundRock Partners Limited accepts responsibility accordingly.

**PROSPECTUS**

**OF**

**FP WHEB Asset Management Funds**

**(An open-ended investment company  
incorporated with limited liability and  
registered in England and Wales  
under registered number IC000748)**

**(A UK UCITS)**

This document constitutes the Prospectus for **FP WHEB Asset Management Funds** which has been prepared in accordance with the FCA Rules.

This Prospectus is dated and is valid as at 20 September 2024.

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

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**THIS PROSPECTUS IS IMPORTANT. IF YOU ARE IN ANY DOUBT AS TO THE MEANING OF ANY INFORMATION CONTAINED IN THIS PROSPECTUS, YOU SHOULD CONSULT THE ACD OR YOUR PROFESSIONAL ADVISER.**

**THIS PROSPECTUS IS BASED ON INFORMATION, UK LAWS AND PRACTICE AS AT THE "VALID AS AT DATE" WHICH APPEARS ON THE FRONT COVER AND BELOW. THE ACD CANNOT BE BOUND BY AN OUT OF DATE PROSPECTUS WHEN IT HAS ISSUED A NEW PROSPECTUS. INVESTORS SHOULD CHECK WITH THE ACD THAT THIS IS THE LATEST VERSION OF THE PROSPECTUS AND THAT THERE HAS BEEN NO REVISIONS OR UPDATES BEFORE DECIDING TO PURCHASE SHARES IN THE COMPANY.**

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.

Distributors and other intermediaries which offer, recommend or sell Shares in the Funds must comply with all laws, regulations and regulatory requirements as may be applicable to them. Also, such distributors and other intermediaries must consider such information about the Funds and its Share Classes as is made available by the ACD for the purposes of the relevant product governance regime. Distributors and intermediaries may obtain further information by contacting the ACD.

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

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 and section 238 of the Financial Services and Markets Act 2000 by FundRock Partners Limited.

The distribution of this Prospectus in certain jurisdictions may require that this Prospectus is translated into the official language of those countries. Should any inconsistency arise between the translated version and the English version, the English version shall prevail.

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

### **International Tax Reporting**

In order to fulfil our legal obligations in accordance with the requirements of FATCA and other intergovernmental arrangements such as the OECD Common Reporting Standard for Automatic Exchange of Financial Account Information ("**CRS**") including pursuant to the International Tax Compliance Regulations 2015, the Company is required to obtain confirmation of the tax residency of Shareholders and certain other information to comply with certain reporting requirements. We may ask for evidence of the tax identification number, and country and date of birth of individual Shareholders, or for the Global Intermediary Identification number ("**GIIN**") of other Shareholders. If certain conditions apply, information about your shareholding may be passed to HM Revenue & Customs ("**HMRC**") in order to be passed on to other tax authorities, where the UK has an agreement with that country. Any shareholder that fails to provide the required information may be subject to a compulsory redemption of their Shares and/or monetary penalties.

### **Data Protection**

The way in which we may use personal information of individuals ("personal data") is governed by the "**Data Protection Requirements**" which means all applicable data protection laws and regulations including, without limitation, (a) the General Data Protection Regulation (EU) 2016/679 ("**GDPR**"), (b) UK GDPR (as that term is defined by the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2019) and the Data Protection Act 2018, and (c) any legislation that supplements or replaces the foregoing in the United Kingdom. The Data Protection Requirements are designed to strengthen data protection for all individuals. Further details on our privacy policy and your rights under the Data Protection Requirements can be found on our website: <https://www.fundrock.com/policies-and-compliance/privacy-policy/>. Changes to our privacy policy will be published on our website.

For the purposes of the Data Protection Requirements, the "data controller" of your personal data is us, FundRock Partners Limited.

*Information we collect from you or from other sources and what we do with it:*

We will collect and process the following data about you depending on how or why you

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interact or communicate with us (e.g., filling in an application form, subscribing for or redeeming Shares or when you communicate with us by email, telephone or otherwise):

- (1) Your name and title, address, date of birth, e-mail address and phone number or other contact information; your signature, your tax number or "national insurance number"; your banking details, credit or debit card information or other payment or financial information; information about transactions you make in relation to a Fund including your holding in a Fund or the reference number in relation to your holding; your personal description and your photograph.

We will use this information to open your account, maintain the Register; process subscriptions, redemptions and exchanges of Shares and payments of dividends; perform controls on excessive trading and market timing; comply with applicable anti-money laundering rules or anti-terrorist financing rules; or comply with our reporting obligations to regulatory bodies or tax authorities as well as our obligations under other applicable laws and regulations, monitor calls and electronic communications to process and verify instructions, or for investigation and fraud prevention purposes.

The legal basis for this processing of your personal data is our legitimate interests, namely the proper administration of your investment, the operation of the Company by us, our delegates and the service providers in relation to a Fund or the Company; the performance of the contractual obligations between you as a Shareholder and us; to provide you with information, products and services that you request from us; to notify you about changes to our services or to a Fund or the Company; and to comply with applicable laws and regulations.

**You have the right to refuse to give us your personal data in which case we may at our discretion, and where your refusal necessarily prevents us from completing our checks, diligence or other legal, regulatory or confirmatory matters, refuse to issue Shares to you; refuse to pay the proceeds of a redemption of Shares; refuse to pay income on Shares; or compulsorily redeem your holding.**

- (2) With regard to each of your visits to our website, we will automatically collect technical information about your computer, including where available your Internet protocol or "IP" address, operating system and browser type and version, time zone setting, operating system and platform; information about your visit, including the full Uniform Resources Locators ("**URLs**"), clickstream to, through and from our website (including date and time); time on page, page response times, download errors, lengths of visits to certain pages, page interaction information (such as scrolling, clicks and mouse-overs); location, device and demographic information. We will do so for administration purposes and to analyse the use of our website and services.

Our website uses "cookies" to distinguish you from other users of our website (very broadly, the website identifies a user and customises web pages for that user on subsequent visits to the website). This helps us to provide you with a good experience when you browse our

website and also allows us to improve our site. For detailed information on the cookies we use and the purposes for which we use them please see our Cookie policy on our website.

The legal basis for this processing is our legitimate interests, namely monitoring and improving our website and services.

We will combine the information that you give us with information that we receive from other sources and use this for the purposes set out above (depending on the types of information we receive). We may also use your personal data to establish, exercise or defend claims in order to protect or assert our legal rights, your legal rights or the legal rights of others, obtain or maintain insurance coverage, manage risks, or obtain professional advice in order to protect our business.

#### *Disclosure of your information*

We may disclose your personal data to any member of our group of companies; our insurers or professional advisers; service providers to the Funds or Company; our service providers, delegates, suppliers, contractors, sub-contractors or business partners and third parties with whom we contract; our auditors, our bank, competent authorities including the FCA, tax authorities, courts and other bodies for reporting or as otherwise required by law; technical advisers or analytics and search engine providers that assist us in the improvement and optimisation of our website; credit reference agencies or other risk management agencies; third parties that provide security, email security, data governance, archiving and other information technology support services; any third party that you ask us to share your personal data with.

We may disclose your personal data to third parties in the event we sell or purchase a business or assets; if we are acquired by a third party; in the event that we propose to retire as ACD of the Company, in which case we may disclose your personal data to the intended new ACD prior to, and at the time of, the transfer in order for the new ACD and their delegates to make certain preparations; or where we are under a duty to disclose or share your personal data in order to comply with any legal or regulatory obligation; or in order to enforce or apply the terms of use of our website (which can be found on our website) and other agreements; or to protect our rights, property, or safety, or that of our customers, or others.

#### *International transfers of your personal data*

Your personal data may be transferred to the auditor, registrar, transfer agent, administrator, depositary, custodian or investment manager of a Fund or the Company; or to the sponsor, distributor, or third party data providers in relation to a Fund; or to a third party with whom we contract; any of whom may be located outside the UK or EEA.

The Data Protection Requirements place restrictions on transferring data outside of the UK or the EEA. Transfers to a third country or to an international organisation may only take place if the data being transferred is subject to an adequate level of protection. If we or our

service providers need to share your personal data with a recipient outside the UK or EEA, we will ensure that appropriate safeguards are in place including: model clauses that have been approved by the European Commission or Secretary of State; a code of conduct or other certified mechanisms such as binding contractual rules. Your personal data may be transferred to third parties that we or our service providers use including certain banks that we or our service providers use or certain companies that provide certain services to our service providers such as the registrar of the Company. Such third parties include: a company located in India that provides operational support services, a company based in the USA that provides information technology security services, and a company based in the USA (but which has affiliates in multiple locations) that provides customer services software.

#### *Retention and deletion of your personal data*

We will not keep your personal data longer than is necessary for the purpose that we process it or for any purpose. We will generally retain your personal data for a minimum of 7 years, or for such period as is necessary for compliance with a legal obligation to which we are subject, or in order to protect your vital interests or the vital interests of another natural person.

#### *Rights of an individual*

As an individual, you have certain rights under the Data Protection Requirements. These include: (a) the right of access (b) the right to rectification (c) the right to erasure (d) the right to restrict processing (e) the right to object to processing (f) the right to data portability (g) the right to complain to a supervisory authority, and (h) the right to withdraw consent. Some of the rights are complex and only apply in specific circumstances. Further details are set out in the privacy policy published on our website <https://www.fundrock.com/policies-and-compliance/privacy-policy/>.

#### *Our details*

You can contact us or our Data Protection Officer regarding the Data Protection Requirements or our privacy policy:

- (a) by post, to FundRock Partners Limited - Hamilton Centre, Rodney Way, Chelmsford, England, CM1 3BY; or
- (b) by telephone (via the Administrator and Registrar), on 01268 448211 or the contact number published on our website from time to time; or
- (c) by email, to [FP\\_Compliance@Fundrock.com](mailto:FP_Compliance@Fundrock.com) or the email address published on our website from time to time.

Further information is available on our website.

## 1. DEFINITIONS

<b>"ACD"</b>	FundRock Partners Limited, the authorised corporate director of the Company;
<b>"ACD Agreement"</b>	an agreement dated 26 May 2009 between the Company and the ACD;
<b>"Administrator"</b>	SS&C Financial Services Europe Limited, or such other entity as is appointed to act as administrator to the Company from time to time;
<b>"Approved Bank"</b>	as defined in the FCA Glossary;
<b>"Auditor"</b>	Deloitte LLP, or such other entity as is appointed to act as auditor to the Company from time to time;
<b>"Class" or "Classes"</b>	in relation to Shares, means (according to the context) all of the Shares related to a single Fund or a particular class or classes of Share related to a single Fund;
<b>"COLL"</b>	refers to the appropriate chapter or rule in the Collective Investment Schemes Sourcebook which forms part of the FCA Rules;
<b>"Company"</b>	FP WHEB Asset Management Funds;
<b>"Conversion"</b>	the conversion of Shares in one Class in a Fund to Shares of another Class in the same Fund and <b>"Convert"</b> shall be construed accordingly;
<b>"Custodian"</b>	Citibank N.A., London Branch or such other entity as is appointed to act as custodian;
<b>"Cut Off Point"</b>	the point prior to which orders to buy, sell, Convert or Switch Shares must be received by the Administrator in order for them to be actioned at the next Valuation Point and details of which are set out for each Fund (if relevant) in APPENDIX I;



<b>"Dealing Day"</b>	Monday to Friday (except for (unless the ACD otherwise decides) a bank or public holiday in England and Wales and any other days declared by the ACD to be a non-Dealing Day);
<b>"Depository"</b>	Citibank UK Limited, or such other entity as is appointed to act as depository of the Company;
<b>"EEA"</b>	the European Economic Area;
<b>"EEA State"</b>	a member state of the European Union and any other state which is within the EEA;
<b>"Efficient Portfolio Management" or "EPM"</b>	as defined in paragraph 10 of APPENDIX IV;
<b>"Eligible Institution"</b>	as defined in the FCA Glossary;
<b>"Environmental Services"</b>	includes but is not limited to companies that supply products and services that are used to recycle and treat waste materials, that reduce the volume and toxicity of waste materials, that provide environmental consulting and monitoring services that reduce the negative impacts of economic activities on natural ecosystems, and that supply products manufactured from more sustainable materials (including recycled materials);
<b>"FATCA"</b>	means the United States Foreign Account Tax Compliance Act;
<b>"the FCA"</b>	the Financial Conduct Authority or any other regulatory body which may assume its regulatory responsibilities from time to time;
<b>"the FCA Glossary"</b>	the glossary giving the meanings of the defined expressions used in the FCA Rules as amended from time to time;
<b>"the FCA Rules"</b>	the FCA Handbook of Rules and Guidance, as amended from time to time;

<b>"FCA PRN"</b>	the FCA's product reference number for the Company or one of its sub-funds;
<b>"Fund" or "Funds"</b>	a sub-fund of the Company (being part of the Scheme Property of the Company which is pooled separately) to which specific assets and liabilities of the Company may be allocated and which is invested in accordance with the investment objective, and where relevant, the sustainability objective, applicable to such sub-fund;
<b>"Fund Accountant"</b>	Apex Fund Services Limited or such other entity as is appointed to act as fund accountant;
<b>"Home State"</b>	as defined in the FCA Glossary;
<b>"Instrument of Incorporation"</b>	the instrument of incorporation of the Company as amended from time to time;
<b>"Investment Manager"</b>	WHEB Asset Management LLP, the investment manager to the ACD in respect of the Company;
<b>"ISA"</b>	an individual savings account under The Individual Savings Account Regulations 1998 (as amended);
<b>"Net Asset Value" or "NAV"</b>	the value of the Scheme Property of the Company or of any Fund (as the context may require) less the liabilities of the Company (or of the Fund concerned) as calculated in accordance with the Instrument of Incorporation;
<b>"OECD"</b>	the Organisation for Economic Co-operation and Development;
<b>"OEIC Regulations"</b>	the Open-Ended Investment Companies Regulations 2001 as amended or replaced from time to time;
<b>"Register"</b>	the register of Shareholders of the Company;
<b>"Registrar"</b>	SS&C Financial Services Europe Limited, or such other entity as is appointed to act as registrar to the Company from time to time;

<b>"Regulated Activities Order"</b>	the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544) as amended from time to time;
<b>"Regulations"</b>	the OEIC Regulations and the FCA Rules (including COLL);
<b>"Resource Efficiency"</b>	includes but is not limited to companies that supply products and services that reduce GHG emissions from buildings, manufacturing and other economic activities. These include automation and control technologies, software tools, insulation, energy efficient heating and cooling and more energy efficient products;
<b>"Scheme Property"</b>	the scheme property of the Company required under the FCA Rules to be given for safekeeping to the Depositary;
<b>"SDRT"</b>	stamp duty reserve tax;
<b>"Share" or "Shares"</b>	a share or shares in the Company (including larger denomination shares, and smaller denomination shares equivalent to one ten thousandth of a larger denomination share);
<b>"Shareholder"</b>	a holder of registered Shares in the Company;
<b>"Sustainable Transport"</b>	includes but is not limited to companies that supply products and services that reduce GHG emissions from transportation including companies that make components and systems for electric vehicles, that manufacture and operate public transportation and that manufacture or operate other forms of low impact transport such as cycling;
<b>"Switch"</b>	the exchange where permissible of Shares of one Class of a Fund for Shares of another Class of a different Fund and <b>"Switching"</b> shall be construed accordingly;

<b>"UCITS"</b>	an Undertaking for Collective Investment in Transferable Securities as defined in the FCA Glossary;
<b>"UCITS Directive"</b>	the European Parliament and Council Directive of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (No 2009/65/EC) (as amended from time to time) as it forms part of the laws of England, Wales, Scotland and Northern Ireland by virtue of section 3 of the EU Withdrawal Act 2018 (the <b>"EUWA"</b> ), and any statutory instruments that the UK government makes to amend deficiencies in (as may be amended from time to time) (including, without limitation, the Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 SI 2019/325 incorporating European directives or other European legislation relating to undertakings for collective investment in transferable securities into UK domestic law following the UK's withdrawal from the European Union);
<b>"UCITS Remuneration Code"</b>	the UCITS Remuneration Code as set out in SYSC 19E in the FCA Handbook;
<b>"UK"</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>"UK UCITS"</b>	as defined in the FCA Glossary;
<b>"US Persons"</b>	a person who falls within the definition of "US Person" as defined in rule 902 of regulation S of the United States Securities Act 1933;

**“Valuation Point”**

the point, whether on a periodic basis or for a particular valuation, at which the ACD carries out a valuation of the Scheme Property for the Company or a 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. For details of the Valuation Point of a Fund please see APPENDIX I; and

**“VAT”**

UK value added tax.

## **2. DETAILS OF THE COMPANY**

### **2.1 General**

FP WHEB ASSET MANAGEMENT FUNDS (the Company) is an investment company with variable capital incorporated in England and Wales under registered number IC000748 and authorised by the FCA with effect from 22 May 2009. The FCA PRN for the Company is 498628. The Company has been certified by the FCA as complying with the conditions necessary for it to enjoy the rights conferred by the UCITS Directive. The Company has an unlimited duration.

The FCA PRN for each Fund is set out in Appendix I below.

Shareholders are not liable for the debts of the Company. All communications in relation to this Prospectus shall be in English.

The ACD is also the authorised corporate director of certain other open-ended investment companies and authorised fund manager of certain authorised unit trusts details of which are set out in APPENDIX V.

### **2.2 Head office**

The head office of the Company is at Hamilton Centre, Rodney Way, Chelmsford, England, CM1 3BY.

### **2.3 Address for service**

The head office is the address of the place in the UK for service on the Company of notices or other documents required or authorised to be served on it.

### **2.4 Base currency**

The base currency of the Company and each Fund is Pounds Sterling.

### **2.5 Share capital**

Maximum £100,000,000,000

Minimum £1

Shares have no par value. The Share capital of the Company at all times equals the sum of the Net Asset Values of each of the Funds.

Shares in the Company may be marketed outside the UK in EEA States and in countries outside the European Union and EEA, subject to the Regulations, and any regulatory constraints in those countries, if the ACD so decides.

Each of the Funds of the Company is designed and managed to support longer-term investment and active trading is discouraged. Short-term or excessive trading into

and out of a Fund may harm performance by disrupting portfolio management strategies and by increasing expenses. The ACD may at its discretion refuse to accept applications for Conversion, or Switching of, Shares, especially where transactions are deemed disruptive, particularly from possible market timers or investors who, in its opinion, have a pattern of short-term or excessive trading or whose trading has been or may be disruptive to the Funds. For these purposes, the ACD may consider an investor's trading history in the Funds or other funds managed by ACD and accounts under common ownership or control.

## **2.6 The Structure of the Company**

### **2.6.1 The Funds**

The Company is structured as an umbrella company under which different Funds may be established from time to time by the ACD with the approval of the FCA. On the introduction of any new Fund or Class, a revised prospectus will be prepared setting out the relevant details of each Fund or Class. Please note that approval by the FCA in this context refers only to approval under the Regulations and does not in any way indicate or suggest endorsement or approval of the Funds as an investment.

The Company is a UK UCITS.

The assets of each Fund will be treated as separate from those of every other Fund and will be invested in accordance with the investment objective and investment policy, and where relevant, the sustainability objective, applicable to that Fund. Investment of the assets of each of the Funds must comply with the FCA Rules and the investment objective and policy, and where relevant, the sustainability objective, of the relevant Fund. Details of the Funds, including their investment objectives and policies, and where relevant, their sustainability objectives, are set out in APPENDIX I.

The eligible securities markets and eligible derivatives markets on which the Funds may invest are set out in APPENDIX II. A detailed statement of the general investment and borrowing restrictions in respect of each type of Fund is set out in APPENDIX IV.

In accordance with the FCA Handbook, this Prospectus sets out in APPENDIX I in respect of each Fund, a description of the profile of the typical investor for whom each Fund has been designed. Please note however that this description is not the ACD's assessment of the target market for the Funds for the purposes of the relevant product governance regime which may be obtained separately by distributors and other intermediaries from the ACD.

Investors and potential investors should note that neither the description of the typical investor profile as set out in APPENDIX I in respect of each

Fund nor any other information contained in this Prospectus constitutes investment advice and investors and potential investors should consult their own professional advisers concerning the acquisition, holding or disposal of any shares in any of the Funds. Neither the Company, the ACD nor the Investment Manager makes any statement or representation in relation to the suitability, appropriateness or otherwise of any transaction in shares in any of the Funds.

### *Segregated Liability*

Each Fund has a specific portfolio to which that Fund's assets and liabilities are attributable. So far as the Shareholders are concerned, each Fund is treated as a separate entity.

Investors should note that the Funds are segregated portfolios of assets and, accordingly, the assets of a Fund belong exclusively to that Fund, and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including the Company and any other Fund, and shall not be available for any such purpose.

While the provisions of the OEIC Regulations provide for segregated liability between the Funds, the concept of segregated liability is relatively new and these provisions have yet to be tested in the courts. 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 the OEIC Regulations. It is therefore not free from doubt that the assets of a Fund will always be "ring-fenced" from the liabilities of other Funds of the Company.

In certain circumstances the Company may sue and be sued in respect of a particular Fund and may exercise rights of set-off in relation to that Fund.

Subject to the above, each Fund will be charged with the liabilities, expenses, costs and charges of the Company attributable to that Fund, and within each Fund charges will be allocated between Classes in accordance with the terms of issue of Shares of those Classes. Any assets, liabilities, expenses, costs or charges not attributable to a particular Fund may be allocated by the ACD in a manner which it believes is fair to the Shareholders generally. This will normally be pro rata to the Net Asset Value of the relevant Funds.

Where any changes are proposed to be made to the Company or a Fund, the ACD will assess whether the change is fundamental, significant or notifiable in accordance with COLL 4.3.



<b>Fundamental event</b>	<p>An event that will change the purpose or nature of the Fund or the basis on which the investor invested, for example changes to an investment and sustainability objective, its risk profile or something that will cause material prejudice to investors would require investor approval.</p> <p><b>Fundamental changes require approval at a meeting of Shareholders. The procedure for Shareholder meetings is described below at paragraph 8.</b></p>
<b>Significant event</b>	<p>An event that would materially affect a Shareholder's investment, affect a Shareholder's ability to exercise their rights in relation to this investment, result in materially increased payments out of the Company, or could reasonably be expected to cause a Shareholder to reconsider their participation in the Company.</p> <p><b>If the change is regarded as significant, not less than 60 days' prior written notice will be given to Shareholders.</b></p>
<b>Notifiable event</b>	<p>An event that is not fundamental or significant and for which the ACD would decide when and how Shareholders would be notified.</p> <p><b>If the change is regarded as notifiable, Shareholders will receive suitable pre or post event notice of the change.</b> This may take the form of sending an immediate notification to Shareholders or the information being included in the next long report of the Fund.</p>

Changes to a Fund's investment and sustainability objective, policy or strategy will usually be treated by the ACD (with the agreement of the Depositary) as significant or fundamental, unless those changes are only for clarification purposes and do not result in any change in how the Funds are managed.

## 2.6.2 Shares

### Classes of Shares within the Funds

Shares will be issued in larger and smaller denominations. There are 10,000

smaller denomination Shares to each larger denomination Share. Smaller denomination Shares represent what, in other terms, might be called fractions of a larger denomination Share and have proportionate rights.

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

Further Classes of Share may be established from time to time by the ACD in accordance with the Instrument of Incorporation. On the introduction of any new Fund or Class, a revised prospectus will be prepared, setting out the details of each Fund or Class.

The base currency for each new Class of Shares will be determined at the date of creation and set out in the prospectus issued in respect of the new Class of Shares.

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

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

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

***Details of which of the Share Classes are presently available in each Fund, and their requirements and criteria for subscription, are set out in Appendix I.***

Shares may be made available as either income or accumulation Shares.

<b>Income Shares</b>	Holders of income Shares are entitled to be paid the distributable income attributed to those Shares on any relevant interim and annual allocation dates.  Holders of income Shares will receive a
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	tax voucher giving details of the amount distributed during the relevant period.
<b>Accumulation Shares</b>	<p>Holders of accumulation Shares are not entitled to be paid the income attributed to such Shares, but that income is automatically transferred to (and retained as part of) the capital assets of the relevant Fund on the relevant interim and/or annual accounting dates. This is reflected in the price of an accumulation Share.</p> <p>Holders of accumulation Shares will receive an accumulation statement giving details of the amount accumulated during the relevant period.</p>

Where a Fund has different Classes, each Class may attract different charges and so monies may be deducted from the Scheme Property attributable to such Classes in unequal proportions. In these circumstances, the proportionate interests of the Classes within a Fund will be adjusted accordingly.

Shareholders are entitled (subject to certain restrictions) to (i) Convert all or part of their Shares in one Class for Shares of another Class within the same Fund or to (ii) Switch all or part of their Shares in a Fund for Shares of another Fund. Details of this Conversion and Switching facility and any applicable restrictions are set out in paragraph 3.3 "Conversion and Switching".

***A Regular Savings Plan is available for certain Funds. Details of the relevant Funds are set out in Appendix I.***

## **2.7 Key Investor Information and Available Share Classes**

Each Class of Share that is available for subscription will have a KIID issued in accordance with the requirements of the FCA. Prospective investors should consider the KIID for the relevant Class of Share prior to subscribing for Shares in that Class in order to assist them in making an informed investment decision. Each KIID is available from [www.fundrock.com](http://www.fundrock.com). Some Share Classes may not currently be offered for subscription, and in the event that a KIID is not available from the aforementioned source, prospective investors should contact us on 01268 44 8234 on any Dealing Day between 9am and 5pm (UK time) to determine whether the relevant share class is available for subscription. Prospective investors must ensure

that they have read the most up to date KIID for the relevant Share Class in which they intend to invest before doing so.

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

The dealing office of the Administrator is normally open from 9am to 5pm (UK time) on each Dealing Day to receive requests by post or fax on 01268 44 1498 for the purchase, sale, Conversion and Switching of Shares. Additionally, investors can register online at [www.myaccount.whebgroup.com](http://www.myaccount.whebgroup.com) to purchase, sell, Convert and Switch shares. The Administrator may vary these times with the consent of the ACD. Requests to deal in Shares may also be made by telephone on 01268 44 8234 each Dealing Day (at the ACD's discretion) between 9am and 5pm (UK time) or through such other number as published from time to time.

The initial purchase must, at the discretion of the ACD, be accompanied by a completed application form. Please contact the ACD on 01628 44 8234 for any queries.

In addition, the ACD may from time to time make arrangements to allow Shares to be bought or sold online or through other communication media.

Telephone calls and other electronic communications will be recorded and the recordings will be stored for up to 5 years and where requested by the FCA, up to 7 years. The ACD may also, at its discretion, introduce further methods of dealing in Shares in the future. At present, transfer of title by electronic communication is not accepted.

Deals must be received before the relevant Cut Off Point in order to be dealt with at the next Valuation Point. Deals received after the Cut Off Point will be dealt with at the Valuation Point or the next following Dealing Day.

***For details of the Valuation Point and the Cut Off Point of a Fund, please see APPENDIX I.***

In the event that the ACD is required to correct any dealing errors which result in profits arising, the ACD is not accountable to Shareholders for any such profit.

#### 3.1 **Buying Shares**

##### 3.1.1 **Procedure**

Shares may be bought directly from the ACD or through a professional adviser or other intermediary. Where permitted by the FCA Rules, an intermediary who recommends an investment in the Company to Shareholders may be entitled to receive commission from the ACD, which may include ongoing commission based on the value of Shares held by a Shareholder. ***For details of dealing charges associated with buying Shares, see paragraph 3.6 below.***

Application forms may be obtained from the ACD.

Valid applications to purchase Shares in a Fund (received before the Cut Off Point) will be processed at the Share price calculated, based on the Net Asset Value per Share, at the next Valuation Point following receipt of the application, except in the case where dealing in a Fund has been suspended as set out in paragraph 3.13.

The ACD, at its discretion, has the right to cancel a purchase deal if settlement is materially overdue and any loss arising on such cancellation shall be the liability of the applicant. For postal applications payment in full must accompany the instruction. At the ACD's discretion, payment for large purchases of Shares may be made by telegraphic transfer.

A purchase of Shares in writing or by telephone or any other communication media made available is a legally binding contract. Applications to purchase, once made, are, except in the case where cancellation rights are applied, irrevocable. However, subject to its obligations under the FCA Rules, the ACD has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for Shares in whole or part, and in this event the ACD will return any money sent, or the balance of such monies, at the risk of the applicant.

Any subscription monies remaining after a whole number of Shares have been issued will not be returned to the applicant. Instead, smaller denomination Shares will be issued. A smaller denomination Share is equivalent to one ten thousandth of a larger denomination Share.

Applicants who have received advice may have the right to cancel their application to buy Shares at any time during the 14 days after the date on which they receive a cancellation notice from the ACD. If an applicant decides to cancel the contract, and the value of the investment has fallen at the time the ACD receives the completed cancellation notice, they will not receive a full refund as an amount equal to any fall in value will be deducted from the sum originally invested. The ACD may extend cancellation rights to other investors but is under no obligation to do so.

Settlement is due within four business days of the Valuation Point. An order for the purchase of Shares will only be deemed to have been accepted by the ACD once it is in receipt of cleared funds for the application. If settlement is not made within a reasonable period, then the ACD has the right to cancel any Shares issued in respect of the application.

The UK has implemented FATCA and CRS pursuant to the International Tax Compliance Regulations 2015. As a result of UK legislation, the Company may be required to obtain confirmation of certain information

from shareholders and (where applicable) their beneficial owners, such as where you are resident for tax purposes, your tax identification number, and your place and date of birth, and your tax status classification and place of

incorporation if you are a corporate body. Under certain circumstances (including where you do not supply us with the information we request), we will be obliged to report your personal details as well as the details of your Investment to HM Revenue & Customs. This information may then be passed to other tax authorities. Any shareholder that fails to provide the required information may be subject to a compulsory redemption of their Shares and/or monetary penalties.

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

By signing the application form to subscribe for Shares in the Company, each affected Shareholder is agreeing to provide such information upon request from the Company or its delegate.

Shareholders are encouraged to consult with their own professional tax advisors regarding the possible implications of FATCA or CRS (or UK law on information reporting) on their interest in the Company.

### 3.1.2 **Documents the buyer will receive**

A confirmation giving details of the number and price of Shares bought, together with, where appropriate, a notice of the applicant's right to cancel, will be issued no later than the end of the business day following the later of (i) the receipt of the application to buy Shares and (ii) the Valuation Point by reference to which the price is determined.

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

### 3.1.3 **Regular Savings Plan**

The ACD may make certain Classes of Shares of any Fund available through the Regular Savings Plan - **details of current Classes of Shares and Funds which are available are shown in APPENDIX I.**

To invest via Regular Savings Plan, applicants must complete and return to the Administrator the relevant plan application form and Direct Debit form before contributions may begin. Monthly contributions may be

increased, decreased (subject to maintaining the minimum level of contribution) or stopped at any time by notifying such party as the ACD may direct. If, however, payments are not made into the Regular Savings Plan for more than ten months and the Shareholder holds less than the minimum holding for that Class, then the ACD reserves the right to redeem that Shareholder's entire holding in that Class. Confirmations will not be issued to Shareholders investing through a Regular Savings Plan, however statements detailing all Share transactions will be sent out to all monthly savers at least on a six monthly basis.

Contributions to the Regular Savings Plan will normally be collected on a monthly basis usually on the tenth of each month (or the next following Dealing Day) with Shares being allocated at the Share price ruling at the next following Valuation Point (subject to any applicable initial charge).

**For Shares purchased through the Regular Savings Plan, the minimum monthly investment is stated in APPENDIX I.**

#### **3.1.4 Minimum subscriptions and holdings**

The minimum initial subscription, subsequent subscription and holding levels for each Class of Share in a Fund are set out in APPENDIX I.

The ACD may at its sole discretion accept subscriptions and/or holdings lower than the minimum amount(s).

If following a redemption, Conversion, Switch or transfer a holding in any Class of Share should fall below the minimum holding for that Class, the ACD has the discretion to effect a redemption of that Shareholder's entire holding in that Class of Share. The ACD may use this discretion at any time. Failure not to do so immediately after such redemption, Conversion, Switch or transfer does not remove this right.

### **3.2 Redeeming Shares**

#### **3.2.1 Procedure**

Subject to the minimum holding requirements set out for each Fund in Appendix I, every Shareholder is entitled on any Dealing Day to redeem its Shares, which shall be purchased by the ACD dealing as principal.

Valid instructions to the ACD to redeem Shares in a Fund (received before the Cut Off Point, if appropriate) will be processed at the Share price calculated, based on the Net Asset Value per Share, at the next Valuation Point following receipt of the instruction, except in the case where dealing in a Fund has been suspended as set out in paragraph 3.10.

A redemption instruction in respect of Shares in writing or by telephone or



any other communication media made available is a legally binding contract. However, an instruction to the ACD to redeem Shares, although irrevocable, may not be settled by either the Company or the ACD if the redemption represents Shares where the money due on the earlier purchase of those Shares has not yet been received or if insufficient documentation or anti-money laundering information has been received by the ACD.

***For details of dealing charges associated with redemptions, see paragraph 3.6 below.***

### **3.2.2 Documents a redeeming Shareholder will receive**

A confirmation giving details of the number and price of Shares redeemed will be sent to the redeeming Shareholder (or the first named Shareholder, in the case of joint Shareholders) together with (if sufficient written instructions have not already been given) a form of renunciation for completion and execution by the Shareholder (or, in the case of a joint holding, by all the joint Shareholders) no later than the end of the business day following the later of (i) the request to redeem Shares or (ii) the Valuation Point by reference to which the price is determined.

Payment of redemption proceeds will normally be made by cheque to the first named Shareholder (at their risk), or, at the ACD's discretion, via bank transfer in accordance with any instruction received (the ACD may recover any bank charge levied on such transfers). Instructions to make payments to third parties (other than intermediaries associated with the redemption) will not normally be accepted.

Payment of redemption proceeds will be made within four business days of the later of (a) receipt by the ACD of the form of renunciation (or other sufficient written instructions) duly signed and completed by all the relevant Shareholders together with any other documentation and appropriate evidence of title, any required anti-money laundering related documentation, and (b) the Valuation Point following receipt by the ACD of the request to redeem.

### **3.2.3 Minimum redemption**

Part of a Shareholder's holding may be redeemed but the ACD reserves the right to refuse a redemption request if the value of the Shares of any Fund to be redeemed is less than the minimum stated in respect of the appropriate Class in the Fund in question (see APPENDIX I).

### **3.2.4 Regular withdrawal facility**

The ACD offers a regular withdrawal facility on a monthly or quarterly basis

in relation to the Accumulation Share Classes. A minimum of nine business days is required to set up this facility on your account.

Withdrawals will be paid on 6th of the month or the previous business day if the 6th is not a business day.

**Please note that if you withdraw more money than the underlying growth rate of your investment then your original capital will be eroded.**

The facility is not available if you are investing via a Regular Monthly Savings Plan.

For further details please contact the Administrator, FundRock Partners Limited – WHEB Asset Management, PO Box 10449, Chelmsford CM99 2UU.

### 3.3 Conversion and Switching

Subject to any restrictions on the eligibility of investors for a particular Share Class, a Shareholder in a Fund may:

- 3.3.1 Convert all or some of their Shares in one Class in a Fund for another Class of Shares in the same Fund; and/or
- 3.3.2 Switch all or some of their Shares in one Class in a Fund (the **“Original Shares”**) for Shares in another Fund (the **“New Shares”**) including another Fund in the Company.

It is not possible, however, to Switch or Convert between currency Classes or to Switch or Convert from a Sterling Class to a currency Class as the ACD is not able to effect currency exchange transactions. Shareholders who wish to change their investment (or part of their investment) into another currency Share Class will need to redeem their holding (this can only be done by Telegraphic Transfer into a bank account designated in the appropriate currency) and then re-subscribe into the new Share Class. If the new Share Class is a non-Sterling Class, this subscription will need to be made by Telegraphic Transfer from a bank account in the appropriate currency or via an automated bank transfer and must be received by the ACD in the relevant currency as the ACD is not able to carry out currency conversion transactions.

In circumstances where the ACD determines it may be in the best interests of Shareholders, a mandatory conversion of Shares to another Share Class in the same sub-fund may put into effect. In this scenario the ACD will discuss the conversion options with the Depositary beforehand and provide any affected Shareholders with sufficient pre-notification in line with the guidelines set out in COLL.

### 3.4 Conversions

Conversions will be effected by the ACD recording the change of Share Class on the Register of the Company. If a Shareholder wishes to Convert Shares, they should apply to the ACD in the same manner as for a redemption as set out at 3.2 above.

Conversions may not be effected at the next Valuation Point and may be held over and processed with Conversion instructions given by other Shareholders. If you would like information on when your Conversion will be processed, please contact the ACD on 01268 44 8234.

Conversions of Shares from one Class in a Fund for Shares of another Class in the same Fund (where no other consideration is given or received) will generally not be treated as a disposal for capital gains tax purposes provided the property subject to the scheme and the rights of participants to share in the capital and income in relation to that property are the same immediately before and after the event (ignoring any changes as a result of a variation in management charges). Other conversions of Shares, including from or to a Class of Share that is hedged, may be treated as a disposal for capital gains tax purposes. Shareholders who are in any doubt as to their tax treatment in respect of any conversion of Shares should seek their own professional advice.

The ACD may at its discretion make a charge on Conversion of Shares between Classes in a Fund. There is currently no charge on Conversions.

The number of Shares to be issued in the new Class will be calculated relative to the price of the Shares being Converted.

### 3.5 **Switches**

Subject to the qualifications below, a Shareholder may at any time Switch Original Shares for New Shares.

The number of New Shares issued will be determined by reference to the respective prices of New Shares and Original Shares at the Valuation Point applicable at the time the Original Shares are redeemed and the New Shares are issued.

The ACD may at its discretion make a charge on the Switching of Shares. Any such charge on Switching does not constitute a separate charge payable by a Shareholder, but is rather the application of any redemption charge on the Original Shares and any initial charge on the New Shares, subject to certain waivers. ***For details of the charges on Switching currently payable, please see paragraph 3.6.3 "Charges on Switching and Conversion"***. There is currently no charge for Switching.

If a partial 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 in the Class concerned, the ACD may, if it thinks fit, Convert the whole of the applicant's holding of Original Shares to New Shares (and make a charge on Switching on such

Conversion) or refuse to effect any Switch of the Original Shares.

Save as otherwise specifically set out, the general provisions on procedures relating to redemption will apply equally to a Switch. Written instructions must be received by the ACD before the Cut Off Point in the Fund or Funds concerned to be dealt with at the prices at the next Valuation Point on or at such other Valuation Point as the ACD at the request of the Shareholder giving the relevant instruction may agree. Switching requests received after a Cut Off Point will be held over until the next day which is a Dealing Day in each of the relevant Fund or Funds.

The ACD may adjust the number of New Shares to be issued to reflect the application of any charge on Switching together with any other charges or levies in respect of the application for the New Shares or redemption of the Original Shares as may be permitted pursuant to the FCA Rules.

**Please note that under UK tax law a Switch of Shares is treated as a redemption of the Original Shares and a purchase of New Shares and will, for persons subject to taxation, be a realisation of the Original Shares for the purposes of capital gains taxation, which may give rise to a liability to tax, depending upon the Shareholder's circumstances.**

**A Shareholder who Switches Shares in one Fund for Shares in any other Fund (or who Converts between Classes of Shares) will not be given a right by law to withdraw from or cancel the transaction.**

### 3.6 Dealing charges

The price per Share at which Shares are bought, redeemed, Converted or Switched is the Net Asset Value per Share. Any initial charge, redemption charge, switching charge or SDRT on a specific deal (if applicable) is deducted from the gross subscription or the proceeds of the redemption monies.

#### 3.6.1 Initial charge

The ACD may impose a charge on the purchase of Shares in each Class. **The current initial charge is calculated as a percentage of the amount invested by a potential Shareholder, in respect of each Share Class for each Fund as set out in APPENDIX I.** APPENDIX I highlights the initial charge as a percentage of the price of Shares. The ACD may waive or discount the initial charge at its discretion.

The initial charge (which is deducted from subscription monies) is payable by the Shareholder to the ACD.

The current initial charge of a Class may only be increased in accordance with the FCA Rules.

Where permitted to do so under the rules in the FCA Rules, the ACD may pay a commission to relevant intermediaries either out of the initial charge or out of other of its own resources.

### 3.6.2 **Redemption charge**

The ACD may make a charge on the redemption of Shares in each Class. **Please see APPENDIX I for details of which Funds apply a redemption charge.**

The ACD may only introduce a redemption charge in accordance with the FCA Rules. Also, if such a charge was introduced, it would not apply to Shares issued before the date of the introduction (i.e., those not previously subject to a redemption charge).

There is currently no charge for redeeming Shares in any of the Classes.

### 3.6.3 **Charges on Switching and Conversion**

The Instrument of Incorporation authorises the Company to impose a charge on the Switching of Shares between Funds or the Converting of Shares between Classes in the Company. If a redemption charge is payable in respect of the Original Shares, this may become payable instead of, or as well as, the then prevailing initial charge for the New Shares. The charge on Switching or Converting is payable by the Shareholder to the ACD.

There is currently no charge for Switching or Conversion.

### 3.6.4 **Dilution adjustment**

The actual cost of purchasing, selling or Switching underlying investments in a Fund may deviate from the mid-market value used in calculating its Share price, due to dealing charges, taxes, and any spread between buying and selling prices of the Fund's underlying investments. These costs could have an adverse effect on the value of a Fund, known as "dilution". In order to mitigate the effect of dilution the Regulations allow the ACD to adjust the sale and purchase price of Shares in the Funds to take into account the possible effects of dilution. This practice is known as making a "dilution adjustment" or operating swinging single pricing. The power to make a dilution adjustment may only be exercised for the purpose of reducing dilution in the Funds.

The price of each Class of Share in each Fund will be calculated separately but any dilution adjustment will in percentage terms affect the price of Shares of each Class identically.

The ACD reserves the right to make a dilution adjustment every day. The

dilution adjustment is calculated using the estimated dealing costs of a Fund's underlying investments and taking into consideration any dealing spreads commission and transfer taxes. The need to make a dilution adjustment will depend on the difference between the value of Shares being acquired and the value of Shares being redeemed as a proportion of the total value of that Fund. The measurement period will typically be a single day but, where a trend develops so that for a number of days in a row there is a surplus of acquisitions or redemptions on each and every day, the aggregate effect of such acquisitions or redemptions as a proportion of the total relevant Fund value will be considered.

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

It is the ACD's policy to reserve the right to impose a dilution adjustment on purchases, sales and Switches of Shares of whatever size and whenever made. In the event that a dilution adjustment is made it will be applied to all transactions in a Fund during the relevant measurement period and all transactions during the relevant measurement period will be dealt on the same price inclusive of the dilution adjustment.

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

On the occasions when a dilution adjustment is not applied if a Fund is experiencing net acquisitions of Shares or net redemptions there may be an adverse impact on the assets of that Fund attributable to each underlying Share, although the ACD does not consider this to be likely to be material in relation to the potential future growth in value of a Share. As dilution is directly related to the inflows and outflows of monies from a Fund it is not possible to accurately predict whether dilution will occur at any future point in time. Consequently it is also not possible to accurately predict how frequently the ACD will need to make a dilution adjustment.

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

It is envisaged (based on future projections) that a dilution adjustment will be applied from time to time.

The dilution adjustment for any one Fund may vary over time because the dilution adjustment for each Fund will be calculated by reference to the costs of dealing in the underlying investments of that Fund, including any dealing spreads, and these can vary with market conditions. A typical dilution adjustment may range from 0.05% to 0.6% when buying or selling Shares.

### **3.7 Money laundering**

As a result of legislation in force in the UK to prevent money laundering, the ACD is responsible for compliance with anti-money laundering regulations. In order to implement these regulations, in certain circumstances investors may be asked to provide proof of identity when buying or redeeming Shares. Until satisfactory proof of identity is provided, the ACD reserves the right to refuse to issue Shares, pay the proceeds of a redemption of Shares, or pay income on Shares to the investor. In the case of a purchase of Shares where the applicant is not willing to provide the information requested within a reasonable period, the ACD also reserves the right to sell the Shares purchased and return the proceeds to the account from which the subscription was made. These proceeds may be less than the original investment.

The ACD is responsible for all matters relating to compliance with Money Laundering Regulations pertaining to the Company and investments in the Company, Fund or Funds.

### **3.8 Transfers**

Subject to the appropriate anti-money laundering checks having been successfully carried out, Shareholders are entitled to transfer their Shares to another person or body. All transfers must be requested in writing by completing a stock transfer form approved by the ACD for this purpose. The relevant stock transfer form to be completed is available from the ACD on request.

Completed stock transfer forms must be returned to the ACD via post in order for the transfer to be registered by the ACD.

Transfers of Shares from one Shareholder to another may be exempt from SDRT, depending on the circumstances. The ACD may refuse to register a transfer unless any provision for SDRT (where applicable) due has been paid.

### **3.9 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, Conversion 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); or
- (c) are held in any manner by virtue of which the Shareholder or Shareholders in question is/are not qualified to hold such Shares or if it reasonably believes this to be the case; or
- (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
- (e) are held in a manner which constitutes a breach of the Instrument of Incorporation or this Prospectus as to the eligibility or entitlement to hold any Shares; or
- (f) if the ACD is not satisfied that any Shares may not give rise to a situation discussed in (a) to (e) 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 FCA Rules. If any Shareholder upon whom such a notice is served does not within thirty days after the date of such notice transfer their 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 they or the beneficial owner is qualified and entitled to own the affected Shares, they 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.

A Shareholder who becomes aware that they are holding or owns affected Shares



shall immediately, unless they have already received a notice as set out above, either transfer all of their affected Shares to a person qualified to own them or submit a request in writing to the ACD for the redemption of all their 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 FCA Rules.

### **3.10 Issue of Shares in exchange for in specie assets**

The ACD may, at its discretion, arrange for the Company to issue Shares in exchange for assets other than cash, but will only do so where the Depositary has taken reasonable care to determine that the Company's acquisition of those assets in exchange for the Shares concerned is not likely to result in any material prejudice to the interests of Shareholders. Where the ACD considers the deal to be substantial in relation to the total size of the Fund it may require the investor to contribute in specie. The ACD may consider a deal in this context to be substantial if the relevant Shares constitute 5% (or a lesser or higher percentage if considered appropriate) of those in issue in the relevant Fund.

The ACD will ensure that the beneficial interest in the assets is transferred to the Company with effect from the issue of the Shares.

The ACD will not issue Shares in any Fund in exchange for assets the holding of which would be inconsistent with the investment and sustainability objective or policy of that Fund.

### **3.11 Liquidity management**

The ACD has a liquidity management policy and maintains tools and methods of monitoring the liquidity of the Funds, so that the ACD can attempt to ensure that the ACD can carry out investment requests. The liquidity risk management policies and procedures include the management, implementation and maintaining of appropriate liquidity limits for the Funds. In normal circumstances, dealing requests will be processed as set out above. In exceptional circumstances, other procedures such as suspending dealing in a Fund, borrowing cash or applying in-specie redemptions may be used.

### **3.12 In specie redemptions**

If a Shareholder requests the redemption of Shares the ACD may, at its discretion and where it considers the deal to be substantial in relation to the total size of the Fund concerned or in some way detrimental to the Fund, arrange, having given prior notice in writing to the Shareholder, that, in place of payment for the Shares in cash, the Company transfers property or, if required by the Shareholder and agreed to by the ACD, the net proceeds of sale of the relevant property, to the Shareholder. Before the redemption proceeds of the Shares become payable, the

ACD must give written notice to the Shareholder that the relevant property or the proceeds of sale of the relevant property will be transferred to that Shareholder so that the Shareholder can require the net proceeds of redemption rather than the relevant property if he so desires. For this purpose, the ACD may consider a deal to be substantial if the relevant Shares constitute 5% (or a lesser or higher percentage if considered appropriate) of those in issue in the relevant Fund.

The Depositary must take reasonable care to ensure that the property concerned would not be likely to result in any material prejudice to the interests of Shareholders.

The ACD will select the property to be transferred or sold in consultation with the Depositary.

### **3.13 Suspension of dealings in the Company or a Fund**

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

The ACD or the Depositary (as appropriate) will immediately inform the FCA of the suspension and the reasons for it and will follow this up as soon as practicable with written confirmation of the suspension and the reasons for it to the FCA and the regulator in each EEA State where the relevant Fund is offered for sale.

The ACD and the Depositary must ensure that the suspension is only allowed to continue for as long as is justified having regard to the interests of Shareholders.

The ACD will notify Shareholders as soon as is practicable after the commencement of the suspension, including details of the exceptional circumstances which have led to the suspension, in a clear, fair and not misleading way and giving Shareholders details of how to find further information about the suspension. Where such suspension takes place, the ACD will publish details on its website or by other appropriate means, sufficient details to keep Shareholders appropriately informed about the suspension, including, if known, its possible duration.

During the suspension none of the obligations in COLL 6.2 (Dealing) will apply but the ACD will comply with as much of COLL 6.3 (Valuation and Pricing) during the period of suspension as is practicable in light of the suspension.

Suspension will cease as soon as practicable after the exceptional circumstances leading to the suspension have ceased but the ACD and the Depositary will formally review the suspension at least every 28 days and will inform the FCA of the review and any change to the information given to Shareholders.

The ACD may agree during the suspension to deal in Shares in which case all deals accepted during and outstanding prior to the suspension will be undertaken at a price calculated at the first Valuation Point after the restart of dealings in Shares.

### **3.14 Legal implications of investing in the Funds**

The main legal implications of the contractual relationship entered into for the purpose of investment in each of the Funds are as follows:

- (a) By submitting an application for the purchase of Shares in accordance with section 3.1.1, the investor makes an offer for Shares which, once accepted, has the effect of a binding contract to subscribe for Shares.
- (b) Upon the issue of Shares, the provisions of the Instrument of Incorporation (a copy of which is available on request) become binding on each of the Shareholders. The rights of Shareholders under the Instrument of Incorporation are in addition to their rights under applicable law.
- (c) The Shareholder's liability to the Fund in relation to its investment will, subject to the terms of the application form, generally be limited to the value of its investment.

### **3.15 Governing law**

The Company, the Instrument of Incorporation, this Prospectus and any matters arising out of or in connection with a Shareholder's investment in the Company and the establishment, management and administration of the Company shall be governed by and construed in accordance with the laws of England and Wales. The rights of the Shareholders and the construction and effect of the provisions of the Instrument of Incorporation and this Prospectus shall be subject to the exclusive jurisdiction of the courts of England and Wales.

#### *Recognition and enforcement of foreign judgments in England*

A number of legal instruments provide for the recognition and enforcement of foreign judgments in England. The following list (which is not, and does not purport to be, an exhaustive list of all the relevant legal instruments) sets out some of the principal legal instruments:

- a) the Civil Jurisdiction and Judgments Acts 1982 – this act provides for the recognition and enforcement in England, in accordance with the terms of the act, of judgments from Scotland or Northern Ireland; this act (as amended by the Private International Law (Implementation of Agreements) Act 2020) also provides for the Hague Convention on Choice of Court Agreements to have the force of law in England and as a result provides for the recognition and enforcement in England, in accordance with the terms of the act, of judgments given in a foreign state that is a contracting party to that Convention; and

- b) the Administration of Justice Act 1920 and the Foreign Judgments (Reciprocal Enforcement) Act 1933 – these acts provide for the recognition and enforcement in England, in accordance with the terms of the acts, of judgments given in certain foreign states specified in statutory instruments made under the acts, including Australia, the Bahamas, Bermuda, Canada, Jersey, Kenya, India, New Zealand, Nigeria and Pakistan.

If a foreign judgment does not fall within the scope of one of these instruments (or any other instrument not listed above), it may nevertheless be enforceable under the common law of England.

### 3.16 **Client money**

In certain circumstances (including in relation to the purchase and redemption of Shares), money in respect of Shares will be transferred to a client money bank account with an Approved Bank 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 FCA Client Money Rules relating to the holding of client money.

The purpose of utilising client money accounts is to protect Shareholders should the ACD become insolvent during such a period. All client money bank accounts are non-interest bearing and therefore no interest is due or payable to the Shareholders where client money balances are held.

Client money may be held with an Approved Bank outside the UK. In such case, the relevant accounts will be subject to the laws of that state and the client money may be treated in a different manner from that which would apply if the client money were held by a party located in the UK.

Where client money is deposited into an account with an Approved Bank, the Approved Bank may have a security interest or lien over, or right of set-off in relation to such money, to the extent the ACD is permitted to grant such rights by the Client Money Rules.

The ACD may hold client money in an omnibus account which means that Shareholder's money may be held in the same account as that of other Shareholders. In an insolvency event Shareholders would not have a claim against a specific amount in a specific account. Shareholders would claim against the client money pool in general. Pooled property in omnibus accounts held by the ACD may be used for the account of any of the relevant Shareholders.

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 Client Money Rules, unless the loss arises because the ACD has been negligent or acted fraudulently or in bad faith. However, if the Approved 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.

### **Delivery versus payment exemption**

The ACD is required to comply with the FCA's client money rules, as set out in Chapter 7 of the FCA's Client Assets sourcebook (CASS) (the 'Client Money Rules'). We are making use of the DVP exemption available under the Client Money Rules when handling money for you in connection with the buying or selling of Shares in our funds. Under the DVP exemption your money need not be treated by us as client money for the purposes of the Client Money Rules in the following two scenarios:

(1) where money is received from you that relates to your subscription to Shares in one of our funds; and

(2) where money is held by the ACD that relates to the redemption of your Shares in one of our funds.

However, where the ACD has not paid any money belonging to you to the Depositary or to you, as the case may be, by close of business on the Business Day following receipt, the ACD will stop operating under the DVP exemption for that transaction and will treat the relevant sum of money as client money for the purposes of the Client Money Rules.

While operating under the DVP exemption, your money will not be subject to the protections conferred by the Client Money Rules and, if the ACD was to fail, the FCA's client money distribution rules as set out in Chapter 7A of CASS (the 'Client Money Distribution Rules') will not apply to these sums and you will not be entitled to share in any distribution under the Client Money Distribution Rules in respect of these sums.

Any redemption proceeds paid to you by cheque will be held as client money under the Client Money Rules until such time as the cheque is presented.

You will be required to provide your written agreement to the use of the DVP exemption as set out above as part of your application to buy Shares in one of our funds through the ACD. Should the ACD cease at any time to make use of the DVP exemption, you will be notified in advance in writing.

### **Transfer of business**

Except in respect of de minimis sums transferred in accordance with the Client Money Rules (where Shareholder consent is not required), Shareholders agree that the ACD may transfer to another person, as part of a transfer of business to that person, client money balances, provided that:

- (a) the sums transferred will be held for the relevant Shareholder by the person to whom they are transferred in accordance with the Client Money Rules; or

- (b) if not held in accordance with (a), the ACD will exercise all due skill, care and diligence in assessing whether the person to whom the client money is transferred will apply adequate measure to protect these sums.

For the purpose of this paragraph, de minimis shall mean £25 for retail investors and £100 for all other investors.

### **Unclaimed balances**

In certain circumstances, if the ACD has lost touch with a Shareholder and there has been no movement on the account (notwithstanding any payments or receipts of charges, interest or similar items), the ACD will be permitted to pay the Shareholder's client money balance to charity after six years. At this point, the ACD shall cease to treat such money as client money. The ACD will not do so until reasonable efforts have been made to contact the Shareholder in accordance with the Client Money Rules. The Shareholder will still be entitled to recover this money from the ACD at a later date irrespective of whether the ACD has paid the money to charity.

## **4. VALUATION OF THE COMPANY**

### **4.1 General**

There is only a single price for each Class of Shares. The price of a Share is calculated by reference to the Net Asset Value of the Fund to which it relates. The Net Asset Value per Share of a Fund is currently calculated on each Dealing Day at the Valuation Point of the Fund. For details of the Valuation Point of a Fund please see APPENDIX I.

The ACD may at any time during a business day carry out an additional valuation if it considers it desirable to do so and may use the price obtained at such additional Valuation Point as the price for the day. The ACD shall inform the Depositary of any decision to carry out any such additional valuation. Valuations may be carried out for effecting a scheme of amalgamation or reconstruction, which do not create a Valuation Point for the purposes of dealing. Where permitted and subject to the Regulations, the ACD may, in certain circumstances (for example where a significant event has occurred since the closure of a market) substitute a price with a more appropriate price which in its opinion reflects a fair and reasonable price for that investment.

The ACD will, upon completion of each valuation, notify the Depositary of the price of Shares of each Class of each Fund and the amount of any dilution adjustment made in respect of any purchase or redemption of Shares.

A request for dealing in Shares must be received by the Cut Off Point in order to be processed at the next Valuation Point. A dealing request received after this time will be held over and processed on the next Dealing Day, using the Net Asset Value

per Share calculated as at the Valuation Point on that next Dealing Day.

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

The value of the property of the Company or of a Fund (as the case may be) shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions:

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

4.2.2 Scheme Property which is not cash (or other assets dealt with in paragraphs 4.2.2.6 or 4.2.3 below) shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:

4.2.2.1 units or shares in a collective investment scheme:

- (a) if a single price for buying and redeeming units or shares is quoted, at that price; or
- (b) if separate buying and selling prices are quoted, at the average of the two prices provided the buying price has been reduced by any initial charge included therein and the selling price has been increased by any exit or selling charge attributable thereto; or
- (c) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists or if the most recent price available does not reflect the ACD's best estimate of the value of the units or shares, at a value which, in the opinion of the ACD, is fair and reasonable;

4.2.2.2 exchange-traded derivative contracts:

- (a) if a single price for buying and selling the exchange-traded derivative contract is quoted, at that price; or
- (b) if separate buying and selling prices are quoted, at the average of the two prices;

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

4.2.2.4 Any other investment:

- (a) if a single price for buying and redeeming the security is

quoted, at that price; or

- (b) if separate buying and redemption prices are quoted, at the average of the two prices; or
- (c) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists or if the most recent price available does not reflect the ACD's best estimate of the value of the security, at a value which in the opinion of the ACD, is fair and reasonable;

4.2.2.5 Scheme Property other than that described in paragraphs 4.2.2.1, 4.2.2.2, 4.2.2.3 and 4.2.2.4 above, at a value which, in the opinion of the ACD, is fair and reasonable;

4.2.2.6 cash and amounts held in current and deposit accounts and in other time related deposits shall be valued at their nominal values.

4.2.3 In determining the value of the Scheme Property, all instructions given to issue or cancel Shares shall be assumed (unless the contrary is shown) to have been carried out and any cash payment made or received and all consequential action required by the Regulations or the Instrument of Incorporation shall be assumed (unless the contrary has been shown) to have been taken.

4.2.4 Subject to paragraphs 4.2.5 and 4.2.6 below, agreements for the unconditional sale or purchase of Scheme Property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and if, in the opinion of the ACD, their omission will not materially affect the final net asset amount.

4.2.5 Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph 4.2.4.

4.2.6 All agreements are to be included under paragraph 4.2.4 which are, or ought reasonably to have been, known to the person valuing the property assuming that all other persons in the ACD's employment take all reasonable steps to inform it immediately of the making of any agreement.

4.2.7 An estimated amount for anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the Scheme Property; on realised capital gains in respect of previously completed and current accounting periods; and on income where liabilities have accrued) including (as applicable and without limitation) capital gains tax, income



tax, corporation tax, VAT, stamp duty, SDRT and any foreign taxes or duties will be deducted.

- 4.2.8 An estimated amount for any other anticipated tax liabilities at that point in time including (as applicable and without limitation) capital gains tax, income tax, corporation tax, VAT, stamp duty, SDRT and any foreign taxes or duties will be deducted.
- 4.2.9 The principal amount of any outstanding borrowings whenever repayable and any accrued but unpaid interest on borrowings will be deducted.
- 4.2.10 An estimated amount for accrued claims for tax of whatever nature which may be recoverable will be added.
- 4.2.11 Any other credits or amounts due to be paid into the Scheme Property will be added.
- 4.2.12 Currencies or values in currencies other than Sterling shall be converted at the relevant Valuation Point at a rate of exchange that is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders.
- 4.2.13 A sum representing any interest or any income accrued due or deemed to have accrued but not received will be added.

#### 4.3 **Price per Class of Share in each Fund**

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

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

#### 4.4 **Fair Value Pricing**

- 4.4.1 Where the ACD has reasonable grounds to believe that:
  - 4.4.1.1 no reliable price exists for a security (including a unit/share in a collective investment scheme) at a Valuation Point; or
  - 4.4.1.2 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).

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

4.4.2.1 no recent trade in the security concerned; or

4.4.2.2 suspension of dealings in an underlying collective investment scheme; or

4.4.2.3 the occurrence of a significant event since the most recent closure of the market where the price of the security is taken.

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

4.4.3.1 the type of authorised fund concerned;

4.4.3.2 the securities involved;

4.4.3.3 whether the underlying collective investment schemes may already have applied fair value pricing;

4.4.3.4 the basis and reliability of the alternative price used; and

4.4.3.5 the ACD's policy on the valuation of Scheme Property as disclosed in this Prospectus.

#### 4.5 **Pricing basis**

The ACD deals on a forward pricing basis. A forward price is the price calculated at the next Valuation Point after the purchase or redemption is deemed to be accepted by the ACD.

#### 4.6 **Publication of Prices**

The prices of all Share Classes are available daily at [www.trustnet.com](http://www.trustnet.com). The prices of Shares may also be obtained by calling 01268 44 8234 during the ACD's normal business hours.

As the Funds deal on a forward pricing basis, the price that appears in these sources will not necessarily be the same as the one at which investors can currently deal. The ACD may also, at its sole discretion, decide to publish certain Share prices on third party websites or publications but the ACD does not accept responsibility for the accuracy of the prices published in, or for the non-publication of prices by, these sources for reasons beyond the control of the ACD.

## 5. **RISK FACTORS**

Potential investors should consider the below risk factors before investing in the Company (or, in the case of specific risks applying to specific Funds, in those Funds).

This list must not be taken to be comprehensive as there may be new risks that arise in the future which could not have been anticipated in advance. Also, the risk factors listed will apply to different Funds to different degrees, and for a given Fund this degree could increase or reduce through time.

### 5.1 **Market risk**

The investments of the Company are subject to normal market fluctuations and other risks inherent in investing in securities. There can be no assurance that any appreciation in the value of investments will occur. The value of investments and the income derived from them may fall as well as rise and investors may not recoup the original amount they invest in the Company. There is no certainty that the investment objective of any Fund will actually be achieved and no warranty or representation is given to this effect. Past performance is no guide to the future.

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

Where an initial charge or redemption charge is imposed, an investor who realises their Shares after a short period may not (even in the absence of a fall in the value of the relevant investments) realise the amount originally invested.

In particular, where a redemption charge is payable, investors should note that the percentage rate at which the redemption charge is calculated is based on the market value rather than the initial value of the Shares. If the market value of the Shares has increased the redemption charge will show a corresponding increase.

The Shares therefore should be viewed as medium to long term investments.

### 5.3 **Dilution adjustment**

Investors should note that in certain circumstances a dilution adjustment may be applied to the price payable on the purchase or redemption of their Shares (see "Dilution Adjustment" at paragraph 3.6.4) or a provision for SDRT may be charged on the purchase, redemption or transfer of Shares. Where dilution adjustment is not applied the Fund in question may incur dilution which may constrain capital growth.

### 5.4 **Charges to capital**

Where the investment objective of a Fund is to treat the generation of income as

a higher priority than capital growth, or the generation of income and capital growth have equal priority, or where incomes Shares are in issue, all or part of the ACD's Management Fee as defined in paragraph 7.3 below, and other expenses may be charged against capital instead of against income. This treatment of the ACD's Management Fee and other expenses will increase the amount of income (which may be taxable) that may be available for distribution to Shareholders in the Fund concerned, but may constrain capital growth. For the C Income and D Income Share Classes of the FP WHEB Sustainability Impact Fund, the ACD's Management Fee is deducted from capital, rather than income, in order to maximise the level of income that may be paid to investors.

#### 5.5 **Suspension of dealings in Shares**

Investors are reminded that in certain circumstances their right to redeem Shares (including a redemption by way of Switching) may be suspended (see "Suspension of dealings in the Company or a Fund" at paragraph 3.10).

#### 5.6 **Currency exchange rates**

Currency fluctuations may adversely affect the value of a Fund's investments and, depending on an investor's currency of reference, currency fluctuations may adversely affect the value of their investment in Shares.

#### 5.7 **Emerging markets**

Investments in emerging markets may be more volatile than investments in more developed markets. Some of these markets may have relatively unstable governments, economies based on only a few industries and securities markets that trade only a limited number of securities. Many emerging markets do not have well developed regulatory systems and disclosure standards may be less stringent than those of developed markets.

The risks of expropriation, nationalisation and social, political and economic instability are greater in emerging markets than in more developed markets.

The following is a brief summary of some of the more common risks associated with emerging markets investment:

**Fraudulent securities** – Given the lack of a regulatory structure it is possible that securities in which investments are made may be found to be fraudulent. As a result, it is possible that loss may be suffered.

**Lack of liquidity** – The accumulation and disposal of holdings may be more expensive, time consuming and generally more difficult than in more developed markets. Also, due to the lack of liquidity, volatility may be higher. Many emerging markets are small, have low trading volumes, low liquidity and significant price volatility.

**Currency fluctuations** – Significant changes in the currencies of the countries in which investments are made in respect of the currency of denomination of the relevant Fund may occur following the investment of the Company in these currencies. These changes may impact the total return of the Fund to a significant degree. In respect of currencies of certain emerging countries, it is not possible to undertake currency hedging techniques.

**Settlement and custody risks** – Settlement and custody systems in emerging markets are not as well developed as those in developed markets. Standards may not be as high and supervisory and regulatory authorities not as sophisticated. As a result there may be risks that settlement may be delayed and that cash or securities could be disadvantaged.

**Investment and remittance restrictions** – In some cases, emerging markets may restrict the access of foreign investors to securities. As a result, certain equity securities may not always be available to a Fund because the maximum permitted number of or investment by foreign Shareholders has been reached. In addition, the outward remittance by foreign investors of their share of net profits, capital and dividends may be restricted or require governmental approval. The Company will only invest in markets in which it believes these restrictions to be acceptable. However, there can be no guarantee that additional restrictions will not be imposed.

**Accounting** – Accounting, auditing and financial reporting standards, practices and disclosure requirements applicable to companies in emerging markets differ from those applicable in more developed markets in respect of the nature, quality and timeliness of the information disclosed to investors and, accordingly, investment possibilities may be difficult to properly assess.

## 5.8 **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.

## 5.9 **Sub investment grade bonds**

The Funds may hold sub-investment grade bonds. Such bonds have a lower credit rating than investment grade bonds and carry a higher degree of risk.

## 5.10 **Overseas bonds and currencies**

From time to time, a Fund may invest in overseas bonds and currencies. These markets may respond to different influences to those that affect the underlying

funds and accordingly carry a higher degree of risk.

#### 5.11 **Performance risk**

There will be a variation in performance between Funds with similar objectives due to the different assets selected. The degree of investment risk depends on the risk profile of the Fund chosen.

#### 5.12 **Derivatives and volatility**

Derivative instruments may be used in the Funds for the purposes of Efficient Portfolio Management (EPM). **The use of derivatives for EPM should not lead to an increase in risk to the Fund.**

#### 5.13 **Sector Risk**

As the Fund will only invest in companies which fit the themes that support a stable climate and healthy ecosystem or that enable a more productive and healthy life (as described in APPENDIX I), including cleaner energy, Environmental Services, Resource Efficiency, Sustainable Transport, water management, education, healthcare, safety, and well-being, there will be a limited number of companies worldwide which fit these themes. This limitation may constrain growth in the Fund and the Fund may experience a higher level of volatility than funds which invest in the broader market universe.

The Fund's investment focus on companies in the cleaner energy, Environmental Services, Resource Efficiency, Sustainable Transport, water management, education, healthcare, safety, and well-being sectors means that market fluctuations in those sectors will affect the Fund more than they would affect a fund investing in a broader range of global sectors. In particular, if global legislation encouraging higher standards of environmental protection and higher expenditure on healthcare were reversed or substantially diluted then the impact on this fund would be more significant than on a fund that invests in a more diversified portfolio of shares.

#### 5.14 **Concentration risk**

The Fund typically holds a more concentrated portfolio than the average OEIC sub-fund. Whilst increasing the potential reward, the nature of these funds can increase risk. As such, the returns may be more volatile and will be impacted more by fluctuations in the value of underlying stock.

#### 5.15 **Inflation Risk**

Inflation will, over time, reduce the value of your investments in real terms.

#### 5.16 **Counterparty risk**

If a Fund enters into a derivative contract it will be exposed to the credit of the other party (usually referred to as 'counterparty') and their ability to wholly or partly satisfy the terms of the contract.

In the event of a bankruptcy or insolvency of a counterparty, a Fund could experience delays in liquidating the position and may incur significant losses. The ACD may use one or more counterparties to undertake derivative transactions on behalf of a Fund and may be required to pledge a Fund's assets as collateral against these transactions. There may be a risk that a counterparty will be unable to meet its obligations with regards to the return of the collateral and may not meet other payments due to a Fund.

#### **5.17 Tax Risk**

The rates of, and any relief from, taxation may change over time. Further information is set out later in the document. The tax treatment will depend on the individual circumstances of each investor and may be subject to change in the future. See the section headed "Taxation" for further details about taxation of the Company and Funds. If you have any doubts about your tax position, you should seek professional advice.

#### **5.18 Regular Savings Plan**

If a Shareholder is making regular monthly investments in a Fund with a view to saving for a specific objective, they should regularly review whether these savings will be sufficient to achieve their objective. Shareholders may not achieve their objective if they do not continue to invest regularly with a sufficient amount or if the investment does not appreciate sufficiently.

#### **5.19 Cancellation Rights**

Where cancellation rights are applicable, if Shareholders choose to exercise their cancellation rights and the value of the 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.

#### **5.20 Pricing and liquidity**

Where a Fund has exposure to alternative asset classes there is a risk that the price at which an asset is valued may not be realisable in the event of sale. This could be due to a mis-estimation of the asset's value or due to a lack of liquidity in the relevant market. As a result, at times, the ACD may have to delay acting on instructions to sell investments, and the proceeds on redemption may be materially less than the value implied by the Fund's price.

#### **5.21 Investing in other collective investment schemes**

Each Fund may invest in other regulated collective investment schemes. As an investor of 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.

#### 5.22 **Exchange Traded Funds (“ETFs”)**

The Funds may invest in Exchange Traded Funds. Exchange Traded Funds represent a basket of securities that are traded on an exchange and may not necessarily trade at the net asset value of their underlying holdings. As a result, they may trade at a price that is above or below the value of the underlying portfolio.

#### 5.23 **Brexit**

On 31 January 2020, the UK formally withdrew from the EU and entered into a transition period which ended at 11 pm on 31 December 2020. An EU-UK Trade and Cooperation Agreement (the “**TCA**”) was concluded on 30 December 2020. Although the TCA was ratified by the European Parliament on 28 April 2021, the process to implement the new political, economic and regulatory framework between the UK and EU remains uncertain and therefore such implementation may still have a detrimental impact on the Funds’ ability to fulfil their investment objective or on the value of a Fund’s assets, and may increase the Company’s costs.

#### 5.24 **Global pandemics**

Global pandemics have the potential to cause major disruption to economies and markets around the world. In the event of a global pandemic, financial markets may experience extreme volatility and severe losses, and trading in certain instruments may be disrupted. Such circumstances may continue for an extended period of time and have an adverse impact on the value and liquidity of equities and securities in which the Fund invests. The ultimate economic fallout and long-term impact of a global pandemic may not be known for some time after the pandemic has arisen. Similarly, government and central bank measures may be taken to support economies and financial markets, however, the impact and effectiveness of these may not be known for some time after they are implemented.

#### 5.25 **Environmental, Social and Governance Risk (“ESG”)**

Environmental, Social and Governance Risk (ESG): A portfolio that excludes



companies deemed unattractive in their ESG characteristics might underperform a portfolio that is run without regard to ESG characteristics. Data constraint is a big challenge and there are limitations on the types of sustainability and ESG-related data currently provided to the market. Disclosures and ESG-related information are subject to change due to ongoing improvements in such data.

The Fund could be exposed to 'sustainability risk' if an environmental, social or governance event, practice or condition occurs that could cause an actual or a potential financially material negative impact on the value of the investment.

## **6. MANAGEMENT AND ADMINISTRATION**

### **6.1 Regulatory Status**

The ACD, the Depositary, the Investment Manager and the Administrator are authorised and regulated by the FCA of 12 Endeavour Square, London, E20 1JN.

### **6.2 Authorised Corporate Director**

#### **6.2.1 General**

The ACD is FundRock Partners Limited which is a private company limited by shares incorporated in England and Wales on 19 February 2001.

The directors of the ACD are:

Simon Gunson

Lisa Poynter

Michael Vareika (non-executive director)

Eric Personne (non-executive director)

Sheenagh Gordon-Hart (non-executive director)

No director (other than the non-executive directors) is engaged in any significant business activity not connected with the business of the ACD or other associates of the ACD.

The Company has no other directors.

**Registered office  
and head office:**

Hamilton Centre, Rodney Way,  
Chelmsford, England, CM1 3BY.

<b>Share capital:</b>	An issued share capital of £9,022,135 represented by 9,022,135 ordinary shares of 100 pence fully paid.
<b>Ultimate holding company:</b>	Apex Group Ltd is the ultimate holding company of the ACD.

The ACD is responsible for managing and administering the Company's affairs in compliance with the FCA Rules. The ACD may delegate its management and administration functions, but not responsibility, to third parties, including associates subject to the rules in the FCA Rules.

The ACD has delegated to the Investment Manager the function of managing and acting as the investment adviser for the investment and reinvestment of the assets of the Funds (as further explained in paragraph 6.4 below). It has also delegated to the Administrator and the Registrar certain functions relating to administration and the Company's register (as further explained in paragraphs 6.6 and 6.7 below). The ACD has delegated various operational and fund accounting functions to Apex Fund Services Limited, a group company.

#### 6.2.2 **Terms of Appointment**

The appointment of the ACD has been made under an agreement dated 26 May 2009 between the Company and the ACD, as amended from time to time, (the "**ACD Agreement**").

Pursuant to the ACD Agreement, the ACD manages and administers the affairs of the Company in accordance with the Regulations, the Instrument of Incorporation and this Prospectus. The ACD Agreement incorporates detailed provisions relating to the ACD's responsibilities. It also excludes the ACD from liability to the Company or any Shareholder for any error of judgment or loss suffered in connection with the subject matter of the ACD Agreement, unless arising as a direct consequence of recklessness, fraud, bad faith, wilful default or negligence in the performance or non-performance of its obligations and functions under the ACD Agreement. Any liability for defaults of a person to whom it has delegated certain functions is also limited to the extent permitted by the Regulations.

The Company has agreed to indemnify the ACD to the extent permitted by the FCA Rules (for itself and its delegates) against claims and expenses that arise in respect of their duties, except where there is fault on its or their part of the kind referred to above.

In accordance with the Regulations, the ACD has in place a number of policies which set out how it operates and manages the Funds in a number of key areas. The ACD's voting policy (which sets out how and when voting rights attached to the Funds' investments are to be exercised) is available on the following website: [www.fundrock.com](http://www.fundrock.com). Further information on how the ACD's policies are reviewed are also available on request.

The Investment Manager's Best Execution policy (which sets out how the Investment Manager complies with these rules) can be obtained by contacting the Investment Manager.

Note that investors in the Funds may request from the ACD information about entities where trade orders are transmitted or placed for execution.

**Details of the fees payable to the ACD are set out in the paragraph 7.3 headed "The Management Fee" below.**

The ACD Agreement will continue until terminated on not less than 12 months' prior notice by either party, or earlier if, if amongst other things, the Company ceases to be authorised by the FCA, a party commits a material breach which is not remedied within 30 days written notice of being required to do so or the insolvency of a party.

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

## **6.3 The Depositary**

### **6.3.1 General**

The Depositary is a private limited company with registered number 11283101 incorporated in England whose registered office is at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB. The Depositary is authorised by the Prudential Regulation Authority ("**PRA**") and regulated by the FCA and the PRA.

The ultimate holding company of the Depositary is Citigroup Inc., incorporated in New York, USA.

The key duties of the Depositary consist of:

- cash monitoring and verifying the Company's cash flows;
- safekeeping of the Scheme Property;
- ensuring that the sale, issue, re-purchase, redemption,

cancellation and valuation of Shares are carried out in accordance with the Instrument of Incorporation constituting the Company, the Prospectus, and applicable law, rules and regulations;

- ensuring that, in transactions involving Scheme Property, any consideration is remitted to the Company within the usual time limits;
- ensuring that the Company's income is applied in accordance with the Instrument of Incorporation constituting the Company, the Prospectus, applicable law, rules and regulations; and
- carrying out instructions from the ACD unless they conflict with the Instrument of Incorporation the Prospectus, or applicable law, rules and regulations.

The Depositary is responsible for the safekeeping of all the Scheme Property (other than tangible moveable property) of the Company and has a duty to take reasonable care to ensure that the Company is managed in accordance with the Instrument of Incorporation and the provisions of the FCA Rules relating to the pricing of, and dealing in, Shares and relating to the income and the investment and borrowing powers of the Funds.

#### 6.3.2 **Terms of Appointment**

The Company, the ACD and the Depositary are all parties to a legal agreement appointing the depositary effective 1 April 2022 (the "**Depositary Agreement**").

The Depositary Agreement may be terminated by not less than 180 days' written notice provided that no such notice shall take effect until the appointment of a successor to the Depositary.

The Depositary Agreement provides indemnities to the Depositary from the Company against costs, charges, losses and liabilities incurred by it (or its associates) in the proper execution, or in the purported proper execution, or exercise (reasonably and in good faith) of its duties, powers, authorities and discretions to the Company, except where it has failed to exercise due care and diligence).

The Depositary is entitled to receive remuneration out of the Scheme Property for its services, as explained below.

#### 6.3.3 **Delegation**

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

As a general rule, whenever the Depositary delegates any of its custody functions to a delegate, the Depositary will remain liable for any losses suffered as a result of an act or omission of the delegate as if such loss had arisen as a result of an act or omission of the Depositary. The use of securities settlement systems or order routing systems, does not constitute a delegation by the Depositary of its functions.

As at the date of this Prospectus, the Depositary has entered into a written agreement delegating the performance of its safekeeping function in respect of certain of the Company's assets to Citibank N.A, London Branch. Details of any sub-delegates are set out in Appendix V.

#### 6.3.4 **Conflicts of Interest**

Actual or potential conflicts of interest may also arise between Company, the Shareholders or the ACD on the one hand and the Depositary on the other hand.

##### ***Non-exclusive services***

The Depositary may act as the depositary of other investment funds. The Depositary may have other clients whose interests may conflict with those of Company, the Shareholders or the ACD.

##### ***Affiliates***

From time to time conflicts may arise from the appointment by the Depositary of any of its delegates. For example, Citibank N.A., London Branch which has been appointed by the Depositary to act as custodian of the Scheme Property, also performs certain investment operations and functions and derivatives collateral management functions.

The Depositary will ensure that any such delegates or sub-delegates who are its affiliates are appointed on terms which are not materially less favourable to the Company than if the conflict or potential conflict had not existed. Citibank N.A., London Branch and any other delegate are required to manage any such conflict having regard to the FCA Rules and its duties to the Depositary and the ACD.

##### ***Conflicting commercial interests***

The Depositary (and any of its affiliates) may effect, and make a profit from, transactions in which the Depositary (or its affiliates, or another client of the Depositary or its affiliates) has (directly or indirectly) a material interest or a relationship of any description and which involves or may involve a potential conflict with the Depositary's duty to the Company.

This includes circumstances in which the Depositary or any of its affiliates or connected persons: acts as market maker in the investments of the

Company; provides broking services to the Company and/or to other funds or companies; acts as financial adviser, banker, derivatives counterparty or otherwise provides services to the issuer of the investments of the Company; acts in the same transaction as agent for more than one client; has a material interest in the issue of the investments of the Company; or earns profits from or has a financial or business interest in any of these activities.

### ***Management of conflicts***

The Depositary has a conflict of interest policy in place to identify, manage and monitor on an on-going basis any actual or potential conflict of interest. The Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest and the Depositary issues to be properly identified, managed and monitored.

#### **6.3.5 Depositary's Data Protection Policy**

The Depositary's Markets and Securities Services Privacy Statement details the collection, use and sharing of Shareholders' personal information by the Depositary in connection with Shareholders' investment in the Company.

The Depositary's Markets and Securities Services Privacy Statement may be updated from time to time and readers should confirm that they hold the latest version.

Any Shareholder who provides the ACD and its agents with personal information about another individual (such as a joint investor), must show the Depositary's Markets and Securities Services Privacy Statement to those individuals.

### **6.4 The Investment Manager**

#### **6.4.1 General**

The ACD has appointed the Investment Manager, WHEB Asset Management LLP, to provide investment management and advisory services to the ACD. The Investment Manager is authorised and regulated by the FCA.

The Investment Manager's registered office is at 7 Cavendish Square, London W1G 0PE. The principal activity of the Investment Manager is the provision of investment management services.

#### **6.4.2 Terms of Appointment**

The Investment Manager was appointed by an agreement dated 26 May 2009 between the ACD and the Investment Manager, as amended from time to time (the “**Investment Management Agreement**”).

In the exercise of the ACD's investment functions, the Investment Manager shall (subject to the overall policy and supervision of the ACD) have full power, authority and right to exercise the functions, duties, powers and discretions exercisable by the ACD under the Instrument of Incorporation or the Regulations to manage the investment of the Scheme Property of the Company. The Investment Manager has full power to delegate under the Investment Management Agreement.

The Investment Manager may also direct the exercise of rights (including voting rights) attaching to the ownership of the Company's Scheme Property.

The Investment Management Agreement may be terminated by not less than twelve months written notice, or immediately if it is in the best interest of investors or by written notice given by either party on the happening of certain events involving any material breach or insolvency. It will also terminate automatically if the agreement appointing the ACD is terminated or if the ACD or the Investment Manager ceases to be authorised to act as such.

The Investment Manager is entitled to a fee out of that paid to the ACD, as explained below in paragraph 7.

The Investment Manager will not be considered as a broker fund adviser under the FCA Rules in relation to the Company.

The Investment Manager may use central securities depositories (“CSDs”) to settle certain transactions on behalf of a Fund. If a settlement fails on a CSD which is governed by the Central Securities Depositories Regulation, a Fund may be required to pay a penalty if that Fund causes the settlement failure. If this occurs, the penalty will be treated as a capital expense of the Fund and the Investment Manager will reimburse the Fund in full, so that the Fund does not suffer a loss. If a third party (i.e. the counterparty to the transaction) causes the settlement failure, the Fund will receive the benefit of the penalty paid by the third party and this will be treated as capital income of the Fund.

***The charges and expenses payable to the Investment Manager are payable from the ACD's Management Fee as set out in Paragraph 7.3 below.***

## 6.5 **The Administrator**

The ACD has appointed the Administrator, SS&C Financial Services Europe Limited, to provide certain administration services for the Company. The Administrator's registered office is SS&C House, St Nicholas Lane, Basildon, Essex SS15 5FS.

## 6.6 **The Registrar**

### 6.6.1 **General**

On behalf of the Company the ACD has also appointed SS&C Financial Services Europe Limited to act as registrar to the Company.

The registered office of the Registrar is SS&C House, St Nicholas Lane, Basildon, Essex SS15 5FS.

### 6.6.2 **Register of Shareholders**

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 Register of Shareholders shall be conclusive evidence as to the persons entitled to the Shares entered in the Register. No notice of any trust, express, implied or constructive, shall be entered on the Register of Shareholders in respect of any Share and the ACD and the Depositary shall not be bound by any such notice.

The plan register (being a record of persons who subscribe for Shares through ISA plans) can be inspected at the office of the Administrator.

## 6.7 **The Auditor**

The auditor of the Company is Deloitte LLP, whose address is 110 Queen Street, Glasgow G1 3BX. The Auditor is responsible for auditing the annual accounts of the Company and expressing an opinion on certain matters relating to the Company in the annual report including whether its accounts have been prepared in accordance with applicable accounting standards, the Regulations and the Instrument of Incorporation.

## 6.8 **Conflicts of Interest**

The ACD, other companies within the Professional Partners Administration Limited group of companies and the Investment Manager may, from time to time, act as manager to other funds or sub-funds which follow similar investment objectives to those of the Funds. It is therefore possible that the ACD and/or the Investment Manager may in the course of their business have potential conflicts of interest with the Company or a particular Fund or between the Company and other funds



managed by the ACD. The ACD and/or the Investment Manager will, however, have regard in such event to the ACD's obligations under the ACD Agreement, the FCA Rules and, in particular, to its obligation to act in the best interests of the Company so far as practicable, having regard to its obligations to other clients, when undertaking any investment business where potential conflicts of interest may arise. Where a conflict of interest cannot be avoided, the ACD will ensure that the Company and any other collective investment schemes it manages are fairly treated.

As outlined above, the ACD delegates certain of its functions in relation to the management of the Company, including to the Administrator and Registrar. In the context of delegation generally, conflicts of interest may arise because:

- (a) of a contractual or other relationship between the ACD and the delegate that creates an ability for the delegate to control or influence the ACD;
- (b) an investor in the Fund and a delegate are in the same group, or have any other contractual relationship which may create a situation that the investor has the ability to control or influence the delegate;
- (c) the likelihood of the delegate (i) making a financial gain or avoiding a loss at the expense of the ACD or the investors; (ii) having an interest in the outcome of a service or activity provided to the ACD or the Fund; (iii) having a financial or other incentive to favour another client over the ACD or the Funds; (iv) receiving inducements (other than standard commissions or fees) from third parties relating to the provision of collective portfolio management services to the ACD and the Funds.

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

The ACD may also use group companies as delegates or service providers. The ACD will ensure that any such delegates or service providers who are its affiliates are appointed on terms which are not materially less favourable to the Company than if the conflict or potential conflict had not existed.

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

The Investment Manager may manage other accounts/portfolios with similar investment objectives to the Funds.

The ACD has written policies and procedures in place to monitor and prevent or manage conflicts of interest in the context of delegations of certain of its functions. To the extent any actual conflicts of interest are determined to have arisen, the ACD will effectively prevent or manage such conflicts to minimise any potential detrimental impact on the Funds and will take steps to prevent such conflicts from reoccurring. The ACD acknowledges that there may be some situations where the organisational or administrative arrangements in place for the management of conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the Company or its Shareholders will be prevented. Should any such situations arise the ACD will, as a last resort, if the conflict cannot be avoided, disclose these to Shareholders in an appropriate format.

## 7. FEES AND EXPENSES

### 7.1 General

All fees, costs, charges or expenses (other than Dealing Charges as set out in paragraph 3.6 above) payable by a Shareholder or out of the property of the Company or each Fund (as the case may be) are set out in this paragraph 7.

### 7.2 Establishment costs

Each Fund formed after this Prospectus is superseded may bear its own direct establishment costs. The Company may pay out of the property of the Company any liabilities arising on the unitisation, amalgamation or reconstruction of the Company or of any Fund.

### 7.3 The Management Fee

The ACD is entitled to be paid a fee for its services in managing the Company and each Fund. This fee (the “**Management Fee**”) is a single charge that is deducted from the Scheme Property of the relevant Fund. The Management Fee pays the ACD for its services as well as reimburses the ACD for the fees and expenses incurred by it in relation to the operation and administration of the Funds.

The Management Fee is a fixed rate fee charged by the ACD to each Fund of the Company and is calculated and accrued on a daily basis by reference to the Net Asset Value of the Fund on the previous Dealing Day and the amount due for each month is payable in respect of each calendar month as soon as practicable after the month end.

**The current Management Fee for each Fund (expressed as a percentage per annum of the Net Asset Value of each Fund) is set out in APPENDIX I.**

Should the operating costs of a Fund be higher than expected over a calendar year, any shortfall of the Management Fee will be paid at the expense of the Investment Manager (as sponsor of the Company and each Fund). Alternatively, in the event that the operating costs of a Fund are lower than expected over a calendar year, any surplus will be retained by the Investment Manager.

The ACD will, together with the Investment Manager, review the appropriateness of the Management Fee levels regularly with reference to the underlying cost base and their competitiveness in the wider market context. The ACD considers it appropriate to carry such reviews on a regular basis (annually as a minimum).

The Management Fee comprises of the following:

- 7.3.1 the charges and expenses payable to the ACD (which will include the fees and expenses payable to the Investment Manager);

- 7.3.2 the charges and expenses payable to the Depositary and to its delegates and agents, unless otherwise specified in this Prospectus. This includes:
  - 7.3.2.1 charges and expenses payable to the Custodian or to any person (whether or not an associate of the Depositary) to whom any function of custody or control in relation to Scheme Property is delegated or whose services are retained to assist in the performance of any such function;
  - 7.3.2.2 all charges imposed by, and any expenses of, any agents appointed by the Depositary to assist in the discharge of its duties;
  - 7.3.2.3 all charges and expenses incurred in connection with the collection and distribution of income;
  - 7.3.2.4 all charges and expenses incurred in relation to the preparation of the Depositary's annual report to Shareholders;
  - 7.3.2.5 all charges and expenses incurred in relation to stock lending or other transactions; and
  - 7.3.2.6 fees and expenses payable to professional advisors advising or assisting the Depositary.
- 7.3.3 the fees and expenses payable in respect of fund administration (including the costs and charges payable to the Fund Accountant and the Administrator and to their respective delegates), unless otherwise specified in this Prospectus;
- 7.3.4 fees and expenses in respect of establishing and maintaining the Register of Shareholders (and any plan sub-register) and related functions;
- 7.3.5 expenses incurred in producing, distributing and dispatching income and other payments to Shareholders;
- 7.3.6 fees in respect of the publication and circulation of details of the Net Asset Value and prices;
- 7.3.7 the fees and expenses of the auditors and tax, legal and other professional advisers of the Company;
- 7.3.8 the costs of convening and holding Shareholder meetings (including meetings of Shareholders in any particular Fund, or any particular Class within a Fund);
- 7.3.9 expenses incurred in company secretarial duties, including the cost of minute books and other documentation required to be maintained by the

Company;

- 7.3.10 payments, costs or any other administrative expenses in relation to the preparation of and dissemination of literature required or necessary for the purpose of complying with the Regulations or any other applicable law or regulation (excluding the cost of disseminating the key investor information document or equivalent successor documentation);
- 7.3.11 fees of any paying, representative or other agents of the Company or the ACD;
- 7.3.12 fees of the FCA under the Financial Services and Markets Act 2000 and the corresponding periodic fees of any regulatory authority in a country or territory outside the UK in which Shares are or may lawfully be marketed;
- 7.3.13 any payments otherwise due by virtue of changes to the Regulations;
- 7.3.14 costs in respect of communications with investors;
- 7.3.15 any VAT that may also be payable from the costs and charges listed in paragraphs 7.3.1 to 7.3.14 above.

#### **7.4 Other Costs**

The Company or each Fund (as the case may be) may, so far as the COLL Sourcebook allows, also pay out of the property of the Company or each Fund (as the case may be) all relevant fees, costs, charges and expenses incurred by the Company or each Fund (as the case may be), which will include the following:

- 7.4.1 costs incurred in taking out and maintaining any insurance policy in relation to the Company and/or the ACD;
- 7.4.2 tax and duties payable by the Company;
- 7.4.3 interest on and charges incurred in borrowings;
- 7.4.4 any amount payable by the Company under any indemnity provisions contained in the Instrument of Incorporation or any agreement with any functionary of the Company;
- 7.4.5 any costs in modifying the ACD Agreement and any other relevant document required under the Regulations;
- 7.4.6 the fees of any stock lending agent and the fees of the ACD for arranging any stock lending, subject to giving Shareholders 60 days' prior written notice of the details of these fees;
- 7.4.7 Transaction costs (including, without limitation, fees and/or expenses incurred in acquiring, registering and disposing of investments as well as

all operational costs that may arise from time to time as a result of Efficient Portfolio Management techniques being used for the benefit of the Company and/or the Funds.). Further details on the payment of costs and/or fees relating to Efficient Portfolio Management techniques will be set out in the Annual Report; and

- 7.4.8 (although it is not currently proposed to seek a listing for the Shares on any stock exchange) the fees connected with the any listing that is sought in the future.

VAT that may also be payable on the charges listed in this paragraph (paragraph 7.4).

- 7.5 The ACD reserves the right to review the Management Fee periodically at its discretion. Any increase to the level of the Management Fee will only be applied after giving 60 days' notice to Shareholders in accordance with the Regulations.

**7.6 Charges payable from capital**

Where the investment objective of a Fund is to treat the generation of income as a higher priority than capital growth, or the generation of income and capital growth have equal priority, or where Income Shares are available, all or part of the Management Fee (or other fees as described above) may be charged against capital instead of against income as set out in APPENDIX I. This will only be done with the approval of the Depositary. This treatment of the Management Fee or other fees may increase the amount of income (which may be taxable) available for distribution to Shareholders in the Fund concerned, but may constrain capital growth.

If a Class's expenses in any period exceed its income the ACD may take that excess from the capital property attributable to that Class. This may result in capital erosion or constrain capital growth.

**7.7 Rebate of fees; commission**

In certain limited circumstances and subject at all times to the provisions of the Conduct of Business Sourcebook of the FCA Rules, the ACD may at its sole discretion rebate its initial or annual management charges in respect of any application for, or holding of, Shares. Similarly the Company may rebate or waive its charges in relation to any exchange of Shares. The investor should check with the intermediary the amount of commission they have received and further details of such arrangements are available on request from the ACD.

**7.8 Increase in the Charges payable to the ACD**

Any increase of the Management Fee by the ACD will be carried out in accordance with the FCA Rules.

## 7.9 **Allocation of fees and expenses between Funds**

All the above fees, duties and charges (other than those borne by the ACD) will be charged to the Fund in respect of which they were incurred. Where an expense is not considered to be attributable to any one Fund, the expense will normally be allocated to all Funds pro rata to the value of the Net Asset Value of the Funds, although the ACD has discretion to allocate these fees and expenses in a manner which it considers fair to Shareholders generally.

## **8. SHAREHOLDER MEETINGS AND VOTING RIGHTS**

### **8.1 Class and Fund Meetings**

The Company does not hold Annual General Meetings. A copy of the ACD Agreement will be provided to a Shareholder on request.

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

### **8.2 Requisitions of Meetings**

The ACD may requisition a general meeting at any time.

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

### **8.3 Notice and Quorum**

Shareholders will receive at least 14 days' notice of a general meeting and are entitled to be counted in the quorum and vote at such meeting either in person or by proxy. The quorum for a meeting is two Shareholders, present in person or by proxy. The quorum for an adjourned meeting is one person entitled to be counted in a quorum. Notices of meetings and adjourned meetings will be sent to Shareholders at their registered addresses.

### **8.4 Voting Rights**

At a general meeting, on a show of hands every Shareholder who (being an individual) is present in person or (being a corporation) is present by its representative properly authorised in that regard, has one vote.

On a poll vote, a Shareholder may vote either in person or by proxy. The voting rights attaching to each Share are such proportion of the voting rights attached to all the Shares in issue that the price of the Share bears to the aggregate price of all the Shares in issue at the date seven days before the notice of meeting is sent out.

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

In the case of joint Shareholders, the vote of the 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.

Except where the FCA Rules or the Instrument of Incorporation require an extraordinary resolution (which needs at least 75% of the votes cast at the meeting to be in favour if the resolution is to be passed) any resolution required by the FCA Rules will be passed by a simple majority of the votes validly cast for and against the resolution.

The ACD may not be counted in the quorum for a meeting and neither the ACD nor any associate (as defined in the FCA Glossary) of the ACD is entitled to vote at any meeting of the Company except in respect of Shares which the ACD or associate holds on behalf of or jointly with a person who, if the registered Shareholder, would be entitled to vote and from whom the ACD or associate has received voting instructions.

Where all the Shares in a Fund are registered to, or held by, the ACD or its associates and they are therefore prohibited from voting and a resolution (including an extraordinary resolution) is required to conduct business at a meeting, it shall not be necessary to convene such a meeting and a resolution may, with the prior written agreement of the Depositary, instead be passed with the written consent of Shareholders representing 50% or more, or for an extraordinary resolution 75% or more, of the Shares in issue.

**“Shareholders”** in this context means Shareholders entered on the register at a time to be determined by the ACD and stated in the notice of the meeting which must not be more than 48 hours before the time fixed for the meeting.

## 8.5 **Virtual Shareholder Meetings**

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

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

## 9. TAXATION

### 9.1 General

The information below is a general guide based on current UK tax law and HMRC published practice, all of which are subject to change. It summarises the tax position of the Funds and of individual and corporate investors who are resident (and in the case of individuals, domiciled) for tax purposes solely in the UK and who are the absolute beneficial owners of a shareholding in the Company held as an investment. The relevant tax treatment will depend upon the particular circumstances of each Shareholder. In particular, the summary may not apply to certain classes of Shareholder (such as dealers in securities) to whom special rules may apply. The summary is not exhaustive or definitive and should not be treated as legal or tax advice and no action should be taken or omitted to be taken in reliance upon it. This summary also does not address the taxation consequences for investors who may be subject to taxation or exchange control in any jurisdiction outside the UK. Levels and bases of, and reliefs from, taxation are subject to change.

**Any Shareholder or prospective Shareholder who is in any doubt as to the taxation implications of making an investment in the Company (including as regards the acquisition, holding or disposal of any Shares), or who may be subject to taxation or exchange control provisions in any jurisdiction other than the UK should consult their own professional advisers immediately.**

### 9.2 The Funds

Each Fund is treated as a separate entity for certain UK tax purposes.

#### 9.2.1 Income

Each Fund is subject to corporation tax at the basic rate of income tax, currently 20%, on its taxable income (after deducting allowable expenses).

Dividends received by the Funds from most UK and non-UK companies are generally exempt from corporation tax. It is not anticipated that the Funds will receive any dividends other than exempt dividends in respect of their shareholdings.

Certain Double Tax Agreements between the UK and other territories make provision for withholding taxes, or higher withholding taxes, to apply to dividends paid in circumstances where a resident of the state receiving the dividend is not charged to tax in respect of it. Chapter 4 of Part 9A Corporation Tax Act 2009 therefore provides for the making of an election that a dividend is not exempt, in order to ensure that it is subject to no, or lower rates of, withholding taxes. The Company therefore reserves the right to make such an election if it results in a greater net

receipt for the Company.

Where an election is made the dividend received will be subject to corporation tax but credit will be given against that tax in respect of withholding taxes suffered, up to the level of the UK tax charged on that income.

#### **9.2.2 Capital gains**

Capital gains accruing to the Funds will generally be exempt from UK corporation tax on chargeable gains. Any gains made from certain trading transactions will, however, be treated as income and will be subject to corporation tax. Offshore income gains arising from the disposal of interests in non-reporting offshore funds may also be subject to corporation tax.

Part 2B of the Authorised Investment Funds (Tax) Regulations 2006 provides certainty that specified transactions carried out by an authorised fund, such as the Company, will not be treated as trading transactions for funds that meet a genuine diversity of ownership condition. For these purposes, the ACD confirms that all Classes of the Company are primarily intended for and marketed to the category of retail and institutional investors. The ACD intends that Shares in the Company should be widely available and will be marketed and made available sufficiently widely to reach the intended categories of investors and in a manner appropriate to attract those kinds of investors.

#### **9.2.3 Foreign Taxes**

The Company may be subject to foreign tax on its investments, subject to any relief (if available) including under any applicable double taxation agreement or otherwise under UK law.

#### **9.2.4 Stamp Taxes**

The Company may be required to pay UK stamp duty or SDRT or other similar taxes in other jurisdictions in connection with the acquisition or transfer of underlying investments.

### **9.3 Shareholders**

#### **9.3.1 Income – Distributions and Accumulation**

Distributions may be either dividend distributions or interest distributions, depending on the nature of the investments of the Fund concerned. Interest distributions can be made only where (very broadly) the market value of the Fund's qualifying investments in debt and debt-like securities exceeds 60% of the market value of all its assets

throughout the accounting period to which it relates (these Funds are referred to as “**Bond Funds**”). Where a Fund does not have that level of debt or debt-like assets throughout its accounting period then it must pay dividend distributions (these Funds are referred to as “**Equity Funds**”).

In the case of accumulation Shares, accumulated income (that is automatically retained in the Fund) is deemed to have been distributed to the Shareholder for tax purposes.

### 9.3.2 **Income - Equity Funds**

Funds which are called Equity Funds for the purposes of tax will pay any distributable income as dividend distributions. In the case of accumulation Shares, such income will automatically be retained in the Fund although for tax purposes it will be treated as a distribution. Details of whether a particular Fund is an Equity Fund or a Bond Fund for tax purposes are set out in APPENDIX I.

#### ***UK resident individual Shareholders***

When the Company makes a dividend distribution a UK resident individual Shareholder may be liable to tax on such distribution.

For UK resident individuals, no income tax is payable in respect of dividend income received from all sources in the tax year to the extent it falls within the annual dividend allowance (although such income will still count towards the basic, higher and additional rate thresholds). For dividends received above the annual dividend allowance in the tax year, the dividend income would be taxable at 8.75%, 33.75% and 39.35% for income falling within the basic rate, higher rate and additional rate bands respectively<sup>1</sup>. The annual dividend allowance is £1,000 for the 2023/24 tax year.

Individuals should note that if the receipt of dividend income takes them from one band/tier of UK personal taxation to another, the tax due on the excess dividend income over the annual allowance will be at the rates applicable to the new band/tier.

A UK resident individual Shareholder who holds their Shares in an ISA will be exempt from income tax on dividend distributions in respect of such Shares.

#### ***Corporate Shareholders within the scope of corporation tax***

A dividend distribution made by the Company in respect of Income Shares (or deemed to be made in respect of Accumulation Shares) to a corporate

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<sup>1</sup> The dividend trust rate of income tax is currently 39.35% in line with the additional rate.

Shareholder within the charge to corporation tax in respect of its investment in the Company will be split into franked and unfranked parts according to the underlying gross income of the Company. Very broadly, the unfranked part corresponds to such part of the Company's gross income as does not derive from franked investment income. The franked part will be treated in the same way as exempt dividend income received by a UK resident corporate Shareholder. The unfranked part will be treated as an annual payment received after deduction of income tax at the basic rate (currently 20%) from a corresponding gross amount and the corporate Shareholder will be liable to corporation tax on it accordingly, but (subject to any applicable restrictions) with the benefit of credit for, the income tax deducted at source.

### ***Non-UK resident Shareholders***

Dividend distributions will be made gross to Shareholders who are not UK resident. Non-resident Shareholders who are individuals are not liable to UK income tax on the dividend distribution. Non-UK resident Shareholders are recommended to seek professional advice as to the tax consequences of receiving a dividend distribution under the law of the jurisdiction of their residence.

Non-resident trusts may be chargeable to UK income tax on distributions made by the Company and are recommended to seek professional advice.

#### **9.3.3 Income - Bond Funds**

Funds which are called Bond Funds for the purposes of tax currently pay interest distributions (which will automatically be retained in the case of accumulation Shares, although for tax purposes the accumulation of income will be treated as a distribution). Details of whether a particular Fund is an Equity Fund or a Bond Fund for tax purposes are set out in APPENDIX I.

UK resident individual Shareholders will (subject to any available allowance) be subject to income tax at the relevant rate on any interest distributions (or deemed distribution from accumulation shares) from any Fund of the Company.

A UK resident individual Shareholder may be entitled to a personal savings allowance in each tax year (the amount of the allowance, if any, depends on whether the taxpayer is a basic, higher or additional rate taxpayer).

A UK resident individual Shareholder who holds their Shares in an ISA will be exempt from income tax on interest distributions in respect of such Shares.

A corporate Shareholder within the charge to UK corporation tax in respect of a shareholding will be subject to corporation tax on any interest distributions (or deemed distribution from accumulation Shares) from any Fund of the Company.

Currently no Bond Funds are available within the Company.

#### 9.3.4 **Income equalisation**

The first income allocation received by an investor after buying Shares may include an amount of income equalisation. This is effectively a repayment of an amount reflecting accrued income included in the purchase price paid by the investor. It is treated as a return of capital for tax purposes, and is not subject to tax as income. Rather it should be deducted from the acquisition cost of the Shares in computing any capital gains realised on a subsequent disposal of the Shares. Equalisation will be applied on all of the Funds.

#### 9.3.5 **Capital Gains**

##### ***UK resident individual Shareholders***

An individual Shareholder will be liable to capital gains tax on any chargeable gain accruing on the disposal or deemed disposal (including redemption, Switches and certain Conversions) of Shares in the Company. Capital gains tax is generally charged at rates of 10% and 20%, dependent on an individual's total amount of taxable income and gains within the tax year. An individual Shareholder may also be entitled to set all or part of any gains against their annual capital gains tax exemption.

A UK resident individual Shareholder who holds their Shares in an ISA will be exempt from capital gains tax on any gain accruing on the disposal or deemed disposal of Shares.

Individual Shareholders will find further information in HMRC Help Sheets for the capital gains tax pages of their tax returns.

##### ***Corporate Shareholders within the scope of corporation tax***

Subject to the possible application of the rules treating a shareholding in the Company as a loan relationship, a corporate Shareholder within the charge to corporation tax in respect of its investment in the Company will be liable to corporation tax on any chargeable gain accruing to it on the disposal or deemed disposal (including redemption, Switches and certain Conversions) of its Shares in the Company. An indexation allowance may be available to reduce or eliminate such a gain but not to

create or increase an allowable loss (although it should be noted that indexation allowance was frozen with effect from 31 December 2017).

#### 9.4 **Withholding tax**

Unless required by law at the time of the payment, dividend distributions and interest distributions (if any) paid to Shareholders, and any payments made on redemption of the Shares, will be paid with no income tax deducted from the payment.

#### 9.5 **Inheritance Tax**

A gift by an individual Shareholder who is domiciled (or deemed domiciled) in the UK for inheritance tax purposes of their Shares in the Company or the death of such a Shareholder may give rise to a liability to inheritance tax. For these purposes, a transfer of Shares at less than the full market value may be treated as a gift.

#### 9.6 **Stamp Duty and SDRT**

There is generally no charge to UK stamp duty or SDRT on the surrender (i.e. the redemption or Switch) of Shares.

Investors will, however, be liable to SDRT at 0.5% on acquiring Shares from a third party (that is other than on an issue of Shares by the Company). SDRT may also apply in cases where an investor redeems Shares in consideration of a transfer of assets of the Company other than cash (i.e. an in specie redemption) where that consideration is non-pro rata (i.e. not in proportion to the total assets of the Company).

#### 9.7 **Information Reporting**

Shareholders should be aware that pursuant to various laws and regulations, including to implement agreements for the automatic exchange of information between tax authorities, information about certain Shareholders and their investments (including any interest distributions) may be required to be reported to HMRC.

If applicable, such information may be exchanged with tax authorities in another jurisdiction. In order to comply with such laws and regulations, Shareholders may be required to provide or certify certain information, including as regards their status and the jurisdiction in which they are resident for tax purposes.

In particular, the UK has implemented FATCA and the CRS:

##### **(a) OECD Common Reporting Standard (CRS)**

To facilitate the automatic exchange of financial information between tax authorities in applicable jurisdictions, CRS countries must obtain information from relevant clients and exchange that information with the tax authorities of other CRS countries. In the UK the CRS system has been implemented pursuant to The International Tax Compliance Regulations 2015 (as amended).

#### **(b) FATCA**

The Foreign Account Tax Compliance Act (FATCA) is a piece of legislation introduced by the United States Government to help counter US tax evasion by encouraging more effective reporting of information.

In the UK, the principles of FATCA have been brought into local law. This means the ACD will need to provide information on US accounts to HMRC.

For further information on CRS and FATCA as implemented in UK law, please refer to the International Tax Reporting paragraph of this Prospectus which precedes the Definitions section, and to paragraph 3.1.1 above.

#### **(c) DAC6**

Council Directive (EU) 2018/822 ("**DAC6**") as it applies in the EU Member States, imposes mandatory disclosure requirements on intermediaries and, in certain circumstances, taxpayers effective from 1 July 2020 in respect of reportable cross-border arrangements implemented on or after 25 June 2018. The ACD, the Investment Manager, investors in the Fund, or any person that has advised or assisted could be legally obliged to file information in relation to the Fund and its activities with the competent authorities with a view to an automatic exchange of such information with EU Member States. Following the UK's exit from the EU on 31 January 2020 and cessation of the subsequent "transition period" on 31 December 2020 the International Tax Enforcement (Disclosable Arrangements) (Amendment) (No. 2) (EU Exit) Regulations 2020 were introduced, pursuant to which the UK disapplied the majority of the DAC6 hallmarks, although in certain circumstances DAC6 disclosures may still be needed to be made to HMRC.

The United Kingdom revoked the DAC6 legislation that was previously in place in March 2023 and instead implemented the OECD's Model Mandatory Disclosure Rules ("**MDR**"). These rules reflect CRS avoidance arrangements and the use of opaque offshore structures (effectively, the scope of DAC6 hallmarks D1 and D2) with much of HMRC's DAC6 guidance continuing to have application under UK MDR.



## 10. **WINDING UP OF THE COMPANY OR TERMINATION OR WINDING UP OF A FUND**

The Company or a Fund will not be wound up except as an unregistered company under Part V of the Insolvency Act 1986 or under the Regulations. A Fund may otherwise only be terminated under the Regulations.

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

The Company may be wound up or a Fund must be terminated under the Regulations:

- 10.1 if an extraordinary resolution to that effect is passed by Shareholders; or
- 10.2 when the period (if any) fixed for the duration of the Company or a particular Fund by the Instrument of Incorporation expires, or any event occurs on the occurrence of which the Instrument of Incorporation provides that the Company is to be wound up or a particular Fund terminated (for example, if the share capital of the Company or (in relation to any Fund) the Net Asset Value of the Fund is below £10 million, or if a change in the laws or regulations of any country means that, in the ACD's opinion, it is desirable to terminate the Fund); or
- 10.3 on the date stated in any agreement by the FCA to a request by the ACD for the revocation of the authorisation order in respect of the Company or for the termination of the relevant Fund; or
- 10.4 on the effective date of a duly approved scheme of arrangement which is to result in the Company or Fund ceasing to hold any Scheme Property; or
- 10.5 on the date on which all of the Funds fall within 10.4 above or have otherwise ceased to hold any Scheme Property notwithstanding that the Company may have assets and liabilities that are not attributable to any particular Fund.

On the occurrence of any of the above:

- 10.6 COLL 6.2 (Dealing), COLL 6.3 (Valuation and Pricing), COLL 6.6.20R to COLL 6.6.24G (Assessment of Value) (with effect from 30<sup>th</sup> September 2019) and COLL 5 (Investment and borrowing powers) will cease to apply to the Company or the

- relevant Fund;
- 10.7 the Company will cease to issue and cancel Shares in the Company or the relevant Fund and the ACD shall cease to sell or redeem Shares or arrange for the Company to issue or cancel them for the Company or the relevant Fund;
- 10.8 no transfer of a Share shall be registered and no other change to the Register of Shareholders shall be made without the sanction of the ACD;
- 10.9 where the Company is being wound up or Fund terminated, the Company or Fund shall cease to carry on its business except in so far as it is beneficial for the winding up of the Company or termination of the Fund; and
- 10.10 the corporate status and powers of the Company and subject to 10.4 to 10.7 above, the powers of the Depositary shall continue until the Company is dissolved.

The ACD shall, as soon as practicable after it is decided that the Company or the Fund is to be wound up or terminated (as appropriate), realise the assets and meet the liabilities of the Company or the Fund and, after paying out or retaining adequate provision for all liabilities properly payable and retaining provision for the costs of winding up or the termination, arrange for the Depositary to make one or more interim distributions out of the proceeds to Shareholders proportionately to their rights to participate in the property of the Company or the Fund. If the ACD has not previously notified Shareholders of the proposal to wind up the Company or terminate the Fund, the ACD shall, as soon as practicable after the commencement of winding up of the Company or the termination of the Fund, give written notice of the commencement to Shareholders. When the ACD has caused all of the property to be realised and all of the liabilities of the Company or the particular Fund to be realised, the ACD shall arrange for the Depositary to make a final distribution to Shareholders on or prior to the date on which the final account is sent to Shareholders of any balance remaining in proportion to their holdings in the Company or the particular Fund.

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

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

Following the completion of a winding up of the Company or termination of a Fund, the ACD must prepare a final account showing how the winding up or termination took place and how the property was distributed. The auditors of the Company shall make a report in respect of the final account stating their opinion as to whether the final account has been properly prepared. This final account and the auditors' report must be sent to the FCA and to each Shareholder (or the first named of joint

Shareholders) on it within four months of the completion of the winding up or termination.

## **11. GENERAL INFORMATION**

### **11.1 Accounting Periods**

The annual accounting period of the Company ends each year on 31 December (the accounting reference date) with an interim accounting period ending on 30 June.

### **11.2 Income Allocations**

Some Funds may have interim and final income allocations and other Funds may have quarterly income allocations and some Funds may only have final income allocation dates (see APPENDIX I). For each of the Funds income is allocated in respect of the income available at each accounting date.

In relation to income Shares, for each Fund in which income Shares are issued distributions of income are paid by cheque or BACS directly into a Shareholder's bank account on or before the relevant income allocation date in each year as set out in APPENDIX I. Income will normally be accumulated/distributed (as appropriate to the Share Class) within two months of the accounting date(s) but the ACD reserves the right to accumulate/pay at a later date but not later than four months after the accounting date(s) as permitted by the Regulations.

For Funds in which accumulation Shares are issued, income will become part of the capital property of the Fund and will be reflected in the price of each such accumulation Share as at the end of the relevant accounting period.

If a distribution made in relation to any income Shares remains unclaimed for a period of six years after it has become due, it will be forfeited and will revert to the relevant Fund (or, if that no longer exists, to the Company).

The amount available for accumulation or distribution in any accounting period is calculated by taking the aggregate of the income received or receivable for the account of the relevant Fund in respect of that period, and deducting the charges and expenses of the relevant Fund paid or payable out of income in respect of that accounting period. The ACD then makes such other adjustments as it considers appropriate (and after consulting the Company's auditors as appropriate) in relation to taxation, income equalisation, income unlikely to be received within 12 months following the relevant income allocation date, income which should not be accounted for on an accrual basis because of lack of information as to how it accrues, transfers between the income and capital account and other matters.

With the agreement of the Depositary individual amounts of income of £10 or less may not be paid.

### 11.3 **Annual Reports**

The annual report of the Company will normally be published within two months of each annual accounting period although the ACD reserves the right to publish the annual report at a later date but not later than four months from the end of each annual accounting period and the half yearly report will be published within two months of each interim accounting period. A long report containing the full accounts is available to any person free of charge at [www.fundrock.com](http://www.fundrock.com) and upon request to the ACD directly.

### 11.4 **Documents of the Company**

The following documents may be inspected free of charge during normal business hours on any business day at the offices of the ACD at Hamilton Centre, Rodney Way, Chelmsford, England, CM1 3BY:

- 11.4.1 the most recent annual and half yearly reports of the Company;
- 11.4.2 the Prospectus;
- 11.4.3 the Instrument of Incorporation (and any amending documents); and
- 11.4.4 the material contracts referred to below.

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

### 11.5 **Material Contracts**

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company and are, or may be, material:

- 11.5.1 the ACD Agreement dated 26 May 2009 between the Company and the ACD; and
- 11.5.2 the Depositary Agreement effective 1 April 2022 between the Company the Depositary and the ACD.

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

### 11.6 **Provision of Investment Advice**

All information concerning the Company and about investing in Shares of the Company is available from the ACD at PO Box 10449, Chelmsford CM99 2UU. The ACD is not authorised to give investment advice and persons requiring such advice should consult a professional financial adviser. All applications for Shares are made

solely on the basis of the current prospectus of the Company, and investors should ensure that they have the most up to date version.

#### **11.7 Telephone Recordings**

Please note that the ACD, its delegates, their duly appointed agents and any of their respective related associated or affiliated companies may record telephone calls for training and monitoring purposes and to confirm investors' instructions. Telephone recordings will be stored for up to 7 years. Recordings will be provided on request for a period of at least five years from the date of such recording, or, where requested by a competent regulatory authority, for a period of seven years, where we can identify the call coming from you. If you ask us to send you a recording of a particular call, we may ask for further information to help us identify the exact call to which your request relates.

#### **11.8 Complaints**

Complaints concerning the operation or marketing of the Company may be referred to the Complaints Officer of the ACD at PO Box 10449, Chelmsford CM99 2UU. If your complaint is not resolved by us to your satisfaction, you may be entitled to refer it to the Financial Ombudsman Service (website: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)) at South Quay Plaza, 183 Marsh Wall, London E14 9SR. We will inform you of your rights when answering your complaint. A summary of our internal process for dealing with complaints is available upon request.

The Financial Services Compensation Scheme offers compensation when an authorised firm is unable to pay claims against it, usually because the firm has gone out of business. The ACD is covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the scheme (up to a maximum level of £85,000) if we cannot meet our obligations. Details of the Scheme are included in a leaflet that you can request from us. Further information is available from the FCA and the Financial Services Compensation Scheme.

#### **11.9 Risk Management**

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

- 11.9.1 the quantitative limits applying in the risk management of any Fund;
- 11.9.2 the methods used in relation to 11.9.1; and
- 11.9.3 any recent development of the risk and yields of the main categories of investment.

#### **11.10 Notices**

All notices or documents required to be served on Shareholders shall be served by post to the address of such Shareholder as evidenced on the register. All documents and remittances are sent at the risk of the Shareholder.

#### 11.11 **Shareholder's rights**

Shareholders are entitled to participate in the Funds of the Company on the basis set out in this Prospectus (as amended from time to time). Paragraphs 11.8 ("Complaints"), 8 ("Shareholder Meetings and Voting Rights"), 11.3 ("Annual Reports") and 11.4 ("Documents of the Company") of this prospectus set out important rights about Shareholders' participation in the Company.

Shareholders may have no direct rights against the service providers to the Company set out in paragraph 6 ("Management and Administration").

Shareholders may be able to take action if the contents of this document are inaccurate or incomplete. The ACD must ensure that this Prospectus does not contain any untrue or misleading statement or omit any matter required to be disclosed in the Prospectus by the FCA Rules. To the extent that a Shareholder incurs loss as a consequence of an untrue or misleading statement or omission, the ACD may be liable to compensate that Shareholder subject to the ACD having failed to exercise reasonable care to determine that the statement was true and not misleading or that the omission was appropriate, in accordance with the FCA Rules.

Shareholders have statutory and other legal rights which include the right to complain and may include the right to cancel an order or seek compensation.

Shareholders who are concerned about their rights in respect of the Company (or any Fund) should seek legal advice.

##### Information available to Shareholders

The following information will be made available to Shareholders as part of the Company's periodic reporting and, as a minimum, in the annual report:

- 11.11.1 the percentage of each Fund's assets which will be subject to special arrangements arising from their illiquid nature, including an overview of any special arrangements in place, the valuation methodology applied to assets which are subject to such arrangements and how management and performance fees will apply to these assets;
- 11.11.2 the current risk profile of each Fund, and information on the risk management systems used by the ACD to manage those risks;
- 11.11.3 the total amount of leverage employed by each Fund calculated in accordance with the gross and commitment methods; and

11.11.4 any material changes to the information above.

The annual report will also include information on the remuneration paid by the ACD to its staff, as required by the FCA Rules.

Shareholders will be notified appropriately of any material changes to the liquidity management systems and procedures such as the suspension of redemptions, the deferral of redemptions or similar special liquidity arrangements. It is intended that any changes to the maximum level of leverage which a Fund may employ will be provided to Shareholders without undue delay.

#### 11.12 **Fair Treatment of Investors**

The ACD must treat all Shareholders fairly. The ACD has a number of policies and procedures in place to ensure that it will act honestly, fairly, professionally, independently and in the interest of the Company and its investors. For example, the ACD ensures the fair treatment of Shareholders through an organisational structure which employs robust review and oversight procedures.

Furthermore, the ACD adheres to its **"Conflicts of Interest Policy"**, which establishes requirements to identify and manage conflicts of interest in line with regulatory requirements, including potential conflicts of interest that could arise between investors. The ACD will endeavour to avoid situations whereby its own interests, or its duty to any persons on behalf of whom it acts, conflicts with its duty to clients.

In addition, the ACD adheres to its **"Treating Customers Fairly Policy"**, the purpose of which is to ensure that Shareholders understand the risks inherent in the markets and securities in which they invest and clearly understand the nature of the services the ACD provides, including terms, conditions and charges.

From time to time the ACD may afford preferential terms of investment to certain groups of investors. In assessing whether such terms are afforded to an investor, the ACD will ensure that any such concession is not inconsistent with its obligation to act in the overall best interests of the relevant fund and its investors.

In particular, the ACD will typically exercise its discretion to waive the initial charge (where applicable) or investment for investment in a Class for investors that are investing sufficiently large amounts, either initially or are anticipated to do so over time, such as platform service providers and institutional investors including fund of fund investors. The ACD may also have agreements in place with such groups of investors which result in them paying a reduced Management Fee.

#### 11.13 **Indemnity**

The Instrument of Incorporation contains provisions indemnifying the ACD, other officers and the Company's auditors or the Depositary against liability in

certain circumstances otherwise than in respect of their negligence, default, breach of duty or breach of trust, and indemnifying the Depositary against liability in certain circumstances otherwise than in respect of its failure to exercise due care and diligence in the discharge of its functions in respect of the Company.

#### **11.14 Immovable or Movable Property**

It is not intended that the Fund will have an interest in any immovable property or tangible movable property.

#### **11.15 Strategy for the exercise of voting rights**

The ACD has a strategy for determining when and how voting rights attached to ownership of Scheme Property are to be exercised for the benefit of each Fund. A summary of this strategy is available from [www.fundrock.com](http://www.fundrock.com) as are the details of the actions taken on the basis of this strategy in relation to each Fund.

#### **11.16 Best Execution**

The Investment Manager's best execution policy sets out the basis upon which they will effect transactions and place orders in relation to the Company whilst complying with its obligations under the FCA Handbook to obtain the best possible result for the Company. Details of this policy can be obtained by contacting the Investment Manager.

#### **11.17 Inducements**

The ACD will make disclosures to the Company in relation to inducements as required by the FCA Handbook. Further details of any such inducements may be obtained on request from the ACD.

#### **11.18 Remuneration Disclosure**

FundRock Partners, as the ACD of a UK UCITS ("**UCITS Manager**"), has established and applies remuneration policies and practices for its staff that have a material impact on the risk profile of FundRock Partners or the Fund.

These practices must be consistent with and promote sound and effective risk management, not encourage risk taking which is inconsistent with the risk profile of the Fund as detailed in the Instrument of Incorporation or the Prospectus, and does not impair FundRock Partners' compliance with its duty to act in the best interest of the Fund it manages. Under the UCITS Remuneration Code, FundRock Partners are required to disclose how those individuals whose actions have a material impact on the Fund are remunerated.

FundRock Partners considers its activities as non complex due to the fact that regulation limits the UCITS strategies conducted and the scope of investment is in such a way that investor risk is mitigated. The discretion of



FundRock Partners and the portfolio manager is strictly controlled within certain pre-defined parameters as determined in the prospectus of each UCITS. In its role as UCITS Manager, FundRock Partners deem themselves as lower risk due to the nature of the activities it conducts and the size of the firm. Therefore the remuneration strategy across FundRock Partners is governed by the FundRock Partners Board and FundRock Partners has chosen not to have a Remuneration Committee. The FundRock Partners Board has established a Remuneration Policy designed to ensure the UCITS Remuneration Code in the FCA Handbook is met proportionally for all UCITS Remuneration Code Staff.

The annual report of the Company and an up to date version of the ACD's remuneration policy including but not limited to, (i) a description of how remuneration and benefits are calculated, and (ii) the identities of persons responsible for awarding the remuneration and benefits may be obtained free of charge from the ACD at FundRock Partners Limited - WHEB Asset Management, PO Box 10449, Chelmsford CM99 2UU or during normal business hours on 01268 44 8234 or from outside the UK on +44 (0)1268 44 8234. These documents are available in English.

## APPENDIX I

### FUND DETAILS

**Name:** FP WHEB Sustainability Impact Fund

**Type of Fund:** UK UCITS

**FCA PRN:** 644507

**Launch date:** 26 May 2009

**First Dealing Day:** 8 June 2009

**Investment and sustainability objective:** The aim of the Fund is to achieve capital growth over 5 years and contribute to positive sustainability impact over this period.

For these purposes positive sustainability impact includes:

**supporting a stable climate and healthy ecosystems through activities that:**

- a) deliver Cleaner Energy and avoid the production of greenhouse gases (GHGs);
- b) provide Environmental Services that reduce the generation of waste and avoid the production of greenhouse gases (GHGs);
- c) enable improved Resource Efficiency in order to avoid the production of GHGs;
- d) enable Sustainable Transport that avoids the production of GHGs;
- e) enable effective Water Management through reductions in the use of freshwater and treatment of polluted water;

**and enabling more productive and healthy lives through activities that:**

- f) deliver more Education;
- g) deliver improved Health through the reduction of both communicable and non-communicable diseases;
- h) improve Safety by making sure products are safe and by directly protecting people from hazards;
- i) improve Well-being for people through preventative care; and
- j) deliver new and better positive impact technologies related to the above activities.

**Investment Policy:** The Fund will both invest and support through the Investment Manager's investment activities at least 80% of its assets in shares of companies anywhere in the world in sectors identified as providing solutions to sustainability challenges that align with the positive sustainability impact set out in the Fund's objective. There is no predetermined focus on business sector, geography or markets, although concentrations will naturally emerge through stock selection.

Under normal circumstances, the Fund will hold cash on deposit up to 10% of the value of the Fund.

The Fund may also invest in other transferable securities (such as shares, debentures, government and public securities and warrants), funds, money market instruments\* and near cash (which are non-cash assets that are highly liquid and easily converted to cash, such as savings accounts, certificates of deposit and treasury bills). These investments will not be made in pursuit of the sustainability objective but also will not be in conflict with the sustainability objective. The purpose of holding these assets is liquidity management.

**The Fund may use derivatives (contracts where the value is linked to the expected future price movements of an underlying asset) for efficient portfolio management. This is in order to reduce the Fund's exposure to risk.**

Target companies will be listed on or dealt in a Regulated Market (details of which are set out in Appendix II to the Prospectus).

\*A money market instrument is a type of investment that is usually issued by banks or governments and is a short term loan to the issuer by the buyer. The buyer receives interest and the return of the original amount at the end of a certain period.

## Benchmark

### **MSCI World Net Total Return (GBP) Index**

For the purpose of providing comparable indicative returns only, investors should refer to the Index, which is used as a comparator benchmark.

The Index is used a comparator benchmark, because it is the most recognised measure of global equity returns.

### **Investment Association's (IA) Global sector peer group ("Peer Group")**

Reference to the performance of the global equity funds peer group, is also a relevant comparator benchmark included in the Fund's reporting to compare the Fund's performance against the performance of other funds pursuing a similar objective.

However, neither the Index nor the Peer Group is used to constrain the construction of the portfolio or investment management decisions. Given the Fund's particular objective, the Fund's holdings typically have a very low level of overlap with either the MSCI World Net Total Return (GBP) Index or the Peer Group. It is therefore not appropriate to categorise the Index as a target benchmark against which performance of the Fund is set or constraining benchmark which constrains the portfolio composition of the Fund. Instead the Index is used as a comparison tool to give context for the performance of the Fund. The ACD retains the option of adding additional comparator benchmarks in the future, where it is felt that it would be valuable for investors to have additional measures against which to compare the Fund.

## Theory of Change

Sustainability is recognised as having both environmental and social characteristics. The Investment Manager targets specific business activities that it believes lead to positive environmental and social impacts as set out in the investment objective.

The Investment Manager's overarching theory of change is that the Fund's investments and investment activities (investor contribution) directly contribute to faster or greater deployment of selected products and services that help solve critical environmental and social problems, leading to improved impacts compared with the present circumstances.

The Fund's sustainability objective can be split into the following four areas (i) supporting a stable climate, (ii) supporting healthy ecosystems, (iii) enabling productive lives and (iv) enabling healthy lives. Examples of how the Investment Manager expects the Fund's Investments and its investment activities to contribute to achieving a positive environmental and/or social impact (as set out in the objective) are set out below. **Further details of the Investment Manager's investment strategy are set out in the Investment Strategy Section.**

### **Impact of companies held**

#### **Supporting a stable climate through GHG emission reduction.**

*Power generation, energy use in buildings, manufacturing and transport account for three quarters of global GHG emissions. The Investment Manager identifies and invests in companies that sell products and services that deliver material reductions in GHG emissions in these critical sectors (KPIs include tonnes of CO<sub>2</sub>e avoided, MWhs of renewable energy generated, and £'s spent on R&D equipment supplied by portfolio companies and used in positive impact research).*

The Investment Manager helps to reduce GHG emissions by investing in and supporting companies that generate renewable power such as solar and wind power and other forms of cleaner energy and that replace carbon intensive power generation. This includes companies that manufacture trackers and optimisation technologies that increase renewable power production from solar modules.

The Investment Manager helps to make buildings and manufacturing processes more resource efficient by investing in and supporting companies that provide automation and control technologies, insulation, energy efficient heating and cooling and more energy efficient products. These activities help to reduce energy use and their associated GHG emissions. This includes companies that manufacture controls and sensors that are used to precisely control lighting, heating and pumping activities thus reducing energy use and associated CO<sub>2</sub>e emissions.

The Investment Manager helps to reduce GHG emissions from transportation by investing in and supporting companies that make electric vehicles, public transportation systems and other forms of low impact transport which replace high carbon forms of transport. This includes companies that manufacture semiconductors and high voltage wiring and charging systems for battery electric vehicles.

#### **Supporting healthy ecosystems.**

*The greatest threats to biodiversity stem from climate change, environmental pollution, invasive species and disease, overexploitation of wild species and changes in land and sea use. The Investment Manager specifically targets companies that sell products and services that address these areas (KPIs include tonnes of CO<sub>2</sub>e avoided, tonnes of waste recycled or reused, litres of wastewater treated and litres of water saved).*

The Investment Manager helps to support healthy ecosystems by investing in and supporting companies that recycle and treat waste materials and that reduce the volume and toxicity of waste materials that enter the natural environment and in companies that provide environmental consulting and monitoring services that reduce the negative impacts of economic activities on natural ecosystems. This includes companies that manufacture products made from recycled and/or more sustainable materials that reduce negative impacts on biodiversity including by reducing waste generation and by replacing virgin and/or environmentally damaging alternatives.

The Investment Manager supports healthy ecosystems by investing in and supporting companies that reduce demand on limited freshwater resources by increasing the efficiency of water use and by reducing the volume and toxicity of wastewater entering the natural environment. This includes companies that manufacture and operate technologies for filtering hazardous materials from wastewater and that help save water through more efficient washing and cleaning systems in manufacturing.

### **Enabling productive lives.**

*Education is the process of learning and expanding culture and contributes to the improvement of the human condition. As well as having social value, education also empowers individuals to lead more productive lives, specifically through higher levels of employment. The Investment Manager targets educational products and services that contribute to better knowledge, health, living conditions, social equity and productivity (KPIs include days of tertiary and vocational education).*

The Investment Manager helps people to lead more productive lives by investing in and supporting companies that provide education and training and that supply technologies that improve the quality of – or access to – education. This includes companies that offer full-time and/or part-time academic qualifications and continuing professional development courses.

### **Enabling healthy lives.**

*Preventing and treating illness and disease is central to protecting and enhancing quality of life and the human condition. The Investment Manager targets the treatment of illnesses and diseases that contribute significantly to the global burden of disease covering both communicable and non-communicable diseases. The Investment Manager also identifies products and services that support healthy lifestyles and resilient communities and that reduce injuries (KPIs include number of people receiving healthcare, numbers of people with improved well-being and £'s*

*spent on R&D equipment supplied by portfolio companies and used in positive impact research).*

The Investment Manager enables individuals and communities to have healthy lives by investing in and supporting companies that prevent or treat communicable and non-communicable illnesses and diseases that contribute significantly to the global burden of disease. This includes companies that improve healthcare outcomes through products and services, that enable medical research, and that provide healthcare diagnostics, medical devices and therapies. This includes a variety of diagnostic products such as imaging technology and the analysis of biological samples. It also includes the therapies themselves including radiography and pharmaceutical products for treating life-threatening diseases such as cancer as well as medical devices for treating conditions such as heart disease.

The Investment Manager invests in and supports companies that support well-being through a variety of preventative care products and services. This for example includes providing care for vulnerable groups, providing products and services that improve hearing, visual and oral health and that enable healthy levels of exercise and a nutritious diet. This includes companies that manufacture hearing aids as well as companies that provide support and care services to the elderly.

The Investment Manager enables people to stay safe by investing in and supporting companies that ensure products are safe and that directly protect people. This includes companies that provide testing and inspection services to ensure consumer products are safe, cybersecurity services, climate adaptation technologies and services and companies that manufacture safety equipment such as gas sensors and self-contained breathing apparatus for firefighters (KPIs include numbers of people with improved well-being).

**Further information on the sustainability impact themes is available on the Investment Manager's website (<http://www.whebgroupp.com/investment-strategy/>) or otherwise directly from the Investment Manager.**

## **Investor contribution**

### **- Positive impact from the investor contribution**

The Fund's sustainability objective is to contribute to positive sustainability impact. Investment activities include the investor contribution which is delivered through engagement and stewardship activities. This includes engaging with the management teams of underlying investments with the objective of:

- accelerating and/or enhancing their positive impact as measured by the relevant KPI for each asset;
- limiting any material negative social or environmental impacts;
- delivering wider improvements in the quality of business operations in order to support the delivery of positive impact as measured by the relevant KPI for each asset;

- reinvesting profits in further growth and directing other sources of capital to activities (such as research and development) that will increase positive impact; and
- supporting high quality management that supports and extends the company's overall positive impact and long-term success.

The Investment Manager's long-term ownership approach creates the platform which enables constructive engagement with portfolio companies. The Investment Manager engages with over 75% of portfolio holdings in any given year. In addition, the Investment Manager assesses and reports on the effectiveness of its Investor Contribution that is delivered through engagement and stewardship activities that support the fund's overall sustainability objective.

### **Avoiding investments that conflict with the sustainability objective**

The Investment Manager takes steps to try to prevent Fund investments from conflicting with the sustainability objective and will ultimately divest from investments which it no longer believes are delivering a positive impact towards the sustainability objective. **Please see "Measures ensuring Fund assets do not conflict with the sustainability objective" for further details.**

### **Investment Strategy and Process**

The Investment Manager's investment strategy, embodying the theory of change, combines making investments on behalf of the Fund and its own investment activities to contribute to faster or greater deployment of selected products and services that help solve critical environmental and social problems, leading to improved impacts compared with the present circumstances.

The Fund's investment strategy can then be summarised as follows:

### **Fund Investments**

The investment strategy starts with the identification of environmental problems such climate change, biodiversity loss and other forms of environmental pollution and critical social problems including illness and disease, unhealthy lifestyles and lack of educational opportunities.

For each of these environmental and social problems, the Investment Manager has identified a set of business activities that directly target critical aspects of these problems and deliver specific pre-defined positive impacts. For example, in order to limit global warming to <1.5°C, energy efficiency needs to improve by c.4% per annum across the global economy<sup>2</sup>. In healthcare, ischemic heart disease (IHD) alone accounts for nearly 15% of all global deaths<sup>3</sup>. The Investment Manager identifies products and services that help address these critical challenges and using an analytical framework known as the 'impact engine' assesses the overall impact delivered by the companies supplying these

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<sup>2</sup> International Energy Agency

<sup>3</sup> Institute for Health Metrics and Evaluation (IHME)

products and services and uses this as a basis for asset selection.

### Asset selection

Using analytical tools, the Investment Manager identifies businesses that are, in its view, well-placed to deliver strong positive impact in support of the sustainability objective as described above. Companies are only considered to be investable where the majority (>50%) of the company's revenues are derived from products or services that support the Fund's sustainability objective.

Once qualified as investable, the products and services supplied by each company being considered for investment are analysed and assessed to consider the 'intensity' of the positive impact being delivered. This is assessed using the Investment Manager's proprietary 'impact engine'. This analytical tool is based on the work of the Impact Management Project<sup>4</sup> and the Future-Fit Foundation<sup>5</sup> and considers:

- the *importance* of the positive outcome the product or service is addressing. This includes assessing the vulnerability of the individuals or communities benefiting from the outcome as well as an assessment of how critical the outcome is to them (eg reducing greenhouse gas emissions, or improving healthcare outcomes for people);
- the *improvement* in the positive outcome that the product or service delivers. This includes an assessment of how significant the improvement in outcome is compared with the previous approach and how widely applicable the product or service is across the economy; and
- the *contribution* to the outcome made by the product or service. This includes an assessment of how 'central' the product or service is (eg is it the critical component or just an enabler) as well as how unique it is. For example is the product unique in delivering the outcome (such as a patented drug) or is it widely available from many companies.

An overall score is generated from this analysis, using both qualitative and quantitative data, and covering these three dimensions. Investments will only be selected where they achieve a positive score (i.e. greater than 0). A positive score using this methodology confirms that the company is delivering a positive impact. The Investment Manager believes that together, the revenue threshold and the impact engine analysis and score as described above, represent an appropriate standard for determining the assets in which the Fund invests in accordance with the Fund's sustainability objective. The higher the score, the more 'intensely positive' the impact is considered to be. The analysis also pinpoints the relevant KPI that the company will be measured against and how the investment would contribute both to the fund's sustainability and financial objectives. Details on the scores that are given for each company in the portfolio are

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<sup>4</sup> <https://impactfrontiers.org/norms/five-dimensions-of-impact/>

<sup>5</sup> <https://futurefitbusiness.org/about-us/>



available at <https://www.whebgroup.com/investing-for-impact/our-portfolio>.

The Investment Manager's Impact Investment team determines whether an asset meets the >50% revenue threshold and what impact score the asset should receive.

These standards, methodologies and analysis is routinely and regularly reviewed and validated by WHEB's independent Investment Advisory Committee and separately by the company's Investment and Risk Committee.

The Investment Manager then selects a portfolio of companies for inclusion in the Fund that are, in its view, well-placed to deliver the sustainability and financial objectives of the Fund. The final decision to invest in one of these companies is then based on a combination of the impact engine and fundamental quality scores as well as the Investment Manager's assessment of the stock valuation and other portfolio construction requirements.

The Investment Manager's intention in investing is to support the positive impact of the underlying investments by buying shares in these businesses and holding these over multiple years.

### **Engagement and Stewardship process**

As described in the Theory of Change section above, the investor contribution is delivered through engagement and stewardship activities.

The Investment Manager uses a series of "Objective Milestones" to monitor and evaluate the company's progress during an engagement on the way to the objective being achieved, as detailed below.

- 1 Milestone 1 when the company acknowledges the issue being raised. The 'issue' relates to the topic of the engagement and might for example include the need to address end-of-life disposal issues for a particular product, or might focus on the need to improve accessibility for a new pharmaceutical.
- 2 Milestone 2 when the company shares or agrees to disclose information on the company's approach to managing the issue.
- 3 Milestone 3 when, following an engagement activity, the company develops or commits to develop an appropriate policy or strategy to manage the issue.
- 4 Milestone 4 when the company provides evidence that the issue is now being managed effectively and demonstrating that our concerns have been addressed.

These milestones differ from KPIs in that they allow discrete, rather than continuous, measurement and represent the investor contribution process, more than the resulting outcomes. Still, they are a valuable tool for motivating and focusing investor contribution activities, that may span multiple years where achieving objectives requires changes in company strategy, policy or governance.

For example, where progress through the milestones is deemed to be insufficient on key engagement issues, the Investment

Manager has put in place a time-bound process (typically 3-6 months) to escalate engagement activity to deliver sufficient change. This involves, but is not limited to, collaboration with other investors, contact with senior directors and board members and, ultimately, where progress is still deemed to be inadequate, divestment.

It is not expected that each engagement activity will necessarily proceed sequentially through each milestone. Milestones 1 and 2 for example may demonstrate that a company is aware of or already managing an issue effectively. In both cases, while no claim can be made that a positive change has occurred as a result of the engagement, the Investment Manager's engagement nonetheless signals an interest in the active management of the issue and may help reduce information asymmetries. Milestones 3 and 4 indicate actual progress has been made towards the objective following the Investment Manager's engagement.

These activities should ultimately feed through into the core Key Performance Indicators (KPIs). **Please see "Key performance indicators" below for further details.**

**Measures ensuring Fund assets do not conflict with sustainability objective**

The Investment Manager reviews the environmental, social and governance ("ESG") quality of a business as part of its investment process. The Investment Manager's research considers the robustness of risk management systems, governance processes, the extent of any involvement in controversial issues or activities and overall company alignment with the sustainability objectives of the Fund. Based on this analysis, the Investment Manager assesses the company's quality and suitability for the Fund and will not invest in assets that conflict with the sustainability objective of the fund.

A non-exhaustive list of controversial activities that are considered to be conflicting with the sustainability objective of the fund are available from the Investment Manager's website under the heading 'Ethical Outcomes from Impact Investing – the WHEB approach' (<https://www.whebgroup.com/investing-for-impact/sustainability-policies1>).

For clarity, the Investment Manager cannot guarantee that there will not be any negative impacts associated with investing in the underlying investments and there is always the possibility of ancillary unintended impacts resulting from pursuing the sustainability objective (e.g. increase in the use of plastics as a result of investing in vaccine development).

Where companies are no longer considered to be delivering a positive impact in line with the sustainability objective, the Investment Manager will engage the management of the company to seek a change in performance (see below). Where subsequent changes are considered to be insufficient, the company will be divested.

**Effect on the financial risk and return of the Fund as a result of the investment strategy**

The Fund applies certain sustainability criteria in its selection of investments. This limits the Fund's exposure to some companies, industries or sectors and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria. Any reduction in the investment

universe, based on factors unrelated to financial considerations, could potentially limit financial returns or increase financial risks. To identify and mitigate this, the investment decision making process for the Fund includes the consideration of sustainability risks alongside other non-sustainability related factors. Please see section 5 for further details regarding relevant risk factors for the Fund, including ESG Risk (paragraph 5.25).

## **Key Performance Indicators**

### **Core Key Performance Indicators**

The Investment Manager monitors a range of metrics ("Core KPIs") to assess whether the fund is achieving its sustainability objective to contribute to positive sustainability impact. The Core KPIs measure the ultimate impact that the fund is seeking to achieve. These indicators represent a measure of incremental improvement in real-world outcomes from the use of positive impact products and services sold over the period compared with the current baseline. The starting point used in respect of each Core KPI in a given year accounts for previous positive impact achieved, such that the Fund is seeking to achieve additional positive impact each year.

### **Methodology for Core KPIs**

The Investment Manager collects data on the positive impact experienced in the real world as a consequence of the use of the products and services sold by each portfolio company. The Investment Manager sources data from third party vendors and from investee companies which can be supplemented by models using life cycle analysis and other impact data from scientific literature. When reporting the annual impact associated with the Fund's holdings, the Investment Manager also makes several adjustments. For example, if the company has only been held in the Fund for six months, the Investment Manager will prorate the company's impact to cover this period rather than the full twelve months.

Having calculated the positive impact that is associated with the products and services of each company, the Investment Manager then calculates the positive impact associated with the Fund's specific holding in the company. The total positive impact of the company is multiplied by the fraction of the company's total enterprise value including cash (EVIC) that is owned by the Fund at the end of the calendar year. This gives the positive impact associated with the Fund's investment in that company. The positive contributions from each company are then grouped by indicator and summed to give the total impact of the Fund on each indicator. This data is then converted into impact per pound (£) of investment by dividing the total impact on each indicator by the amount of money in the Fund. It is this data that underpins the 'impact calculator'. An interactive version of this calculator is available on the Investment Manager's website.

### **The Core KPIs typically include:**

- Tonnes of CO<sub>2</sub>e avoided;
- MWhs of renewable energy generated;
- Tonnes of waste recycled or reused;
- Litres of wastewater treated;

- Litres of water saved;
- Days of tertiary and vocational education;
- Number of people treated for communicable and non-communicable diseases;
- Number of people with improved well-being;
- £'s of investment in equipment and services for positive impact research.

These Core KPIs are not definitive, may include qualitative as well as quantitative indicators, and may vary year on year based on the assets held in the portfolio. For example, in 2020 during the COVID pandemic we reported the number of COVID tests supplied by companies held in the portfolio. We stopped reporting this indicator once the pandemic had passed. Where investments contribute to one of the listed Core KPIs indirectly, the Investment Manager uses a methodology to scale the contribution from that particular objective, for example in calculating how educational resources contribute towards days of education.

### **Investor contribution KPIs: Measuring outcomes resulting from the achievement of the engagement objectives**

#### **Engagement KPI method:**

Where possible, the Investment Manager's aim is to proactively identify potential engagement topics and relevant objectives for an investee company at an early stage prior to investment. In some cases, however, engagement topics arise after the initial investment and therefore engagement activities are more reactive.

Each engagement or stewardship activity is specifically aimed at achieving one or more of the Investment Manager's five engagement objectives, namely:

- The delivery, acceleration and enhancement of the company's positive impact as measured by the relevant KPI for each asset;
- Limiting any material negative social or environmental impacts;
- Wider improvements in the quality of business operations in order to support the delivery of positive impact as measured by the relevant KPI for each asset;
- Advocating to reinvest profits in further growth and directing other sources of capital to activities (such as research and development) that will increase positive impact; and
- Supporting high quality management that supports and extends the company's overall positive impact and long-term success.

Engagements are bespoke, based on the nature of the company, its products and operations and the particular topic the Investment Manager is engaging on. Therefore, a specific objective is set for each individual engagement at the outset.

There is usually a significant time lag between the Investment Manager's engagement activity and the availability of data to determine and measure whether the engagement objective is being achieved. This is because:

- Engagement objectives often require a company to make changes to its strategy, policy or governance which may span multiple months or even years;
- Outcomes resulting from the achievement of the engagement objective take varying times to materialise; and
- Data relevant to the appropriate KPI may be produced at infrequent intervals by the company, e.g. carbon emissions data which is typically published only annually by companies.

The Investment Manager does not claim sole credit for the outcomes that result from the engagement objective being achieved. This is because they are highly unlikely to be the result of the Investment Manager's investor contribution alone. Rather, the outcomes are also influenced by wider forces, for example, market conditions, legal and regulatory factors and interventions by other stakeholder groups.

Nonetheless, the Investment Manager evaluates the positive relationship between its investor contribution through its stewardship and engagement activity and the positive desired outcomes set out in each engagement objective.

Prior to the achievement of an engagement objective, the "Objective Milestones" (as described in the Engagement and Stewardship process section above) are used to identify the presence of a relationship between the Investment Manager's engagement and the level, direction and rate of any progress made towards the engagement objective being achieved.

Once the engagement objective has been achieved, the related KPI is used to evaluate the relationship between the Investment Manager's investor contribution and these outcomes. The Engagement KPIs help to determine whether a relationship exists, and provide insights into its strength, direction, and/or magnitude.

Evaluating the relationship using the KPIs is done using one or more methods, including: benchmarking using industry data; analysis to identify positive or negative trends; or, analysis of absolute or relative changes in data.

The most appropriate evaluation method is chosen based on the context of the engagement objective. Qualitative or quantitative data is used depending on the KPI in question.

In summary, for each engagement, the Investment Manager sets objectives, tracks progress towards the objectives using the Objective Milestones, measures objective outcomes using KPIs, and evaluates the effectiveness of its activities in helping to bring about the desired outcome both during ongoing, and following completed, engagements.

### **Examples of Engagement KPIs:**

The achievement of one or more of the engagement objectives will result in outcomes which are measured using qualitative and / or quantitative KPIs.

At the beginning of each engagement the Investment Manager will determine the appropriate KPI to measure whether the asset's performance has improved as desired after the objective has been achieved. The KPIs are therefore specific to the asset's circumstances and the way in which the issue is related to it. Examples of KPIs are provided in the table below:

High-level Engagement Objective types identified in the Theory of Change	Contextual Examples of Engagement Objectives	Examples of a relevant KPI
The delivery, acceleration and enhancement of the company's positive impact as measured by the relevant KPI for each asset;	1) For a wind turbine manufacturer to mitigate negative impacts and maximise positive impacts of its activities on biodiversity leading to reduced likelihood of licensing delays and improved positioning as sustainability leader to attract new customers <sup>6</sup> .	<b>Impact Metrics:</b> including the Core KPIs (see above) used to assess whether the fund is achieving its sustainability objective to contribute to positive sustainability impact.  Example KPIs as per example engagement objective: 1) Average licensing approval time; biodiversity impact score; tonnes of CO <sub>2</sub> e avoided.
Limiting any material negative social or environmental impacts;	2) Company selling cleaning products that enable better energy and water efficiency, to phase-out hazardous chemicals from its product portfolio, leading to faster compliance with incoming regulatory requirements and improved competitive advantage amongst peers and therefore faster adoption of its safer technologies <sup>7</sup> .	<b>Negative Impact Incidents:</b> including the number and severity of incidents causing social or environmental harm.  Example KPIs as per example engagement objective: 2) Percentage product portfolio containing hazardous chemicals; number of environmental incidents or complaints; rate of adoption of safer technologies amongst customers.
Wider improvements in the quality of business operations in order to support the delivery of positive impact as	3) Solar panel manufacturer to source 100% of energy requirements from renewable sources, including through using its own products, leading to a reduction in its Scope 2	<b>Greenhouse Gas (GHG) emissions:</b> including scope 1 and 2 greenhouse gas emissions (tCO <sub>2</sub> e/£1m invested).

<sup>6</sup> <https://www.whebgroup.com/vestas-engagement-case-study>

<sup>7</sup> <https://www.whebgroup.com/ecolab-engagement-case-study-chemicals>

measured by the relevant KPI for each asset;	emissions and stronger market positioning <sup>8</sup> .	Example KPIs as per example engagement objective: 3) Scope 2 greenhouse gas emissions (tCO <sub>2</sub> e/£1m invested); market share.
Advocating to reinvest profits in further growth and directing other sources of capital to activities (such as research and development) that will increase positive impact; and	4) Company manufacturing firefighter turnout gear to reinvest profits into research and development of innovative products that do not contain harmful PFAS chemicals but still meet regulatory safety requirements leading to improved competitive advantage and therefore increased adoption of its safety technologies. <sup>9</sup>	<b>Reinvestment Rate:</b> including the percentage of profits reinvested in R&D, sustainability projects, or impact initiatives.  Example KPIs as per example engagement objective: 4) Percentage of profits reinvested into research and development of safer products without PFAS chemicals; rate of adoption of these safer products amongst customers.
Supporting high quality management that supports and extends the company's overall positive impact and long-term success.	5) Company to have a minimum of 33% female board-level representation leading to the inclusion of more diverse perspectives in senior-level decision making and resulting in better decision-making <sup>10</sup> .	<b>Leadership Diversity:</b> including metrics on diversity within management and leadership teams.  Example KPIs as per example engagement objective: 5) Percentage of female board members; fundamental quality score.

## Resources and governance

The Investment Manager has a track-record of managing assets in sustainability impact strategies since 2009. The firm is entirely focused on sustainability impact strategies and has built an impact investment team that has many decades of experience and appropriate academic and professional qualifications. The firm has built several proprietary investment and research tools to support the delivery of the sustainability objective of the Fund.

The Investment Manager's responsible investment policy is integral to its investment management activities. The Investment Manager's approach can be summarised as follows:

- Focused on investments in businesses that sell products and services that have a positive impact on society or the

<sup>8</sup> <https://www.whebgroup.com/engagement-case-study-net-zero-carbon-at-first-solar-q1-2024>

<sup>9</sup> See page 18 of the 2023 Stewardship Report: <https://www.whebgroup.com/assets/files/uploads/20240730-wheb-asset-management-2023-stewardship-report.pdf>

<sup>10</sup> <https://www.whebgroup.com/msa-safety-2023q4-case-study>

environment.

- Integrates environmental, social and governance (ESG) issues into investment analysis and decision making processes.
- Is an active owner and integrates ESG issues into its ownership policies and practices.
- Encourages appropriate disclosure on ESG issues by entities in which it invests.

Oversight of the implementation of the responsible investment policy, as well as the delivery of the sustainability objective is undertaken by the Investment Manager's Investment and Risk Committee. This group is separate to and independent of fund management activities and is composed of the Managing Partner and Chief Risk Officer, the Investment Manager's Non-Executive Chair and the Risk and Performance Manager.

In addition, an independent Investment Advisory Committee also scrutinises the Investment Manager's activities, including stewardship (with the Investment Manager being a signatory to the UK Stewardship Code 2020) and any changes to the key performance indicators. The committee is composed of at least three external members with expertise in sustainability and investment and the Investment Manager's Non-Executive Chair. The committee meets every four months to review the Fund's holdings and ensure that they meet with both the spirit and the letter of the strategy's sustainability objective and investment criteria. Summary minutes of these meetings are published on the Investment Manager's website (<https://www.whebgroup.com/reporting-impact-investment/advisory-committee-minutes>).

The Investment Manager also aims to be innovative and transparent in the execution of its responsible investment policy and in the delivery of its sustainability objective. The Investment Manager provides extensive public reporting and regular and frequent reviews of its approach and performance.

The activities of the Investment Manager are overseen by the ACD's Investment Director and the Investment Oversight team responsible for ESG, which is governed by the Investment Oversight Committee. The ACD also maintains a policy with regards to the UK Stewardship Code 2020 and supports the principles embodied in the Code.

<b>Final accounting date:</b>	31 December
<b>Interim accounting date:</b>	30 June
<b>Income distribution dates:</b>	30 April
<b>Valuation Point:</b>	12 noon
<b>Cut Off Point</b>	12 noon
<b>Dealing frequency:</b>	Daily on a Dealing Day





Classes of Share	Currency of denomination	Initial charge	Redemption charge	Management Fee	Minimum initial investment	Minimum subsequent investment	Minimum holding	Minimum redemption	Regular Savings Plan	Regular Withdrawal Facility
Class A Accumulation <sup>1</sup>	GBP	0%	0%	1.68%	£1	£1	£1	£1	Yes, minimum payment of £100 per month	Yes (minimum withdrawal per fund year is £300 or 3% on a minimum qualifying investment of £10,000). This facility is not available if you are investing new money by direct debit in a savings scheme on a monthly basis.
Class A Accumulation <sup>1</sup>	USD	0%	0%	1.68%	USD 1	USD 1	USD 1	USD 1	N/A	N/A
Class B Accumulation (Founder Shares – please see further below) <sup>2, 3</sup>	GBP	0%	0%	0.55%	£10,000,000	£500	£10,000,000	£500	Yes, minimum payment of £100 per month	Yes (minimum withdrawal per fund year is £300 on a minimum qualifying investment of £10,000,000). This facility is not available if you are investing new money by direct debit in a savings scheme on a monthly basis.
Class C Accumulation <sup>2</sup>	GBP	0%	0%	1.03%	£1	£1	£1	£1	Yes, minimum payment of £100 per month	Yes (minimum withdrawal per fund year is £300 or 3% on a minimum qualifying investment of £10,000). This facility is not available if you are investing new money by direct debit in a savings scheme on a monthly basis.

Classes of Share	Currency of denomination	Initial charge	Redemption charge	Management Fee	Minimum initial investment	Minimum subsequent investment	Minimum holding	Minimum redemption	Regular Savings Plan	Regular Withdrawal Facility
Class C Income <sup>2</sup>	GBP	0%	0%	1.03%	£1	£1	£1	£1	Yes, minimum payment of £100 per month	N/A
Class C Accumulation <sup>2</sup>	EURO	0%	0%	1.03%	€1	€1	€1	€1	N/A	N/A
Class C Accumulation <sup>2</sup>	Swiss Franc	0%	0%	1.03%	CHF 1	CHF 1	CHF 1	CHF 1	N/A	N/A
Class C Accumulation <sup>2</sup>	USD	0%	0%	1.03%	USD 1	USD 1	USD 1	USD 1	N/A	N/A

Classes of Share	Currency of denomination	Initial charge	Redemption charge	Management Fee	Minimum initial investment	Minimum subsequent investment	Minimum holding	Minimum redemption	Regular Savings Plan	Regular Withdrawal Facility
Class D Accumulation <sup>4</sup>	GBP	0%	0%	0.93%	£25,000,000	£1	£25,000,000	£1	N/A	N/A
Class D Income <sup>4</sup>	GBP	0%	0%	0.93%	£25,000,000	£1	£25,000,000	£1	N/A	N/A
Class R Accumulation <sup>5</sup>	GBP	0%	0%	1.13%	£1	£1	£1	£1	Yes, minimum payment of £100 per month	Yes (minimum withdrawal per fund year is £300 or 3% on a minimum qualifying investment of £10,000). This facility is not available if you are investing new money by direct debit in a savings scheme on a monthly basis.

<sup>1</sup> *The A Share Classes are not for use by retail (non-professional) direct investors. These Share Classes are generally available to intermediaries and institutional investors, at the absolute discretion of the ACD.*

<sup>2</sup> *At the absolute discretion of the ACD, investors may be allowed to invest in these Share Classes which are Sponsor controlled Share Classes for use by intermediaries and institutional investors.*

<sup>3</sup> *Class B Accumulation – Founder Shares:*

*It has always been the ACD's intention that Class B Shares (which are Founder Shares) would only be available for investment by new "Founder Shareholders" until the total net assets qualifying for or attributable to Class B shares approaches £100m (the "Class B Shares Investment Target"). To be eligible as a Founder Shareholder, an investor must hold at least £10m across the Fund's Share Classes.*

*Upon attaining the Class B Shares Investment Target, the ACD will cease admitting any new Founder Shareholders. Existing Founder Shareholders will still be able to make subsequent investments into the Class B Shares subject to meeting the minimum investment requirements as set out above (and the eligibility criteria for a Founder Shareholder).*

*At the discretion of the ACD, no further investment in Class B Shares is permitted by investors who are not Founder Shareholders. For investors who do not meet the eligibility criteria for a Founder Shareholder any subscription for investment in Class B Shares will be rejected and the ACD will inform the investor of which other eligible Share Classes are available for investment. Additional investments in Class B shares would be permitted at the ACD's discretion, if an investor previously qualified as a Founder Shareholder but the value of the investor's investment across the Fund's Share Classes falls below £10,000,000 as a result of price movements.*

<sup>4</sup> *D Share Classes are Sponsor controlled Share Classes for use by intermediary and institutional managed / advised investments with a minimum holding of £25 million.*

<sup>5</sup> *R Share Class is open to retail (non-professional) direct investors, via application form available at [www.fundrock.com](http://www.fundrock.com) or via the Digital Investor portal at [www.myaccount.whebgroup.com](http://www.myaccount.whebgroup.com).*

**ISA status:**

The Pounds Sterling Share Classes are qualifying investments for stocks and shares component.

**Charges taken from income:**

Accumulation Shares	Income Shares
Yes	The Management Fee of the ACD is taken from capital but other expenses are taken from income.

**Past performance:**

Past performance information is set out in APPENDIX VI.

**Typical investor profile:**

- Investors with some basic investment knowledge.
- Investors who are able to bear capital losses.
- Investors wanting a return (growth) over 5 years or more.
- Investors not wishing to pay performance fees.
- Investors seeking a fund with sustainability themes.
- Retail and professional investors through all distribution channels with or without professional advice.

**Status of Fund for tax purposes:**

The Fund is an Equity Fund for the purposes of tax.

**Whether Shares will be**

**issued in any other currency:** Not beyond the current offering (GBP, EUR and CHF)

## APPENDIX II

### ELIGIBLE SECURITIES MARKETS AND ELIGIBLE DERIVATIVES MARKETS

Each Fund may deal through securities and derivative markets which are regulated markets (as defined in the FCA Rules); and meet the requirements for Eligible Markets as set out in COLL 5.2.10 which includes any market which is regulated, operates regularly and is open to the public located in the UK or an EEA State\*.

\*Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Luxembourg, Lithuania, Latvia, Malta, Netherlands, Poland, Portugal, Romania, Spain, Sweden, Slovenia and Slovakia.

Detailed below are the additional eligible markets on which the Funds are currently permitted to deal. For the avoidance of doubt, all Russian markets are ineligible.

Please note that some of the eligible markets may not be open currently. They will only be opened once all requisite due diligence has been completed.

<b>For approved securities</b>
NYSE American (previously known as NYSE MKT)
Australian Securities Exchange (ASX)
NASDAQ (OMX) BX
BM & F BOVESPA SA
Channel Islands Securities Exchange
Chicago Stock Exchange (CHX)
Hong Kong Exchange
BSE (formerly known as Bombay Stock Exchange)
Korea Exchange
Toronto Stock Exchange
NASDAQ Capital Market
National Stock Exchange of India
New York Stock Exchange (NYSE)
NEW ZEALAND EXCHANGE LTD
NYSE Arca
Osaka Exchange
NASDAQ OMX PHLX
SGX – Singapore Exchange
SIX Swiss Exchange
Tokyo Stock Exchange



<b>For approved derivatives</b>
Chicago Board of Options Exchange (CBOE)
Chicago Board of Trade (CBOT)
CME Group (Chicago Mercantile Exchange)
New York Mercantile Exchange (NYMEX)
NYSE Arca
Montreal Exchange (MX)

## APPENDIX III

### LIST OF DELEGATES AND SUB-DELEGATES

#### Depository's delegate

Citibank N.A.

#### Depository's sub-delegates (as of November 2022)

<b>Argentina</b>	The Branch of Citibank, N.A. in the Republic of Argentina
<b>Australia</b>	Citigroup Pty. Limited
<b>Austria</b>	Citibank Europe plc
<b>Bahrain</b>	Citibank, N.A., Bahrain Branch
<b>Bangladesh</b>	Citibank, N.A., Bangladesh Branch
<b>Belgium</b>	Citibank Europe plc
<b>Benin</b>	Standard Chartered Bank Cote d'Ivoire
<b>Bermuda</b>	The Hong Kong & Shanghai Banking Corporation Limited acting through its agent, HSBC Bank Bermuda Limited
<b>Bosnia-Herzegovina (Sarajevo)</b>	UniCredit Bank d.d.
<b>Bosnia-Herzegovina: Srpska (Banja Luka)</b>	UniCredit Bank d.d.
<b>Botswana</b>	Standard Chartered Bank of Botswana Limited
<b>Brazil</b>	Citibank, N.A., Brazilian Branch

<b>Bulgaria</b>	Citibank Europe plc Bulgaria Branch
<b>Burkina Faso</b>	Standard Chartered Bank Cote d'Ivoire
<b>Canada</b>	Citibank Canada
<b>Chile</b>	Banco de Chile
<b>China</b>	Citibank, N.A., Hong Kong Branch (For China B shares)
<b>China</b>	Citibank (China) Co., Ltd (except for B shares)
<b>Colombia</b>	Cititrust Colombia S.A. Sociedad Fiduciaria
<b>Costa Rica</b>	Banco Nacional de Costa Rica
<b>Croatia</b>	Privedna Banka Zagreb d.d.
<b>Cyprus</b>	Citibank Europe plc, Greece Branch
<b>Czech Republic</b>	Citibank Europe plc, organizacni slozka
<b>Denmark</b>	Citibank Europe plc
<b>Egypt</b>	Citibank, N.A., Egypt
<b>Estonia</b>	Swedbank AS
<b>Finland</b>	Citibank Europe plc
<b>France</b>	Citibank Europe plc
<b>Georgia</b>	JSC Bank of Georgia
<b>Germany</b>	Citibank Europe plc
<b>Ghana</b>	Standard Chartered Bank of Ghana Plc.
<b>Greece</b>	Citibank Europe plc, Greece Branch

<b>Guinea-Bissau</b>	Standard Chartered Bank Cote d'Ivoire
<b>Hong Kong</b>	Citibank N.A., Hong Kong Branch
<b>Hungary</b>	Citibank Europe plc, Hungarian Branch Office
<b>Iceland</b>	Islandsbanki hf
<b>India</b>	Citibank, N.A. Mumbai Branch
<b>Indonesia</b>	Citibank, N.A., Jakarta Branch
<b>Ireland</b>	N/A – Citibank is a direct member of Euroclear Bank SA/NV, which is an ICSD.
<b>Israel</b>	Citibank, N.A., Israel Branch
<b>Italy</b>	Citibank Europe plc
<b>Ivory Coast</b>	Standard Chartered Bank Cote d'Ivoire
<b>Jamaica</b>	Scotia Investments Jamaica Limited
<b>Japan</b>	Citibank N.A., Tokyo Branch
<b>Jordan</b>	Standard Chartered Bank, Jordan Branch
<b>Kazakhstan</b>	Citibank Kazakhstan JSC
<b>Kenya</b>	Standard Chartered Bank Kenya Limited
<b>Korea (South)</b>	Citibank Korea Inc.
<b>Kuwait</b>	Citibank N.A., Kuwait Branch
<b>Latvia</b>	Swedbank AS, acting through its agent, Swedbank AS
<b>Lebanon</b>	Blominvest Bank S.A.L.
<b>Lithuania</b>	Swedbank AS acting through its agent, "Swedbank" AB

<b>Macedonia (Republic of North Macedonia)</b>	Raiffeisen Bank International AG
<b>Malaysia</b>	Citibank Berhad
<b>Mali</b>	Standard Chartered Bank Cote d'Ivoire
<b>Malta</b>	Citibank is a direct member of Clearstream Banking, which is an ICSD.
<b>Mauritius</b>	The Hong Kong & Shanghai Banking Corporation Limited
<b>Mexico</b>	Banco Nacional de Mexico, SA
<b>Morocco</b>	Citibank Maghreb S.A
<b>Namibia</b>	Standard Bank of South Africa Limited acting through its agent, Standard Bank Namibia Limited
<b>Netherlands</b>	Citibank Europe plc
<b>New Zealand</b>	Citibank, N.A., New Zealand Branch
<b>Niger</b>	Standard Chartered Bank Cote d'Ivoire
<b>Nigeria</b>	Citibank Nigeria Limited
<b>Norway</b>	Citibank Europe plc
<b>Oman</b>	The Hong Kong & Shanghai Banking Corporation Limited acting through its agent, HSBC Bank Oman S.A.O.G
<b>Pakistan</b>	Citibank, N.A., Pakistan Branch
<b>Panama</b>	Citibank N.A., Panama Branch
<b>Peru</b>	Citibank del Peru S.A
<b>Philippines</b>	Citibank, N.A., Philippine Branch
<b>Poland</b>	Bank Handlowy w Warszawie SA

<b>Portugal</b>	Citibank Europe plc
<b>Qatar</b>	The Hong Kong & Shanghai Banking Corporation Limited acting through its agent, HSBC Bank Middle East Limited
<b>Romania</b>	Citibank Europe plc , Dublin - Romania Branch
<b>Russia (not available for new or incremental business)</b>	AO Citibank
<b>Saudi Arabia</b>	Citigroup Saudi Arabia
<b>Senegal</b>	Standard Chartered Bank Cote d'Ivoire
<b>Serbia</b>	UniCredit Bank Srbija a.d.
<b>Singapore</b>	Citibank, N.A., Singapore Branch
<b>Slovak Republic</b>	Citibank Europe plc pobočka zahraničnej banky
<b>Slovenia</b>	UniCredit Banka Slovenia d.d. Ljubljana
<b>South Africa</b>	Citibank N.A., South Africa Branch
<b>Spain</b>	Citibank Europe plc
<b>Sri Lanka</b>	Citibank, N.A. Sri Lanka Branch
<b>Sweden</b>	Citibank Europe plc , Sweden Branch
<b>Switzerland</b>	Citibank N.A., London Branch
<b>Taiwan</b>	Citibank Taiwan Limited
<b>Tanzania</b>	Standard Bank of South Africa Ltd acting through its affiliate Stanbic Bank Tanzania Ltd
<b>Thailand</b>	Citibank, N.A., Bangkok Branch
<b>Togo</b>	Standard Chartered Bank Cote d'Ivoire

<b>Tunisia</b>	Union Internationale de Banques
<b>Turkey</b>	Citibank, A.S.
<b>Uganda</b>	Standard Chartered Bank Uganda Limited
<b>Ukraine</b>	JSC "Citibank"
<b>United Arab Emirates, ADX</b>	Citibank N.A., UAE
<b>United Arab Emirates DFM</b>	Citibank N.A., UAE
<b>United Arab Emirates NASDAQ Dubai</b>	Citibank N.A., UAE
<b>United Kingdom</b>	Citibank N.A., London Branch
<b>United States</b>	Citibank N.A., New York Offices
<b>Uruguay</b>	Banco Itau Uruguay S.A.
<b>Vietnam</b>	Citibank N.A., Hanoi Branch
<b>Zambia</b>	Standard Chartered Bank Zambia Plc
<b>Zimbabwe</b>	Standard Bank of South Africa Ltd. Acting through its affiliate Stanbic Bank Zimbabwe Ltd.

Please note that Citibank N.A. is a direct member of Euroclear Bank SA/NV and Clearstream Banking S.A., which are international central securities depositories ("ICSDs") and not sub-delegates.

## APPENDIX IV

### INVESTMENT AND BORROWING POWERS OF THE COMPANY

#### 1. General

The Scheme Property of each Fund will be invested with the aim of achieving the investment objective, and where relevant, the sustainability objective, of that Fund but subject to the limits set out in the investment policy, this Prospectus and the limits set out in Chapter 5 of COLL ("**COLL 5**") that are applicable to UK UCITS. These limits apply to each of the Funds as summarised below.

Normally, a Fund will be fully invested save for an amount to enable the pursuit of a Funds investment objectives, redemption of Shares, efficient management of the Fund in relation to its strategic objectives and other purposes which may be reasonably regarded as ancillary to the investment objectives of the Fund. This amount will vary depending upon prevailing circumstances and although it would normally not exceed 10% of the total value of each Fund, there may be times when the Investment Manager considers stock markets to be overpriced or that a period of instability exists which presents unusual risks. In such cases or during such periods, a higher level of liquidity may be maintained and, if considered prudent, the amount of fixed interest, cash or near cash instruments held would be increased. Unless market conditions were deemed unusually risky, the increased amount and period would not be expected to exceed 30% and six months respectively.

#### 1.1 Prudent spread of risk

The ACD must ensure that, taking account of the investment objectives and policy, and where relevant, the sustainability objective, of each Fund, the Scheme Property of each Fund aims to provide a prudent spread of risk.

#### 1.2 Treatment of obligations

1.2.1 Where the FCA Rules allow a transaction to be entered into or an investment to be retained only (for example, investment in warrants and nil and partly paid securities and the general power to accept or underwrite) if possible obligations arising out of the investment transactions or out of the retention would not cause any breach of any limits in COLL 5, it must be assumed that the maximum possible liability of the Fund under any other of those rules has also to be provided for.

1.2.2 Where a rule in the FCA Rules permit an investment transaction to be entered into or an investment to be retained only if that investment transaction, or the retention, or other similar transactions, are covered:



- 1.2.2.1 it must be assumed that in applying any of those rules, the Fund must also simultaneously satisfy any other obligation relating to cover; and
- 1.2.2.2 no element of cover must be used more than once.

### 1.3 Transferable Securities

- 1.3.1 A transferable security is an investment falling within article 76 (Shares etc.), article 77 (instruments creating or acknowledging indebtedness), article 77A (alternative debentures), article 78 (government and public securities), article 79 (instruments giving entitlement to investments) and article 80 (certificates representing certain securities) of the Regulated Activities Order.
- 1.3.2 An investment is not a transferable security if the title to it cannot be transferred, or can be transferred only with the consent of a third party.
- 1.3.3 In applying paragraph 1.3.2 of this Appendix to an investment which is issued by a body corporate, and which is an investment falling within articles 76 (shares, etc.), 77 (instruments creating or acknowledging indebtedness) or article 77a (alternative debentures) of the Regulated Activities Order, the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored.
- 1.3.4 An investment is not a transferable security unless the liability of the holder of it to contribute to the debts of the issuer is limited to any amount for the time being unpaid by the holder of it in respect of the investment.
- 1.3.5 A Fund may invest in a transferable security only to the extent that the transferable security fulfils the following criteria:
  - 1.3.5.1 the potential loss which the Fund may incur with respect to holding the transferable security is limited to the amount paid for it;
  - 1.3.5.2 its liquidity does not compromise the ability of the ACD to comply with its obligation to redeem Shares at the request of any qualifying Shareholder under the FCA Rules ;
  - 1.3.5.3 reliable valuation is available for it as follows:
    - (a) in the case of a transferable security admitted to or dealt in on an eligible market, where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers;

- (b) in the case of a transferable security not admitted to or dealt in on an eligible market, where there is a valuation on a periodic basis which is derived from information from the issuer of the transferable security or from competent investment research;
- 1.3.5.4 appropriate information is available for it as follows:
  - (a) in the case of a transferable security admitted to or dealt in on an eligible market, where there is regular, accurate and comprehensive information available to the market on the transferable security or, where relevant, on the portfolio of the transferable security;
  - (b) in the case of a transferable security not admitted to or dealt in on an eligible market, where there is regular and accurate information available to the ACD on the transferable security or, where relevant, on the portfolio of the transferable security;
- 1.3.5.5 it is negotiable; and
- 1.3.5.6 its risks are adequately captured by the risk management process of the ACD.
- 1.3.6 Unless there is information available to the ACD that would lead to a different determination, a transferable security which is admitted to or dealt in on an eligible market shall be presumed:
  - 1.3.6.1 not to compromise the ability of the ACD to comply with its obligation to redeem Shares at the request of any qualifying Shareholder; and
  - 1.3.6.2 to be negotiable.
- 1.3.7 A unit or share in a closed end fund shall be taken to be a transferable security for the purposes of investment by a Fund, provided it fulfils the criteria for transferable securities set out in paragraph 1.3.5 above and either:
  - 1.3.7.1 where the closed end fund is constituted as an investment company or a unit trust:
    - (a) it is subject to corporate governance mechanisms applied to companies; and
    - (b) where another person carries out asset management activity on its behalf, that person is subject to national regulation for the purpose of investor protection; or

- 1.3.7.2 where the closed end fund is constituted under the law of contract:
  - (a) it is subject to corporate governance mechanisms equivalent to those applied to companies; and
  - (b) it is managed by a person who is subject to national regulation for the purpose of investor protection.
- 1.3.8 A Fund may invest in any other investment which shall be taken to be a transferable security for the purposes of investment by a Fund provided the investment:
  - 1.3.8.1 fulfils the criteria for transferable securities set out in paragraph 1.3.5 above; and
  - 1.3.8.2 is backed by or linked to the performance of other assets, which may differ from those in which a Fund can invest.
- 1.3.9 Where an investment in paragraph 1.3.8 contains an embedded derivative component (as described below), the requirements of this paragraph with respect to derivatives and forwards will apply to that component.

## 2. **UK UCITS – general**

- 2.1 Subject to the investment objectives and policy of a Fund, the Scheme Property of a Fund must, except where otherwise provided in COLL 5 only consist of any or all of:
  - 2.1.1 transferable securities;
  - 2.1.2 approved money market instruments;
  - 2.1.3 permitted units or shares in permitted collective investment schemes;
  - 2.1.4 permitted derivatives and forward transactions; and
  - 2.1.5 permitted deposits.
- 2.2 Transferable securities and money market instruments held within a Fund must (subject to paragraph 2.3 of this Appendix) be:
  - 2.2.1 admitted to or dealt on an eligible market as described below; or
  - 2.2.2 dealt in on a market in the UK or an EEA State which is regulated, operates regularly and is open to the public; or
  - 2.2.3 admitted to or dealt in on an eligible market which has been designated an eligible market by the ACD in consultation with the Depositary (as described below); or

- 2.2.4 a money-market instrument within COLL 5.2.10 AR(1) (is as described in paragraph 9.5 of "Investment in approved money market instruments" below); or
- 2.2.5 recently issued transferable securities provided that:
  - 2.2.5.1 the terms of issue include an undertaking that application will be made to be admitted to an eligible market; and
  - 2.2.5.2 such admission is secured within a year of issue.
- 2.3 Not more than 10% in value of the Scheme Property of a Fund may consist of transferable securities, which do not fall within paragraph 2.2 or of approved money market instruments, which do not fall within COLL 5.2.10 AR(1) (i.e. as described in paragraph 9.5 of "Investment in approved money market instruments" below).
- 2.4 The requirements on spread of investments generally and in relation to investment in government and public securities do not apply during any period in which it is not reasonably practical to comply, provided that the requirement to maintain prudent spread of risk in paragraph 1.1 of this Appendix is complied with.
- 3. **Eligible markets regime: purpose**
  - 3.1 To protect investors the markets on which investments of a Fund are dealt in or traded on should be of an adequate quality ("**eligible**") at the time of acquisition of the investment and until it is sold.
  - 3.2 Where a market ceases to be eligible, investments on that market cease to be approved securities. The 10% restriction on investing in non approved securities applies and exceeding this limit because a market ceases to be eligible will generally be regarded as an inadvertent breach.
  - 3.3 A market is eligible for the purposes of the rules if it is:
    - 3.3.1 a regulated market as defined in the FCA Rules; or
    - 3.3.2 a market established in the UK or an EEA State which is regulated, operates regularly, and is open to the public.
  - 3.4 A market not falling within paragraph 3.3 of this Appendix is eligible for the purposes of COLL 5 if:
    - 3.4.1 the ACD, after consultation with and notification to the Depositary, decides that market is appropriate for investment of, or dealing in, the Scheme Property of a Fund;
    - 3.4.2 the market is included in a list in the Prospectus; and
    - 3.4.3 the Depositary has taken reasonable care to determine that:

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

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

3.5 In paragraph 3.4.1, a market must not be considered appropriate unless it is regulated, operates regularly, is recognised as a market or exchange or as a self regulating organisation by an overseas regulator, is open to the public, is adequately liquid and has adequate arrangements for unimpeded transmission of income and capital to or for the order of investors.

#### 4. **Spread: general**

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

4.2 For the purposes of this requirement companies included in the same group for the purposes of consolidated accounts as defined in accordance with s.399 of the Companies Act 2006, Directive 2013/34/EU or in the same group in accordance with international accounting standards are regarded as a single body.

4.3 Not more than 20% in the value of the Scheme Property of a Fund is to consist of deposits with a single body.

4.4 Not more than 5% in value of the Scheme Property of a Fund is to consist of transferable securities (or certificates representing such securities) or approved money market instruments issued by any single body, except that the limit of 5% is raised to 10% in respect of up to 40% in value of the Scheme Property of a Fund (covered bonds need not be taken into account for the purposes of applying the limit of 40%).

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

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

4.7 To the extent that a Fund is not restricted as to how much it may invest in another collective investment scheme by paragraph 7.1 below, not more than 20% in value of the Scheme Property is to consist of the units or shares of any one collective investment scheme.

4.8 Not more than 20% in value of the Scheme Property may consist of transferable securities and approved money market instruments issued by the same group.

4.9 In applying the limits in paragraphs 4.3, 4.4 and 4.6 and subject to paragraph 4.5 not more than 20% in value of the Scheme Property of a Fund is to consist of any combination of two or more of the following:

- transferable securities (including covered bonds) or approved money market instruments issued by; or
- deposits made with; or
- exposures from OTC derivatives transactions made with, a single body.

5. **Counterparty risk and issuer concentration**

5.1 The ACD must ensure that counterparty risk arising from an OTC derivative is subject to the limits set out in paragraphs 4.6 and 4.9 above.

5.2 When calculating the exposure of a Fund to a counterparty in accordance with the limits in paragraph 4.6 above, the ACD must use the positive mark-to-market value of the OTC derivative contract with that counterparty.

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

5.4 The netting agreements in paragraph 5.2 are permissible only with respect to OTC derivatives with the same counterparty and not in relation to any other exposures the Fund may have with that same counterparty.

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

5.6 The ACD must take collateral into account in calculating exposure to counterparty risk in accordance with the limits in paragraph 4.6 above when it passes collateral to an OTC counterparty on behalf of a Fund.

- 5.7 Collateral passed in accordance with paragraph 4.6 may be taken into account on a net basis only if the ACD is able legally to enforce netting arrangements with this counterparty on behalf of a Fund.
- 5.8 The ACD must calculate the issuer concentration limits referred to in paragraph 4.6 above on the basis of the underlying exposure created through the use of OTC derivatives pursuant to the commitment approach.
- 5.9 In relation to the exposure arising from OTC derivatives as referred to in paragraph 4.9, the ACD must include any exposure to OTC derivative counterparty risk in the calculation.
6. **Spread: government and public securities**
- 6.1 The following paragraph applies in respect of a transferable security or an approved money-market instrument ("**such securities**") issued by:
- 6.1.1 the UK or an EEA State;
  - 6.1.2 a local authority of the UK or an EEA State;
  - 6.1.3 a non-EEA State; or
  - 6.1.4 a public international body to which the UK or one or more EEA States belong.
- 6.2 Where no more than 35% in value of the Scheme Property of a Fund is invested in such securities issued by any one body, there is no limit on the amount which may be invested in such securities or in any one issue.
- 6.3 A Fund may invest more than 35% in value of the Scheme Property of a Fund in such securities issued by any one body provided that:
- 6.3.1 the ACD has before any such investment is made consulted with the Depositary and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objectives of the authorised Fund;
  - 6.3.2 no more than 30% in value of the Scheme Property consists of such securities of any one issue;
  - 6.3.3 the Scheme Property of a Fund includes such securities issued by that or another issuer, of at least six different issues;
  - 6.3.4 the disclosures in the Prospectus required by the FCA have been made.
- 6.4 In giving effect to the foregoing object no funds currently invest more than 35% of their Scheme Property in Government and other public securities issued by any one body.

6.5 Notwithstanding 4.1 and subject to 6.2 and 6.3 above, in applying the 20% limit in 4.9 with respect to a single body, government and public securities issued by that body shall be taken into account.

## 7. **Investment in collective investment schemes**

7.1 Not more than 10% of the value of the Scheme Property of any Fund may be invested in units or shares in other collective investment schemes ("**Second Scheme**") provided that Second Scheme satisfies all of the following conditions:

7.1.1 The Second Scheme must be:

7.1.1.1 a UK UCITS or satisfy the conditions necessary for it to enjoy the rights conferred by the UCITS Directive (as defined in the FCA Glossary) as implemented in the EEA; or

7.1.1.2 a recognised scheme that is authorised by the supervisory authorities of Guernsey, Jersey or the Isle of Man (provided the requirements of COLL 5.2.13AR are met); or

7.1.1.3 authorised as a non-UCITS Retail Scheme (provided that the requirements of COLL 5.2.13AR(1), (3) and (4) are met); or

7.1.1.4 authorised in an EEA State (provided the requirements of COLL 5.2.13AR are met); or

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

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

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

(provided the requirements of COLL 5.2.13AR are met).

7.1.2 The Second Scheme has terms which prohibit more than 10% in value of the scheme property consisting of units or shares in collective investment schemes.

7.1.3 Where the Second Scheme is an umbrella, the provisions in paragraph 7.1.1.2 apply to each sub-fund as if it were a separate scheme.

7.2 The requirements of COLL 5.2.13AR referred to in clause 7.1 above are that:

7.2.1 The second scheme is an undertaking:



- 7.2.1.1 with the sole object of collective investment in transferable securities or in other liquid financial assets, of capital raised from the public and which operates on the principle of risk-spreading;
  - 7.2.1.2 with the which are, at the request of holders, repurchased or redeemed, directly or indirectly, out of those undertakings' assets (action taken by a scheme to ensure that the price of its units on an investment exchange does not significantly vary from their net asset value shall be regarded as equivalent to such repurchase or redemption);
- 7.2.2 the second scheme is authorised under laws which provide that they are subject to supervision considered by the FCA to be equivalent to that laid down in the law of the UK, and that cooperation between the FCA and the supervisory authorities of the second scheme is sufficiently ensured;
- 7.2.3 the level of protection for unitholders in the second scheme is equivalent to that provided for unitholders in a UK UCITS, and in particular that the rules on asset segregation, borrowing, lending, and uncovered sales of transferable securities and approved money market instruments are equivalent to the requirements of this chapter; and
- 7.2.4 the business of the second scheme is reporting in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period.
- 7.3 The Scheme Property attributable to a Fund may include Shares in another Fund of the Company (a "**Second Fund**") subject to the requirements of paragraph 7.4 below.
- 7.4 A Fund may invest in or dispose of Shares of a Second Fund provided that:
  - 7.4.1 the Second Fund does not hold Shares in any other Fund of the Company;
  - 7.4.2 the requirements set out at paragraphs 7.5 and 7.6 below are complied with; and
  - 7.4.3 not more than 35% in value of the Scheme Property of the investing or disposing Fund is to consist of Shares in the Second Fund.
- 7.5 A Fund may, subject to the limit set out in paragraph 7.1 above, invest in collective investment schemes managed or operated by, or whose authorised corporate director is, the ACD of the Funds or one of its associates.
- 7.6 Investment may only be made in a Second Fund or other collective investment schemes managed by the ACD or an Associate of the ACD if the Prospectus of the

Company clearly states that the Funds may enter into such investments and the rules on double charging contained in the FCA Rules are complied with.

- 7.7 Where a Fund invests in or disposes of Shares in a Second Fund or units or shares in another collective investment scheme which is managed or operated by the ACD or an Associate of the ACD, the ACD must pay to that Fund by the close of business on the fourth business day the amount of any preliminary charge in respect of a purchase, and in the case of a sale, any charge made for the disposal.

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

- 8.1 A transferable security or an approved money market instrument on which any sum is unpaid falls within a power of investment only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Fund, at the time when payment is required, without contravening the rules in COLL 5.
- 8.2 A warrant which is an investment falling within article 80 of the Regulated Activities Order (certificates representing certain securities) and which is akin to an investment falling within Article 79 (instruments giving entitlement to investments) of the Regulated Activities Order may not be included in the Scheme Property unless it is listed on an eligible securities market.
- 8.3 Up to 5% of the value of the Scheme Property may be invested in warrants.

**9. Investment in approved money market instruments**

- 9.1 A Fund may invest in approved money market instruments which are money market instruments normally dealt in on the money market, are liquid and whose value can be accurately determined at any time.
- 9.2 A money-market instrument shall be regarded as normally dealt in on the money market if it:
- (a) has a maturity at issuance of up to and including 397 days;
  - (b) has a residual maturity of up to and including 397 days;
  - (c) undergoes regular yield adjustments in line with money market conditions at least every 397 days; or
  - (d) has a risk profile, including credit and interest rate risks, corresponding to that of an instrument which has a maturity as set out in paragraph 9.2(a) or paragraph 9.2(b) or is subject to yield adjustments as set out in paragraph 9.2(c).

- 9.3 A money-market instrument shall be regarded as liquid if it can be sold at limited cost in an adequately short time frame, taking into account the obligation of the ACD to redeem Shares at the request of any qualifying Shareholder.
- 9.4 A money-market instrument shall be regarded as having a value which can be accurately determined at any time if accurate and reliable valuations systems, which fulfil the following criteria, are available:
- (a) enabling the ACD to calculate a net asset value in accordance with the value at which the instrument held in the Fund could be exchanged between knowledgeable willing parties in an arm's length transaction; and
  - (b) based either on market data or on valuation models including systems based on amortised costs.
  - (c) A money-market instrument that is normally dealt in on the money market and is admitted to or dealt in on an eligible market shall be presumed to be liquid and have a value which can be accurately determined at any time unless there is information available to the ACD that would lead to a different determination.
- 9.5 In addition to instruments admitted to or dealt in on an eligible market, a Fund may invest in an approved money-market instrument provided it fulfils the following requirements:
- (a) the issue or the issuer is regulated for the purpose of protecting investors and savings; and
  - (b) the instrument is issued or guaranteed in accordance with paragraph 9.7 below.
- 9.6 The issue or the issuer of a money-market instrument, other than one dealt in on an eligible market, shall be regarded as regulated for the purpose of protecting investors and savings if:
- (a) the instrument is an approved money-market instrument;
  - (b) appropriate information is available for the instrument (including information which allows an appropriate assessment of the credit risks related to investment in it), in accordance with paragraphs 9.9, 9.10 and 9.11 below; and
  - (c) the instrument is freely transferable.
- 9.7 A Fund may invest in an approved money-market instrument if it is:
- (a) issued or guaranteed by any one of the following:
    - (i) a central authority of the UK or an EEA State, or if the EEA State is a federal state, one of the members making up the federation;
    - (ii) a regional or local authority of the UK or an EEA State;

- (iii) the Bank of England, the European Central Bank or a central bank of an EEA State;
- (iv) the European Union or the European Investment Bank;
- (v) a non-EEA State or, in the case of a federal state, one of the members making up the federation;
- (vi) a public international body to which the UK or one or more EEA States belong; or
- (b) issued by a body, any securities of which are dealt in on an eligible market; or
- (c) issued or guaranteed by an establishment which is:
  - (i) subject to prudential supervision in accordance with criteria defined by UK or EU law; or
  - (ii) subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by UK or EU.

9.8 An establishment shall be considered to satisfy the requirement in paragraph 9.7(c)(ii) if it is subject to and complies with prudential rules, and fulfils one or more of the following criteria:

- (a) it is located in the UK or EEA
- (b) it is located in an OECD country belonging to the Group of Ten;
- (c) it has at least investment grade rating;
- (d) on the basis of an in-depth analysis of the issuer, it can be demonstrated that the prudential rules applicable to that issuer are at least as stringent as those laid down by UK or EU law.

9.9 In the case of an approved money-market instrument within paragraphs 9.7 and 9.8 above or issued by a body of the type referred to in COLL 5.2.10EG, or which is issued by an authority within paragraph 9.7(a)(ii) or a public international body within paragraph 9.7(a)(vi) but is not guaranteed by a central authority within paragraph 9.7(a)(i), the following information must be available:

- (a) information on both the issue or the issuance programme, and the legal and financial situation of the issuer prior to the issue of the instrument, verified by appropriately qualified third parties not subject to instructions from the issuer;
- (b) updates of that information on a regular basis and whenever a significant event occurs; and
- (c) available and reliable statistics on the issue or the issuance programme.

- 9.10 In the case of an approved money-market instrument issued or guaranteed by an establishment within paragraph 9.7(c), the following information must be available:
- (a) information on the issue or the issuance programme or on the legal and financial situation of the issuer prior to the issue of the instrument;
  - (b) updates of that information on a regular basis and whenever a significant event occurs; and
  - (c) available and reliable statistics on the issue or the issuance programme, or other data enabling an appropriate assessment of the credit risks related to investment in those instruments.
- 9.11 In the case of an approved money-market instrument:
- (a) within paragraphs 9.7(a)(i), 9.7(a)(iv) or 9.7(a)(v); or
  - (b) which is issued by an authority within paragraph 9.7(a)(ii) or a public international body within paragraph 9.7(a)(vi) and is guaranteed by a central authority within paragraph 9.7(a)(i);

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

## 10 **Efficient Portfolio Management**

- 10.1 The Funds may utilise property to enter into transactions for the purposes of Efficient Portfolio Management. There is no limit on the amount or value of the Scheme Property which may be used for EPM but the ACD must ensure that the transaction is economically appropriate in that they are realised in a cost effective way, they are entered into for one or more of the following specific aims: reduction of the relevant risks (whether in the price of investments, interest rates or exchange rates) or to the reduction of the relevant costs and/or to the generation of additional capital or income with a risk level which is consistent with the risk profile of the scheme and the risk diversification rules in COLL. The exposure must be fully "covered" by cash and/or other property sufficient to meet any obligation to pay or deliver that could arise. The use of derivatives for EPM should not lead to an increase in risk to the Fund.
- 10.2 Permitted transactions are those that the Fund reasonably regards as economically appropriate to EPM, that is:
- 10.2.1 Transactions undertaken to reduce risk or cost in terms of fluctuations in prices, interest rates or exchange rates where the ACD reasonably believes that the transaction will diminish a risk or cost of a kind or level which it is sensible to reduce; or

10.2.2 Transactions for the generation of additional capital growth or income for the Fund by taking advantage of gains which the ACD reasonably believes are certain to be made (or certain, barring events which are not reasonably foreseeable) as a result of:

10.2.2.1 pricing imperfections in the market as regards the property which the Fund holds or may hold; or

10.2.2.2 receiving a premium for the writing of a covered call option or a covered put option on property of the Fund which the Fund is willing to buy or sell at the exercise price, or

10.2.2.3 Stock lending arrangements.

A permitted arrangement in this context may at any time be closed out.

10.3 Transactions may take the form of “derivatives transactions” (that is, transactions in options, futures or contracts for differences) or forward currency transactions. A derivatives transaction must either be in a derivative which is traded or dealt in on an eligible derivatives market (and effected in accordance with the rules of that market), or be an off-exchange derivative which complies with the relevant conditions set out in the FCA Rules, or be a “synthetic future” (i.e. a composite derivative created out of two separate options). Forward currency transactions must be entered into with counterparties who satisfy the FCA Rules. A permitted transaction may at any time be closed out.

10.4 Any income or capital generated by efficient portfolio management techniques will be paid to the Fund net of direct or indirect operational costs.

## **11 Derivatives: general**

11.1 A transaction in derivatives or a forward transaction must not be effected for a Fund unless the transaction is of a kind specified in paragraph 12 (Permitted transactions (derivatives and forwards)) below, and the transaction is covered, as required by paragraph 22 (Cover for investment in derivatives) of this Appendix.

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

11.3 Where a transferable security or approved money market instrument embeds a derivative, this must be taken into account for the purposes of complying with this paragraph.

- 11.4 A transferable security or an approved money-market instrument will embed a derivative if it contains a component which fulfils the following criteria:
- (a) by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or approved money-market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, and therefore vary in a way similar to a stand-alone derivative;
  - (b) its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and
  - (c) it has a significant impact on the risk profile and pricing of the transferable security or approved money-market instrument.
- 11.5 A transferable security or an approved money-market instrument does not embed a derivative where it contains a component which is contractually transferable independently of the transferable security or the approved money-market instrument. That component shall be deemed to be a separate instrument.
- 11.6 Where a Fund invests in an index based derivative, provided the relevant index falls within COLL 5.2.33R (Relevant Indices) the underlying constituents of the index do not have to be taken into account for the purposes of COLL 5.2.11R and COLL 5.2.12R.
- 11.7 In the context of this Prospectus, “**efficient portfolio management**” means the use of derivatives (which are reasonably regarded by the ACD as economically appropriate and are fully covered) in order to achieve a reduction in certain relevant risks, a reduction of costs, or to generate additional capital or income for the Funds with no, or an acceptably low level of risk.

## 12. **Permitted transactions (derivatives and forwards)**

- 12.1 A transaction in a derivative must be:
- 12.1.1 in an approved derivative; or
  - 12.1.2 be one which complies with paragraph 16 (OTC transactions in derivatives) of this Appendix.
- 12.2 A transaction in a derivative must have the underlying consisting of any one or more of the following to which the scheme is dedicated: transferable securities, approved money market instruments permitted under paragraph 9 (Investment in approved money market instruments), deposits, permitted derivatives under this paragraph, collective investment scheme units or shares permitted under paragraph 7 (Investment in collective investment schemes), financial indices which satisfy the criteria set out in COLL 5.2.20, interest rates, foreign exchange rates, and currencies.

- 12.3 A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market.
- 12.4 A transaction in a derivative must not cause a Fund to diverge from its investment objectives as stated in the Instrument constituting the scheme and the most recently published version of this Prospectus.
- 12.5 A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more, transferable securities, money market instruments, units or shares in collective investment schemes, or derivatives.
- 12.6 Any forward transaction must be with an Eligible Institution or an Approved Bank.
13. **Financial indices underlying derivatives**
- 13.1 The financial indices referred to in paragraph 13.2 are those which satisfy the following criteria:
- (a) the index is sufficiently diversified;
  - (b) the index represents an adequate benchmark for the market to which it refers; and
  - (c) the index is published in an appropriate manner.
- 13.2 A financial index is sufficiently diversified if:
- (a) it is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;
  - (b) where it is composed of assets in which a Fund is permitted to invest, its composition is at least diversified in accordance with the requirements with respect to spread and concentration set out in this paragraph; and
  - (c) where it is composed of assets in which a Fund cannot invest, it is diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration set out in this paragraph.
- 13.3 A financial index represents an adequate benchmark for the market to which it refers if:
- (a) it measures the performance of a representative group of underlyings in a relevant and appropriate way;
  - (b) it is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers, following criteria which are publicly available; and
  - (c) the underlyings are sufficiently liquid, allowing users to replicate it if necessary.



- 13.4 A financial index is published in an appropriate manner if:
- (a) its publication process relies on sound procedures to collect prices, and calculate and subsequently publish the index value, including pricing procedures for components where a market price is not available; and
  - (b) material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.
- 13.5 Where the composition of underlyings of a transaction in a derivative does not satisfy the requirements for a financial index, the underlyings for that transaction shall where they satisfy the requirements with respect to other underlyings pursuant to paragraph 12.2, be regarded as a combination of those underlyings.

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

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

**15. Requirement to cover sales**

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

**16. OTC transactions in derivatives**

- 16.1 Any transaction in an OTC derivative under paragraph 12.1.2 must be:
- 16.1.1 in a future or an option or a contract for differences;
  - 16.1.2 with an approved counterparty; a counterparty to a transaction in derivatives is approved only if the counterparty is an Eligible Institution or an Approved Bank; or a person whose permission (including any requirements or limitations), as published in the FCA Register or whose Home State authorisation, permits it to enter into the transaction as principal off-exchange;
  - 16.1.3 on approved terms; the terms of the transaction in derivatives are approved only if the ACD carries out at least daily a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and

which does not rely only on market quotations by the counterparty; and the ACD can enter into one or more further transactions to sell, liquidate or close out that transaction at any time, at its fair value; and

- 16.1.4 capable of reliable valuation: a transaction in derivatives is capable of reliable valuation only if the ACD having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy:
  - 16.1.4.1 on the basis of an up-to-date market value which the ACD and the Depositary have agreed is reliable; or
  - 16.1.4.2 if the value referred to in paragraph 16.1.4.1 is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and
- 16.1.5 subject to verifiable valuation: a transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by:
  - 16.1.5.1 an appropriate third party which is independent from the counterparty of the derivative at an adequate frequency and in such a way that the ACD is able to check it; or
  - 16.1.5.2 a department within the ACD which is independent from the department in charge of managing the Fund and which is adequately equipped for such a purpose.

For the purposes of 15.1.3 above, “**fair value**” is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

## 17. **Valuation of OTC derivatives**

17.1 For the purposes of paragraph 16.1.3, the ACD must:

- 17.1.1 establish, implement and maintain arrangements and procedures which ensure appropriate, transparent and fair valuation of the exposures of a Fund to OTC derivatives; and
- 17.1.2 ensure that the fair value of OTC derivatives is subject to adequate, accurate and independent assessment.

17.2 Where the arrangements and procedures referred to in paragraph 16.1 involve the performance of certain activities by third parties, the ACD must comply with the requirements in SYSC 8.1.13 R (Additional requirements for a management company) and COLL 6.6A.4 R (4) to (6) (Due diligence requirements of AFMs of

UCITS schemes).

17.3 The arrangements and procedures referred to in paragraph 16.1 above must be

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

17.3.2 adequately documented.

## 18. **Risk management**

18.1 The ACD uses a risk management process (including a risk management policy in accordance with COLL 6.12), enabling it to monitor and measure at any time the risk of a Fund's positions and their contribution to the overall risk profile of the Fund.

18.2 Before using the process, the ACD will notify the FCA of the details of the risk management process. The following details of the risk management process must be regularly notified to the FCA and at least on an annual basis:

18.2.1 a true and fair view of the types of derivatives and forward transactions to be used within a Fund together with their underlying risks and any relevant quantitative limits; and

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

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

## 19. **Investments in deposits**

19.1 The Fund may invest in deposits only with an Approved Bank and which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months.

## 20. **Stock lending**

20.1 The entry into stock lending or repo transactions for the account of the Fund is permitted for the generation of additional income for the benefit of the Fund, and hence for its investors.

20.2 The specific method of stock lending permitted in this paragraph is in fact not a transaction which is a loan in the normal sense. Rather it is an arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992, under which the lender transfers securities to the borrower otherwise than by way of sale and the borrower is to transfer those securities, or securities of the same type and amount, back to the lender at a later date. In accordance with good market practice, a separate transaction by way of transfer of assets is also involved for the purpose of providing

collateral to the "lender" to cover him against the risk that the future transfer back of the securities may not be satisfactorily completed.

- 20.3 The stock lending permitted by this paragraph may be exercised by the Fund when it reasonably appears to the Fund to be appropriate to do so with a view to generating additional income for the Fund with an acceptable degree of risk.
- 20.4 The Company or the Depositary at the request of Company may enter into a stock lending arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992 (without extension by section 263C), but only if:
  - 20.4.1 all the terms of the agreement under which securities are to be reacquired by the Depositary for the account of the Fund, are in a form which is acceptable to the Depositary and are in accordance with good market practice;
  - 20.4.2 the counterparty is:
    - 20.4.2.1 an authorised person; or
    - 20.4.2.2 a person authorised by a Home State regulator; or
    - 20.4.2.3 a person registered as a broker-dealer with the Securities and Exchange Commission of the United States of America; or
    - 20.4.2.4 a bank, or a branch of a bank, supervised and authorised to deal in investments as principal, with respect to OTC derivatives by at least one of the following federal banking supervisory authorities of the United States of America:
      - (a) the Office of the Comptroller of the Currency;
      - (b) the Federal Deposit Insurance Corporation;
      - (c) the Board of Governors of the Federal Reserve System; and
      - (d) the Office of Thrift Supervision, and
  - 20.4.3 collateral is obtained to secure the obligation of the counterparty under the terms referred to in paragraph 20.4.1 and the collateral is:
    - 20.4.3.1 acceptable to the depositary;
    - 20.4.3.2 adequate; and
    - 20.4.3.3 sufficiently immediate.

- 20.4.4 The counterparty for the purpose of paragraph 20.4 is the person who is obliged under the agreement referred to in paragraph 20.4.1 to transfer to the depositary the securities transferred by the depositary under the stock lending arrangement or securities of the same kind.
- 20.4.5 20.4.3 does not apply to a stock lending transaction made through Euroclear Bank SA/NV's Securities Lending and Borrowing Programme.
- 20.5 The Depositary must ensure that the value of the collateral at all times is at least equal to the value of the securities transferred by the Depositary. This duty may be regarded as satisfied in respect of collateral the validity of which is about to expire or has expired where the Depositary takes reasonable care to determine that sufficient collateral will again be transferred at the latest by the close of business on the day of expiry.
- 20.6 Any agreement for transfer at a future date of securities or of collateral (or of the equivalent of either) may be regarded, for the purposes of valuation under the FCA Rules, as an unconditional agreement for the sale or transfer of property, whether or not the property is part of the property of the Fund.
- 20.7 There is no limit on the value of the Scheme Property of a Fund which maybe the subject of stock lending transactions.
- 20.8 The ACD shall ensure that it is able at any time to recall any security that has been lent out or terminate any securities lending agreement it has entered into.
- 20.9 The ACD may carry out or arrange for the carrying out of stock lending transactions in respect of the Funds. The Funds do not currently engage in stock lending.

## 21. **Schemes replicating an index**

- 21.1 A Fund may invest up to 20% in value of the Scheme Property in shares and debentures which are issued by the same body where the stated investment policy is to replicate the composition of a relevant index as defined below.
- 21.2 The 20% limit can be raised for a particular Fund up to 35% in value of the Scheme Property, but only in respect of one body and where justified by exceptional market conditions.
- 21.3 In the case of a Fund replicating an index the Scheme Property of a Fund need not consist of the exact composition and weighting of the underlying in the relevant index where deviation from this is expedient for reasons of poor liquidity or excessive cost to the scheme in trading in an underlying investment.
- 21.4 The indices referred to above are those which satisfy the following criteria:
  - 21.4.1 the composition is sufficiently diversified;
  - 21.4.2 the index is a representative benchmark for the market to which it refers; and

21.4.3 the index is published in an appropriate manner.

**22. Cover for investment in derivatives**

22.1 A Fund may invest in derivatives and forward transactions as part of its investment policy provided:

22.1.1 its global exposure relating to derivatives and forward transactions held in the Fund does not exceed the net value of the scheme property; and

22.1.2 its global exposure to the underlying assets does not exceed in aggregate the investment limits laid down in paragraph 5 above (Spread: general).

**23. Daily calculation of global exposure**

23.1 The ACD must calculate the global exposure of a Fund on at least a daily basis.

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

**24. Calculation of global exposure**

24.1 The ACD must calculate the global exposure of any Fund it manages either as:

24.1.1 the incremental exposure and leverage generated through the use of derivatives and forward transactions (including embedded derivatives as referred to in paragraph 11 (Derivatives: general), which may not exceed 100% of the net value of the Scheme Property; or

24.1.2 the market risk of the Scheme Property.

24.2 The ACD must calculate the global exposure of a Fund by using:

24.2.1 the commitment approach; or

24.2.2 the value at risk approach.

The ACD currently uses the commitment method to calculate global exposure.

24.3 The ACD must ensure that the method selected in paragraph 24.2 is appropriate, taking into account:

24.3.1 the investment strategy pursued by the Fund;

24.3.2 the types and complexities of the derivatives and forward transactions used; and

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

- 24.4 Where a Fund employs techniques and instruments including repo contracts or stock lending transactions in accordance with paragraph 20 (Stock lending) in order to generate additional leverage or exposure to market risk, the ACD must take those transactions into consideration when calculating global exposure.
- 24.5 For the purposes of paragraph 24.2.2, value at risk means a measure of the maximum expected loss at a given confidence level over the specific time period.
- 24.6 Where the ACD uses the commitment approach for the calculation of global exposure, it must:
- 24.6.1 ensure that it applies this approach to all derivative and forward transactions (including embedded derivatives as referred to in paragraph 11 (Derivatives: general)), whether used as part of the Fund's general investment policy, for the purposes of risk reduction or for the purposes of efficient portfolio management in accordance with paragraph 20 (Stock lending); and
  - 24.6.2 convert each derivative or forward transaction into the market value of an equivalent position in the underlying asset of that derivative or forward (standard commitment approach).
- 24.7 The ACD may apply other calculation methods which are equivalent to the standard commitment approach.
- 24.8 The ACD may take account of netting and hedging arrangements when calculating global exposure of a Fund, where these arrangements do not disregard obvious and material risks and result in a clear reduction in risk exposure.
- 24.9 Where the use of derivatives or forward transactions does not generate incremental exposure for the Fund, the underlying exposure need not be included in the commitment calculation.
- 24.10 Where the commitment approach is used, temporary borrowing arrangements entered into on behalf of the Fund in accordance with paragraph 29 (Borrowing powers) need not form part of the global exposure calculation.

## 25. **Cover and Borrowing**

- 25.1 Cash obtained from borrowing, and borrowing which the ACD reasonably regards an Eligible Institution or an Approved Bank to be committed to provide, is available for cover under paragraph 22 of this Appendix as long as the normal limits on borrowing (see below) are observed.
- 25.2 Where, for the purposes of this paragraph the Company borrows an amount of currency from an Eligible Institution or an Approved Bank; and keeps an amount in another currency, at least equal to such borrowing for the time on deposit with the lender (or their agent or nominee), then this applies as if the borrowed currency, and not the deposited currency, were part of the Scheme Property, and the normal limits on

borrowing under paragraph 29 (Borrowing powers) of this Appendix do not apply to that borrowing.

**26. Cash and near cash**

26.1 Cash and near cash must not be retained in the Scheme Property of a Fund except to the extent that, where this may reasonably be regarded as necessary in order to enable:

26.1.1 the pursuit of the Fund's investment objectives; or

26.1.2 the redemption of units or shares; or

26.1.3 efficient management of the Fund in accordance with its investment objective; or

26.1.4 other purposes which may reasonably be regarded as ancillary to the investment objective of the Fund.

26.2 During the period of the initial offer the Scheme Property may consist of cash and near cash without limitation.

**27. General**

27.1 It is envisaged that the Funds will normally be fully invested but there may be times that it is appropriate not to be fully invested when the ACD reasonably regards this as necessary in order to enable the redemption of units or shares, efficient management of the Fund or any one purpose which may reasonably be regarded as ancillary to the investment objective of the Fund.

27.2 Where a Fund invests in or disposes of units or shares in another collective investment scheme which is managed or operated by the ACD or an associate of the ACD, the ACD must pay to the Fund by the close of business on the fourth business day the amount of any preliminary charge in respect of a purchase, and in the case of a sale, any charge made for the disposal.

27.3 A potential breach of any of these limits does not prevent the exercise of rights conferred by investments held by the Fund but, in the event of a consequent breach, the ACD must then take such steps as are necessary to restore compliance with the investment limits as soon as practicable having regard to the interests of Shareholders.

27.4 It is not intended that the Company have any interest in any immovable or movable property for the direct pursuit of its business.



28. **Underwriting**

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

29. **Borrowing powers**

29.1 The Fund may borrow money from an Eligible Institution or an Approved Bank for the use of the Fund on terms that the borrowing is to be repayable out of the Scheme Property.

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

29.3 The ACD must ensure that borrowing does not, on any business day, exceed 10% of the value of the Fund.

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

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

30.1 Scheme Property other than money must not be lent by way of deposit or otherwise.

30.2 Transactions permitted by paragraph 20 (Stock lending) are not to be regarded as lending for the purposes of paragraph 30.1.

30.3 Nothing in this paragraph prevents the Depositary at the request of the ACD from lending, depositing, pledging or charging Scheme Property for margin requirements where transactions in derivatives or forward transactions are used for the account of the Company in accordance with COLL 5.

31. **Restrictions on lending of money**

31.1 None of the money in the Scheme Property may be lent and, for the purposes of this paragraph, money is lent by the Fund if it is paid to a person (“**the payee**”) on the basis that it should be repaid, whether or not by the payee.

31.2 Acquiring a debenture is not lending for the purposes of paragraph 31.1, nor is the placing of money on deposit or in a current account.

32. **Guarantees and indemnities**

32.1 The Fund or the Depositary, for the account of a Fund, must not provide any guarantee or indemnity in respect of the obligation of any person.

32.2 Scheme Property may not be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person.

32.3 Paragraphs 32.1 and 32.2 do not apply in respect of the Fund to:

32.3.1 any indemnity or guarantee given for margin requirements where derivatives or forward transactions where the derivatives or forward transactions are being used in accordance with the FCA Rules;

32.3.2 an indemnity falling within the provisions of regulation 62(3) of the OEIC Regulations;

32.3.3 an indemnity not falling under paragraph 32.3.2 given to the Depositary against any liability incurred by it as a consequence of safekeeping of any of the Scheme Property by it or by anyone retained by it to assist it to perform its function of the safekeeping of the Scheme Property; and

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

### 33. **Concentration**

A UK UCITS:

33.1 must not acquire transferable securities other than debt securities which:

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

33.1.2 represent more than 10% of these securities issued by that body corporate;

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

33.3 must not acquire more than 25% of the units or shares in a collective investment scheme;

33.4 must not acquire more than 10% of the money market instruments issued by any single body;

33.5 need not comply with the limits in paragraphs 33.2, 33.3 and 33.4 and of this Appendix if, at the time of the acquisition, the net amount in issue of the relevant investment cannot be calculated.

34. **Significant Influence**

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

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

34.1.2 the acquisition gives the Company that power.

34.2 For the purposes of paragraph 33.1, the Company is to be taken to have power significantly to influence the conduct of business of a body corporate if it can, because of the transferable securities held by it, exercise or control the exercise of 20% or more of the voting rights in that body corporate (disregarding for this purpose any temporary suspension of voting rights in respect of the transferable securities of that body corporate).

## **APPENDIX V**

### **LIST OF OTHER AUTHORISED COLLECTIVE INVESTMENT SCHEMES OPERATED BY THE ACD**

The ACD is also the authorised fund manager of certain other funds:

FP Apollo Multi Asset Management Funds

FP Carmignac ICVC

FP Foresight OEIC

FP Mattioli Woods Funds ICVC

FP Octopus Investments UCITS Funds

FP Pictet

FP Russell Investments ICVC

Volare UCITS Portfolios

## APPENDIX VI

### PAST PERFORMANCE TABLES FOR EACH FUND

#### Historic performance table

Below we have shown the historical performance, for the period to 31 December 2022. Where possible, we have shown the performance over the last 5 years, for each complete year. Past performance is shown in sterling (net of taxes and charges), inclusive of reinvested income but excluding entry or exit charges.

**Past performance is not necessarily a guide to future investment returns.** These figures are presented as a matter of record and should be regarded as such.

#### FP WHEB Sustainability Impact Fund

Class	Launch Date	Percentage Growth year to 31 December 2019	Percentage Growth year to 31 December 2020	Percentage Growth year to 31 December 2021	Percentage Growth year to 31 December 2022	Percentage Growth year to 31 December 2023
A Acc (GBP)	26 May 2009	20.17	19.22	14.74	-17.86	3.32
A Acc (USD)	12 October 2018	24.33	23.18	13.29	-26.62	9.38
B Acc (GBP)	20 October 2014	21.56	20.62	16.06	-16.93	4.49
C Acc (GBP)	3 September 2012	21.03	20.01	15.49	-17.32	3.99
C Inc (GBP)	6 January 2014	20.95	20.00	15.48	-17.32	3.99
C Acc (EUR)	18 December 2017	27.64	13.41	23.66	-21.70	6.13
C Acc (CHF)	18 December 2017	23.01	12.95	18.18	-25.35	-0.20
C Acc (USD)	12 October 2018	25.14	24.00	14.02	-26.14	10.09
D Acc (GBP)	13 August 2021	N/A	N/A	N/A	-17.20	4.09
D Inc (GBP)	13 August 2021	N/A	N/A	N/A	-17.22	4.09

R Acc (GBP)	13 August 2021	N/A	N/A	N/A	-17.41	3.89
MSCI World Net Total Return Index (GBP)		22.74	12.32	22.94	-7.83	16.81
IA Global Sector (GBP)		22.01	14.81	17.57	-11.34	12.66

Source: Morningstar Direct.

## **APPENDIX VII**

### **ADDITIONAL INFORMATION FOR INVESTORS IN SWITZERLAND**

#### **1. Representative**

The representative in Switzerland is ACOLIN Fund Services AG, Leutschenbachstrasse 50, CH- 8050 Zurich.

#### **2. Paying agent**

The paying agent in Switzerland is NPB Neue Privat Bank AG, Limmatquai 1 / am Bellevue, CH- 8024 Zurich.

#### **3. Location where the relevant documents may be obtained**

The prospectus, Key Investor Information Document, the Instrument of Incorporation as well as the annual and semi-annual reports may be obtained free of charge from the representative.

#### **4. Publications**

Publications concerning the foreign collective investment scheme are made in Switzerland on the electronic platform [www.fundpublications.com](http://www.fundpublications.com)

Each time units are issued or redeemed, the issue and the redemption prices or the net asset value together with a reference stating "excluding commissions" must be published on the electronic platform [www.fundpublications.com](http://www.fundpublications.com). Prices are published daily.

#### **5. Payment of retrocessions and rebates**

The fund management company and its agents do not pay any retrocessions to third parties as remuneration for offering activities in respect of fund units in or from Switzerland.

In the case of offering activities in or from Switzerland, the fund management company and its agents may, upon request, pay rebates agreed directly to investors. The purpose of rebates is to reduce the fees or costs incurred by the investor in question. Rebates are permitted provided that:

- they are paid from fees received by the fund management company and therefore do not represent an additional charge on the fund assets;
- they are granted on the basis of objective criteria;
- all investors who meet these objective criteria and demand rebates are also granted these within the same timeframe and to the same extent.

The objective criteria for the granting of rebates by the fund management company are as follows:

- the volume subscribed by the investor or the total volume they hold in the collective investment scheme or, where applicable, in the product range of the promoter;
- the amount of the fees generated by the investor;
- the investment behaviour shown by the investor (e.g. expected investment period);
- the investor's willingness to provide support in the launch phase of a collective investment scheme.

At the request of the investor, the fund management company must disclose the amounts of such rebates free of charge.

#### **6. Place of performance and jurisdiction**

In respect of the units offered in and from Switzerland, the place of performance and jurisdiction is the registered office of the representative.



## **APPENDIX VIII**

### **DIRECTORY**

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

FP WHEB Asset Management Funds

Hamilton Centre, Rodney Way, Chelmsford, England, CM1 3BY

#### **Authorised Corporate Director:**

FundRock Partners Limited

Hamilton Centre, Rodney Way, Chelmsford, England, CM1 3BY

#### **Depositary:**

Citibank UK Limited

Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB

#### **Investment Manager:**

WHEB Asset Management LLP

7 Cavendish Square, London W1G 0PE

#### **Custodian:**

Citibank N.A, London Branch

Citigroup Centre , Canada Square , Canary Wharf, London, E14 5LB

#### **Fund Accountant:**

Apex Fund Services Limited

4<sup>th</sup> Floor, Vallis Building, 58 Par-la-Ville Road, Hamilton HM 11, Bermuda

#### **Administrator and Registrar:**

SS&C Financial Services Europe Limited

SS&C House, St Nicholas Lane, Basildon, Essex SS15 5FS

#### **Auditor:**

Deloitte LLP

110 Queen Street, Glasgow, G1 3BX