

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

Apex Fundrock Ltd, 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 Collective Investment Schemes Sourcebook to be included in it. Apex Fundrock Ltd accepts responsibility accordingly.

**PROSPECTUS**

**OF**

**MI Verbatim Funds**

**(A non UCITS retail scheme open ended investment company incorporated with limited liability and registered in England and Wales under registered number IC000808)**

**(“MI” and “MI Funds” are trading names of the ACD)**

This document constitutes the Prospectus for **MI Verbatim Funds** which has been prepared in accordance with the Collective Investment Schemes Sourcebook.

This Prospectus is dated and valid as at 28 February 2026

Copies of this Prospectus have been sent to the Financial Conduct Authority 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 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**THE ACD CANNOT BE BOUND BY ANY OUT OF DATE PROSPECTUS WHEN IT HAS ISSUED A NEW PROSPECTUS.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 HAVE 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.

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 from Apex Fundrock Ltd.

This Prospectus has been issued for the purpose of section 21 and section 238 of the Financial Services and Markets Act 2000 by Apex Fundrock Ltd.

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 has been prepared solely for, and is being made available to, investors for the purposes of evaluating an investment in Shares in the Funds. Investors should only consider investing in the Funds if they understand the risks involved including the risk of losing all capital invested – attention should be paid to the risk factors set out in respect of each Fund in Section 5 of this prospectus.

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 The Company cannot be bound by an out-of-date prospectus when it has issued a new prospectus and investors should check with Apex Fundrock Ltd that this is the most recently published prospectus.

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

## 1. DEFINITIONS

"ACD"	Apex Fundrock Ltd, the authorised corporate director of the Company;
"ACD Agreement"	an agreement dated 28 February 2026 between the Company and the ACD;
"AIFMD Rules"	the UK domestic regime for full-scope UK alternative investment fund managers, including without limitation: (i) the Alternative Investment Fund Managers Regulations 2013; (ii) Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 (as it applies in the UK by virtue of the European Union (Withdrawal) Act 2018); and (iii) relevant provisions of the FCA Handbook;
"Approved Bank"	(in relation to a bank account opened by the Company): (a) if the account is opened at a branch in the UK: (i) the Bank of England; or (ii) the central bank of a member state of the OECD; or (iii) a bank; or (iv) a building society; or (v) a bank which is supervised by the central bank or other banking regulator of a member state of the OECD; or (b) if the account is opened elsewhere: (i) a bank in (a); or (ii) a bank which is regulated in the Isle of Man or the Channel Islands; or (c) a bank supervised by the South African Reserve Bank; or (d) any other bank that: (i) is subject to regulation by a national banking regulator; (ii) is required to provide audited accounts; (iii) has minimum net assets of £5 million (or its equivalent in any other currency at the relevant time) and has a surplus revenue over expenditure for the last two financial years; and (iv) has an annual audit report which is not materially qualified.
"Auditor"	Grant Thornton UK LLP, or such other entity as is appointed to act as auditor to the Company from time to time;
"CCP"	a legal person that interposes itself between the counterparties to the contracts traded on one or more financial markets, becoming the buyer to every seller and the seller to every buyer, as defined in article 2(1) of EMIR
"Class" or "Classes"	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;

"Client Money Rules"	that part of the FCA Rules which deals with holding client money;
"COLL"	refers to the appropriate chapter or rule in the Collective Investment Schemes Sourcebook which forms part of the FCA Rules;
"Company"	MI Verbatim Funds;
"Conversion"	the conversion of Shares in one Class in a Fund to Shares of another Class in the same Fund and "Convert" shall be construed accordingly;
"Cut-Off Point"	the point prior to which orders to buy, sell, Convert or Switch Shares must be received by the ACD 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;
"Data Protection Laws"	(i) Regulation (EU) 2016/679 of the European Parliament and of the Council on the protection of natural persons with regard to the processing of personal data and on the free movement of such data as it applies in the UK from time to time including as retained, amended, extended, re-enacted or otherwise given effect on or after 11pm on 31 December 2020; (ii) the Data Protection Act 2018 as may be amended from time to time; (iii) the Keeling Schedule and any code, regulation or guidance relating to (i) and/or (ii) as it applies in the UK from time to time;
"Dealing Day"	Monday to Friday (except for a bank holiday in England and Wales) and any other days declared by the ACD to be a non-Dealing Day);
"Depository"	Citibank UK Limited, or such other entity as is appointed to act as Depository;
"EEA"	the European Economic Area;
"EEA State"	a member state of the European Union and any other state which is within the EEA;
"Efficient Portfolio Management" or "EPM"	as defined in paragraph 9 of Appendix III;
"Eligible Institution"	one of certain eligible institutions as defined in the FCA Glossary;
"the FCA"	the Financial Conduct Authority or any other regulatory body which may assume its regulatory responsibilities from time to time;
"the FCA Glossary"	the glossary giving the meanings of the defined expressions used in the FCA Rules as amended from time to time;
"FATCA"	the provisions, enacted in the US, commonly known as the Foreign Account Tax Compliance Act (as amended,

	consolidated or supplemented from time to time) including any regulations issued pursuant to it;
"the FCA Rules"	the FCA Handbook of Rules and Guidance, as amended or replaced from time to time;
"Fund" or "Funds"	a sub-fund of the Company (being part of the Scheme Property of the Company which is pooled separately) to which specific assets and liabilities of the Company may be allocated and which is invested in accordance with the investment objective applicable to such sub-fund;
"Fund Accountant"	Apex Fundrock Ltd, or such other entity as is appointed to provide fund accounting services.
"Instrument of Incorporation"	The instrument of incorporation of the Company as amended from time to time;
"Investment Manager"	Tatton Investment Management Limited, the investment manager to the ACD in respect of the Company;
"ISA"	an individual savings account under The Individual Savings Account Regulations 1998 (as amended);
"Leverage"	means any method by which the exposure of a Fund is increased, whether through borrowing of cash or transferrable securities or leverage embedded in derivative positions or by any other means;
"Net Asset Value" or "NAV"	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;
"Non-UCITS Retail Scheme" or "NURS"	a non-UCITS retail scheme, as defined in the FCA Rules;
"OECD"	the Organisation for Economic Co-operation and Development;
"OEIC Regulations"	the Open-Ended Investment Companies Regulations 2001 as amended or replaced from time to time;
"PRN"	FCA Product Reference Number;
"Professional Liability Risks"	shall have the meaning given to it in IPRU(INV) 11.3.12 EU of the FCA Rules;
"Register"	the register of Shareholders of the Company;
"Registrar"	Apex Fundrock Ltd, or such other entity as is appointed to act as registrar to the Company from time to time;
"Regulated Activities Order"	the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI2001/544) as amended from time to time;
"Regulations"	the OEIC Regulations, and the FCA Rules (including COLL and the FUND Sourcebook);

"Scheme Property"	The scheme property of the Company required under the FCA Rules to be given for safekeeping to the Depositary;
"SDRT"	stamp duty reserve tax;
"Share" or "Shares"	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);
"Shareholder"	A holder of registered Shares in the Company;
"Specified U.S. Person"	a Shareholder who falls within the definition of "Specified U.S. Person" for the purposes of FATCA;
"Switch"	the exchange where permissible of Shares of one Fund for Shares of another Fund and "Switching" shall be construed accordingly;
"The International Tax Compliance Regulations"	2015 (SI 878/2015) implementing obligations arising under the following agreements and arrangements: the Multilateral Competent Authority Agreement on the Automatic exchange of Financial Account Information signed by the government of the UK on 29th October 2014 in relation to agreements with various jurisdictions to improve international tax compliance based on the standard for automatic exchange of financial account information developed by the Organisation for Economic Co-Operation and Development (sometimes known as the "CRS"); and the agreement reached between the government of the UK and the government of the USA to improve tax compliance (sometimes known as the "intergovernmental Agreement" or the "FATCA Agreement");
"UCITS"	an Undertaking for Collective Investment in Transferable Securities scheme or an EEA Undertaking for Collective Investment in Transferable Securities scheme;
"UK"	the United Kingdom of Great Britain and Northern Ireland;
"UK UCITS Scheme"	an Undertaking for Collective Investment in Transferable Securities scheme which may consist of several sub-funds as defined in the FCA Glossary;
"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

2.1.1 MI Verbatim Funds (the "**Company**") is an investment company with variable capital incorporated in England and Wales under registered number IC000808 and authorised by the Financial Conduct Authority with effect from 22<sup>nd</sup> January 2010. The FCA product reference number ("**PRN**") for the Company is 512277. The Company has an unlimited duration.

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 and the authorized fund manager of certain other open-ended investment companies, details of which are set out in Appendix IV.

#### 2.1.2 Head Office

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

#### 2.1.3 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.

#### 2.1.4 Base Currency

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

#### 2.1.5 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.

## 2.2 **The Structure of the Company**

### 2.2.1 **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 Non-UCITS Retail Scheme ("NURS").

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 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 of the relevant Fund. ***Details of the Funds, including their investment objectives and policies, 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 III.***

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. A Shareholder is not liable to make any further payment to the Company after he has paid the price on purchase of the Shares.

The Company's 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.

### 2.2.2 **Shares**

#### **Classes of Shares within the Funds**

Shares will be issued in larger and smaller denominations. There are 10,000 smaller Shares to each larger Share. Smaller Shares represent what, in other terms, might be called fractions of a larger 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 with the approval of the FCA, the agreement of the Depositary and in accordance with the Instrument of Incorporation. On the introduction of any new Fund or Class, either a revised prospectus or a supplemental prospectus will be issued, 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. The Company as a whole will be responsible for all obligations, whichever Fund such liabilities are attributable to, unless otherwise agreed with specific creditors.

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.

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

The Instrument of Incorporation allows income and accumulation Shares to be issued.

<b>Income shares</b>	Holders of income Shares are entitled to be paid the distributable income attributed to such Shares on any relevant interim and annual allocation dates.
<b>Accumulation shares</b>	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.

In accordance with relevant tax law, distribution or allocation of income is made gross without any tax being deducted or accounted for by the Company.

***Full details concerning taxation may be found in section 9 below.***

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.

***Details of the Shares Class that may be issued and are presently available in each Fund, along with their requirements and criteria for subscription, are set out in Appendix I.***

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 Shares for others of the same or another Class within a different Fund of the Company.

***Details of this Conversion and Switching facility and any applicable restrictions are set out in paragraph 3.3 "Conversion and Switching".***

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

Each Share Class 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 Share Class 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/mi-funds/](http://www.fundrock/mi-funds/). 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 the Registrar directly 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 ACD is normally open from 8.30 a.m. to 4.30 p.m. (London time). The ACD may vary these times at its discretion. Requests to deal in Shares may also be made by telephone on each Business Day (at the ACD's discretion) between 08.30a.m. and 4.30p.m. (London time) directly to the office of the ACD (telephone: +44 345 872 4984, fax: 0845 2800069 or such other number as published from time to time) or via electronic dealing platforms (such as Calastone) for the purchase, redemption and Switch of Shares for non-retail clients. In addition, the ACD may from time to time make arrangements to allow Shares to be dealt with through other communication media. The initial purchase must, at the discretion of the ACD, be accompanied by an application form. At present transfer of title by electronic communication is accepted at the ACD's absolute discretion and the ACD may refuse electronic transfers. A request for dealing in Shares must be received by 12.00 noon on a particular Dealing Day in order to be processed on that Dealing Day. 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. Telephone calls will be recorded. The ACD may also, at its discretion, introduce further methods of dealing in Shares in the future.

In addition, the ACD may from time to time make arrangements to allow Shares to be bought or sold on-line or through other communication media. The ACD will accept instructions to transfer or renunciation of title to shares on the basis of an authority communicated by electronic means and sent by the investor or delivered on their behalf by a person that is authorised by the FCA or regulated in another jurisdiction by an equivalent supervisory authority, subject to:

- (a) prior agreement between the ACD and the person making the communication as to:
  - (i) the electronic media by which such communications may be delivered; and
  - (ii) how such communications will be identified as conveying the necessary authority; and
- (b) assurance from any person who may give such authority on behalf of the investor that they will have obtained the required appointment in writing from the investor.

Telephone calls will be recorded. The ACD may also, at its discretion, introduce further methods of dealing in Shares in the future.

In its dealings in Shares of the Sub-funds the ACD is dealing as principal. The ACD deals in Shares as principal in order to facilitate the efficient management of the Company. Any profits made where the ACD's capital is not at risk will be returned to the Company. The ACD is not

accountable to Shareholders for any profit it makes from dealing in Shares as principal where its own capital is at risk.

**In its dealings in Shares of the Funds the ACD is dealing as principal. The ACD may make a profit from dealing in Shares as principal. The ACD is not accountable to Shareholders for any profit it makes in dealing in Shares as principal.**

### 3.1 **Buying Shares**

#### 3.1.1 **Procedure**

Shares may be bought directly from the ACD or through a professional adviser or other intermediary. ***For details of dealing charges associated with buying Shares, see paragraph 3.7 below.*** Application forms may be obtained from the ACD.

Valid applications to purchase 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 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 (being more than one Business Day post contractual settlement date) and any loss arising on such cancellation shall be the liability of the investor. 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. You agree to reimburse any costs, losses, claims and expenses suffered or incurred by the Sub-fund or us as a result of the non-payment of the subscription monies by the agreed settlement date.

A purchase of Shares in writing 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. Investors who invest through the Regular Savings Plan will be entitled to receive back the full amount they invested if they cancel. 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. In such cases, the ACD may charge the applicant for any resulting loss incurred by the ACD.

By signing the application form to subscribe for Shares in the Company, each Shareholder is agreeing to provide such information, in connection with the Company's obligations to comply with the International Tax Compliance Regulations 2015 (including, for the avoidance of doubt, compliance with FATCA) as detailed in the section headed 'Taxation' below, as may be required upon request from the Company or its delegate.

Please note that the Company may treat Shareholders as a Specified U.S. Person where the Registrar is unable to establish that this is not the case.

Shareholders who are concerned about their position are encouraged to consult with their own tax advisers regarding the possible implications of FATCA 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 will be issued together with, where appropriate, a notice of the applicant's right to cancel, will be issued no later than by the end of the business day following the later of (i) 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 of Shareholders. 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 available certain Classes of Shares of any Fund through the Regular Savings Plan (details of current Classes of Shares and Funds which are available are shown in Appendix I). Further information on how to invest through the Regular Savings plan is available from the ACD.

***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 (i) dealing in a Fund has been suspended as set out in paragraph 3.13; or (ii) the ACD has permitted the suspension of redemptions under exceptional circumstances where it is in the interests of all Shareholders as set out in paragraph 3.13.

A redemption instruction in respect of Shares in writing or by 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 accepted by either the Company or the ACD if the redemption represents Shares where the investor has not received title (see section 3.2.1) 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 3.7 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 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.

Payment of redemption proceeds will normally be made by 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.

### 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. For further details on this facility and on which Funds and which Share Classes it is available, please see details in Appendix I.

### 3.2.5 **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 dealings in a Fund, borrowing cash, or applying in-specie redemptions may be used. The circumstances in which such tools may be used are set out in the relevant sections below.

If the ACD's policy for managing liquidity should change, this will be set out in the Annual Report.

## 3.3 **Conversion and Switching**

Subject to any restrictions on the eligibility of investors in relation to a particular Share Class, a Shareholder in a Sub-fund may at any time Convert or Switch all or some of their Shares ("**Original Shares**") for Shares in a different Class or Sub-fund ("**New Shares**").

A Conversion is an exchange of Shares in one Class for Shares of another Class in the same Sub-fund.

A Switch is an exchange of Shares of one Class for Shares in a Class of another Sub-fund.

Conversions and Switches will be effected by the ACD recording the change of Class (and, in the case of Switches the change of Sub-fund) on the Register of the Company at the next Valuation Point following receipt of instructions by the ACD.

The number of New Shares issued to a Shareholder following a Conversion or a Switch will be determined by reference to the price of the Original Shares relative to the price of the New Shares at the relevant Valuation Point.

If a Shareholder wishes to Convert or Switch Shares they should contact the ACD for further information. Instructions may be given by telephone but Shareholders are required to provide written instructions to the ACD (which, in the case of joint Shareholders, must be signed by all the joint Shareholders) before the Switch or Conversion is effected.

The ACD may at its discretion make a charge on the Switching of Shares (but does not currently do so). 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 Shares originally held and any initial charge on the Shares into which the Shareholder has Switched. For details of the charges on Switching currently payable, please see the "Charges on Switching and Conversion" paragraph below. There is no charge payable on a Conversion.

If a partial Conversion or 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, exchange the whole of the Shareholder's holding of Original Shares to New Shares (and make a charge for this) or refuse to effect any Conversion or Switch of the Original Shares.

Save as otherwise specifically set out, the general provisions on procedures relating to redemption will apply equally to a Conversion or a Switch. Written instructions must be received by the ACD before the Valuation Point on a Dealing Day in the Sub-funds concerned to be dealt with at the prices at the Valuation Point on that Dealing Day or at such other Valuation Point as the ACD at the request of the Shareholder giving the relevant instruction may agree. Requests to Switch or Convert

received after a Valuation Point will be held over until the next day which is a Dealing Day for the relevant Sub-fund or Sub-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 COLL Sourcebook.

On completion of a Switch or a Conversion, subsequent Share dealing instructions may be limited, restricted or denied where the ACD's identity evidence requirements have not been complied with. In such circumstance, the ACD shall not be liable for any costs or losses whatsoever.

**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 UK tax purposes. It may give rise to a liability to tax, depending upon the Shareholder's circumstances. Conversions will not generally be treated as a disposal for capital gains tax purposes.**

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

### 3.4 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 Conversion charge (or SDRT on a specific deal, if applicable) is deducted from the gross subscription or the proceeds of the redemption monies.

#### 3.4.1 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.***

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 Fund or a Class may only be increased in accordance with the FCA Rules.

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. Such commission may be paid out of the initial charge or out of other of its own resources.

#### 3.4.2 **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.

#### 3.4.3 **Charges on Conversions and Switching**

On the Switching of Shares between Funds in the Company and Conversions between Classes of Shares, the Instrument of Incorporation authorises the Company to impose a charge. 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 and Conversions is payable by the Shareholder to the ACD.

There is currently no charge for Switching between Funds or for Converting Shares in one Class of a Fund for Shares in another Class of the same Fund.

#### 3.4.4 **Dilution Levy**

The actual cost of purchasing, selling or Switching assets and investments in the Funds may deviate from the mid-market value used in calculating its Share price, due to dealing charges, taxes, and any spread between buying and selling prices of that Fund's underlying investments. These costs could have an adverse effect on the value of the Funds, known as "dilution". In order to mitigate the effect of dilution the FCA Rules allow the ACD to apply a dilution levy on the purchase, redemption or Switch of Shares in a Fund.

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

The dilution levy is calculated by reference to the costs of dealing in the underlying investments of the relevant Fund, including any dealing spreads, commission and transfer taxes.

The need to charge a dilution levy will depend on the volume of purchases and redemptions. It is not possible to predict accurately whether dilution would occur at any point in time.

The ACD's policy is that it may require a dilution levy on the purchase and redemption of Shares if, in its opinion, the existing Shareholders (for purchases) or remaining Shareholders (for redemptions) might otherwise be adversely affected. For example, the dilution levy may be charged in the following circumstances: where the Scheme Property of a Fund is in continual decline; on a Fund experiencing large levels of net purchases relative to its size; on "large deals" (typically being a purchase or redemption of Shares to a size exceeding 5% of the Net Asset Value of the relevant Fund); in any case where the ACD is of the opinion that the interests of existing or remaining Shareholders require the imposition of a dilution levy.

This policy is intended to mitigate the dilutive effect of Shareholder transactions on the future growth of the Company.

Based on future projections the ACD may need to charge a dilution levy 2-4 times a year. If a dilution levy is required then, based on future projections, the estimated rate of such a levy in relation to each Fund would be up to 0.5% for all Funds. On the occasions when a dilution levy is not applied, there may be an adverse impact on the total assets of the relevant Fund or Funds.

The ACD, in its absolute discretion, may waive or reduce the dilution levy. The ACD may alter its current dilution policy in accordance with the procedure set out in the FCA Rules.

### 3.5 **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.

#### **Electronic Verification**

Under The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, The Proceeds of Crime Act, The FCA Senior Management Arrangements Systems & Controls Sourcebook and the guidance in the Joint Money Laundering Steering Group Guidance Notes (which are updated from time to time), states that the ACD must check an applicant's identity and, in certain circumstances, the source of the money invested. The ACD may also request verification documents from the applicant or parties associated with the applicant. In some cases, documentation may be required for officers performing duties on behalf of applicants who are bodies corporate. The checks may include an electronic search of information held about the applicant (or an associated party) on the electoral role and using credit reference agencies. The credit reference agency may check the details the applicant (or an associated party) supplies against any particulars on any database (public or otherwise) to which they have access and may retain a record of that information although that is only to verify identity and will not affect the applicant's (or an associated party's) credit rating. They may also use the applicant's (or an associated party's) details in the future to assist other companies verification purposes. In applying for Shares an applicant is giving the ACD permission to ask for this information in line with Data Protection Laws. If an applicant invests through a financial adviser they must fill an identity verification certificate on their behalf and send it to the ACD with the application.

### 3.6 **Transfers**

Shareholders are entitled to transfer their Shares to another person or body. All transfers must be in writing in the form of an instrument of transfer approved by the ACD for this purpose. Completed instruments of transfer must be returned to the ACD in order for the transfer to be registered by the ACD. Completed instruments of transfer, together with such documentary evidence of proof of identity as may have been requested by the ACD, must be returned to the ACD in order for the transfer to be registered. The ACD shall not be liable for any costs or losses that may be incurred as a result of any failure to or delay in providing satisfactory evidence of identity to the ACD. At present, transfer of title by electronic communication is not accepted.

### 3.7 **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 30 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 own 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.

Upon giving reasonable notice to Shareholders in accordance with the Regulations, the ACD may compulsorily convert Shares where to do so is considered by the ACD to be in the best interests of Shareholders.

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

The ACD may arrange for the Company to issue Shares in exchange for assets other than 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 objective or policy of that Fund.

### 3.9 **In specie redemptions**

If a Shareholder requests the sale of Shares, the ACD may, if in its sole discretion it considers the deal substantial in relation to the total size of the Sub-Fund concerned or in some way detrimental to the Sub-Fund, arrange for the Company to cancel the Shares and transfer Scheme Property to the Shareholder instead of paying the price of the Shares in cash, or, if required by the Shareholder, pay the net proceeds of sale of the relevant Scheme Property to the Shareholder. A deal involving Shares representing 5% or more in value of a Sub-Fund will normally be considered substantial, although the ACD may at its discretion agree an in-specie redemption with a Shareholder whose selling Shares represent less than 5% in value of the Sub-Fund concerned. Before the proceeds of cancellation of the Shares become payable, the ACD will give written notice to the Shareholder that relevant Scheme Property (or the proceeds of sale of that relevant Scheme Property) will be transferred

to that Shareholder. The ACD will select the property to be transferred (or sold) in consultation with the Depositary. They must ensure that the selection is made with a view to achieving no greater advantage or disadvantage to the redeeming Shareholder than to continuing Shareholders. Any such redemption as set out above may be subject to a retention by the Depositary from that property (or proceeds), for the value (or amount) of any relevant transaction costs. The ACD may retain out of the property to be transferred property or cash of a value equivalent to any stamp duty or stamp duty reserve tax to be paid on the redemption of the Shares.

### 3.10 **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 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 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 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 other general 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.

## 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 levy made in respect of any purchase or redemption of Shares.

A request for dealing in Shares must be received by the Valuation Point on a particular Dealing Day in order to be processed on that Dealing Day. 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 4.2.2.3 or 4.2.2.5 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 or 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 at that point in time including (as applicable and without limitation) capital gains tax, income tax, corporation tax, VAT, stamp duty, and any foreign taxes or duties will be deducted.
- 4.2.8 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, value added tax, and SDRT 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 and any SDRT provision anticipated to be received will be added.

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

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 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 Shares are published every dealing day on the ACD's website [www.fundrock/mi-funds/](http://www.fundrock/mi-funds/) and available by calling +44 (0)345 872 4984 during the ACD's normal business hours.

As the ACD deals 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. 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 levy**

Investors should note that in certain circumstances a dilution levy may be applied to the price payable on the purchase or redemption of their Shares (see 'Dilution Levy' at paragraph 3.7.4). Where a dilution levy 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, all or part of the ACD's fee and other expenses may be charged against capital instead of

against income. This treatment of the ACD's fee and other expenses will increase the amount of income (which may be taxable) available for distribution to Shareholders in the Fund concerned but may constrain capital growth. At present only the MI Verbatim Portfolio 5 Income Fund<sup>1</sup> deducts expenses against capital. The rest of the Funds currently deduct from income.

#### **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' at paragraph 3.13).

#### **5.6 Pricing and liquidity**

Where a Fund has exposure to alternative asset classes (including property) 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.

#### **5.7 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 his investment in Shares.

#### **5.8 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:

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<sup>1</sup> This Fund is being terminated and is not available for 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.

## 5.9 **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.

#### 5.10 **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.

#### 5.11 **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.

#### 5.12 **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.

#### 5.13 **Inflation risk**

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

#### 5.14 **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. The ACD may use one or more counterparties to undertake derivative transactions on behalf of a Fund.

If the counterparty to a derivative transaction becomes insolvent or is unable to meet its obligations then the Fund is likely to suffer a loss which may have a significant impact on the investment performance of the Fund.

In such circumstances, the ACD may be required to pledge a Fund's assets as collateral against these transactions to reduce the loss. 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.

#### 5.15 **Taxation**

Exemptions, thresholds, regimes and rates of tax may change in future tax years. See the section headed 'Taxation' for further details about taxation of the Company. The tax treatment will depend on the individual circumstances of each investor and may be subject to change in the future. If you have any doubts about your tax position or

otherwise regarding the suitability of an investment in the Shares, you should seek professional advice.

#### 5.16 **Derivatives for efficient portfolio management**

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 Funds.**

#### 5.17 **Derivatives - techniques**

FCA Rules permit the ACD to use certain techniques when investing in derivatives in order to manage a Fund's exposure to particular counterparties and in relation to the use of collateral to reduce overall exposure to over-the-counter ("OTC") derivatives; for example a Fund may take collateral from counterparties with whom they have an OTC derivative position and use that collateral to net off against the exposure they have to the counterparty under that OTC derivative position, for the purposes of complying with counterparty spread limits. The FCA Rules also permit a Fund to use derivatives to effectively short sell (agree to deliver the relevant asset without holding it in the scheme) under certain conditions.

**Derivatives will be used in the Funds for the purposes of investment. Where the ACD invests in derivatives and forward transactions in the pursuit of a Fund's objectives, the Net Asset Value of that Fund may at times be volatile (in the absence of compensating investment techniques). However, it is the ACD's intention that the Funds will not have volatility over and above the general market volatility of the markets of a Fund's underlying investments owing to the use of the derivatives and/or forward transactions in the pursuit of its objectives. It is not the ACD's intention that the use of derivatives and forward transactions in the pursuit of a Fund's objective will cause its risk profile to change.**

#### 5.18 **Non-UCITS Retail Schemes ("NURS")**

The Company and the Funds are classed as NURS for the purposes of the FCA Rules. Such funds can have wider investment and borrowing powers than UK UCITS Schemes with higher investment limits in various areas. They can also invest to a greater extent in areas such as property and unregulated schemes and have the option to borrow on a permanent basis. Such additional powers can increase potential reward, but may also increase risk.

#### 5.19 **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.

#### 5.20 **Unregulated Collective Investment Schemes**

Each Fund may invest, in total no more than 20% of the Scheme Property, in unregulated collective investment schemes. Unregulated collective investment schemes are generally considered to be a higher risk than investment in regulated schemes. An unregulated collective investment scheme is unlikely to be subject to regulations which govern how they are managed. For example, they can utilise higher risk investment techniques, they may borrow to invest, they can suspend calculation of net asset value preventing redemption or otherwise limit redemption, they may not adhere to internationally recognised accounting standards and functions such as pricing and custody may not be subject to any rules.

A Fund may also invest in unregulated collective investment schemes which are valued less frequently than the Fund. As a result, there is a risk that any market movements will not be reflected in the daily price of the Fund and that investors may miss out on unrealised profits from underlying investments.

#### 5.21 **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.

#### 5.22 **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.

#### 5.23 **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.

#### 5.24 **Leverage**

Leverage of the Company's assets is limited to the permanent borrowing referred to in section 24 ('Borrowing powers and Leverage') of Appendix III ('Investment and Borrowing Powers of the Company').

#### 5.25 **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.

#### 5.26 **Natural or environmental disasters**

Natural or environmental disasters, (such as earthquakes, fires, floods, hurricanes, tsunamis, and other severe weather-related phenomena) may be highly disruptive to economies and markets, adversely impacting individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings and investor sentiment, which can have an adverse effect on the value of a Fund's investments and the ability to pay out dividends. Conditions that are prevalent in one country, market, or region are increasingly likely to adversely affect the markets, issuers, and/or foreign exchange rates in another country. Natural or environmental disasters could prevent a Fund from executing investment decisions in a timely manner and could negatively impact a Fund's ability to achieve its investment objective. This could have a significant adverse impact on the value and the risk profile of a Fund.

## 6. MANAGEMENT AND ADMINISTRATION

### 6.1 Regulatory Status

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

The Depositary is authorised in the UK by the Financial Conduct Authority ("FCA"). Details about the extent of the Depositary's authorisation and regulation by the Financial Conduct Authority are available from the Depositary on request.

### 6.2 Authorised Corporate Director

#### 6.2.1 General

The ACD is Apex Fundrock Ltd which is a private company limited by shares incorporated in England and Wales on 18 May 2007. The ultimate holding company of the ACD is Apex Group Ltd, a company incorporated in Bermuda.

As at the date of this Prospectus, the directors of the ACD are:

A C Deptford  
 P J Foley-Brickley  
 S J Gunson  
 E M C Personne\*  
 D J Phillips \*  
 L A Poynter  
 J F D Thompson \*

\* Independent Non-Executive Director.

No director of the ACD (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.

<b>Registered Office:</b>	Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY
<b>Principal Place of Business:</b>	Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY
<b>Share Capital:</b>	It has a share capital of £4,325,000 issued and paid up.
<b>Ultimate Holding Company:</b>	Apex Group Ltd, a company incorporated in Bermuda.

The ACD is responsible for managing and administering the Company's affairs in compliance with the FCA Rules, including performing certain functions relating to the register (as further explained in paragraph 6.5 below). 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 will perform or delegate the following functions to third parties:

- Investment advice – the investment and reinvestment of assets of the Funds have been delegated to the Investment Manager (as further explained in paragraph 6.4 below).
- Registration services – the ACD performs fund transfer agency services, including registration, as the Registrar (as further explained in paragraph 6.5 below).
- Fund accounting – the ACD performs fund valuation and fund accounting functions.

The ACD remains responsible for ensuring that the parties to whom it delegates such functions perform those delegated functions in compliance with the FCA Rules.

The FCA’s remuneration requirements have been implemented primarily to ensure that relevant members of staff are not incentivised, by way of their remuneration package, to take excessive risks when managing funds. The ACD has approved and adopted a remuneration policy (the “Remuneration Policy”) which explains how the ACD complies with such requirements and which staff are covered. Details of the up-to-date Remuneration Policy, including a description of how remuneration and benefits are calculated and the identities of the persons responsible for awarding such remuneration and benefits can be accessed from the following website: [www.fundrock/mi-funds/](http://www.fundrock/mi-funds/). A paper copy of these details is also available free of charge from the ACD upon request.

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

The appointment of the ACD has been made under an agreement dated 28 February 2026 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 for various acts or omissions in connection with the subject matter of the ACD Agreement, except to the extent that the Company suffers loss by reason of negligence, default, breach of duty or breach of trust in the performance or non-performance of its obligations and functions under the ACD Agreement.

The ACD Agreement provides indemnities to the ACD (to the extent permitted by the COLL Sourcebook) against all actions, claims, costs, expenses, charges, losses, damages and liabilities incurred or suffered by the ACD, in or about the execution or exercise of its powers or duties

or authorities or discretions as ACD, other than in respect of its negligence, default, breach of duty or breach of trust, or to the extent that it is a liability which has been actually recovered from another person. Subject to certain limited exceptions set out in the Regulations, the ACD may retain the services of any person to assist it in the performance of its functions.

The ACD (or its associates or any affected person) is also under no obligation to account to the Depositary, the Company or the Shareholders for any profit it makes on the issue or re-issue or cancellation of Shares which it has redeemed. The ACD may carry out or arrange for the carrying out of stock lending transactions in respect of the Funds. The ACD reserves the right to receive a fee in relation to stock lending, subject to giving Shareholders 60 days' written notice of the details of such fees. The Funds do not currently engage in stock lending.

The appointment of the ACD may be terminated either by resolution of the Company in a general meeting at any time upon 6 months' prior written notice to the ACD (provided that no such notice takes effect until the appointment of a successor authorised corporate director), or if the ACD ceases for any reason to be the Company's authorised corporate director. The appointment of the ACD may be terminated earlier upon the happening of certain specified events. The fees to which the ACD is entitled are set out in section 7.

## 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.

### 6.3.2 **Duties of the Depositary**

The key duties of the Depositary consist of:

- (a) cash monitoring and verifying the Company's cash flows;
- (b) safekeeping of the Scheme Property;
- (c) 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;

- (d) ensuring that, in transactions involving Scheme Property, any consideration is remitted to the Company within the usual time limits;
- (e) 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
- (f) 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.

### 6.3.3 **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 VII.

#### **Liability of the Depositary**

As a general rule the Depositary is liable for any losses suffered as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations except that it will not be liable for any loss where:

- (a) the event which has led to the loss is not the result of any act or omission of the Depositary (or a third party to whom safe custody has been delegated);
- (b) the Depositary could not have reasonably prevented the occurrence of the event which led to the loss despite adopting all precautions incumbent on a diligent depositary as reflected in common industry practice; and

- (c) despite rigorous and comprehensive due diligence, the Depositary could not have prevented the loss.

However, in the case of loss of a financial instrument by the Depositary, or by a third party to whom safe custody has been delegated, the Depositary is under an obligation to return a financial instrument of identical type or corresponding amount without undue delay unless it can prove that the loss arose as a result of an external event beyond the Depositary's reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

### **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.

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

The Company, the ACD and the Depositary are all parties to a legal agreement appointing the depositary effective 28 February 2026 (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

## **6.4 The Investment Manager**

### **6.4.1 General**

The ACD has appointed Tatton Investment Management Limited (the "**Investment Manager**") as the Investment Manager to the ACD in relation to the Funds. The Investment Manager is authorised and regulated by the FCA. The Investment Manager's principal activity is the provision of investment management services.

***Details of the fees payable to the Investment Manager are set out below in the paragraph 7.6 "Investment Manager Fees".***

#### 6.4.2 **Terms of Appointment of Tatton Investment Management Limited**

Under the terms of an agreement between the Investment Manager and the ACD (the "**Tatton Investment Management Agreement**"), the Investment Manager has the authority of the ACD to make decisions on behalf of the ACD in respect of the investments of the Fund, subject always to the provisions of the Instrument, the Prospectus, the Regulations, and the investment objectives and policies of the Fund. The Investment Manager is also authorised to deal on behalf of the Fund. Subject to instances where the Investment Management Agreement may be terminated with immediate effect in the interests of the shareholders, the Investment Management Agreement may be terminated by either party giving the other at least 12 months' written notice.

Under the terms of the Investment Management Agreement, the Investment Manager may delegate to any person the performance of its duties and services required to be performed by it under the Investment Management Agreement.

### 6.5 **The Registrar**

#### 6.5.1 **General**

The ACD acts as registrar and provides administration services to the Company. Fees payable in relation to these registration services are detailed in paragraph 7.1 below.

The registered office of the Registrar is Hamilton Centre, Rodney Way, Chelmsford, Essex, United Kingdom, CM1 3BY.

#### 6.5.2 **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 or the principal place of business of the ACD during normal business hours by any Shareholder or any Shareholder's duly authorised agent.

The plan register (being a record of persons who subscribe for Shares through Individual Savings Accounts ("**ISAs**")) may be inspected at the

office of the Registrar by any Shareholder or any Shareholder's duly authorised agent.

## 6.6 **The Auditor**

The auditor of the Company is Grant Thornton UK LLP, whose address is 8 Finsbury Circus, London EC2M 7EA and they are 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.

## 6.7 **Conflicts of Interest**

### 6.7.1 **General**

The Depositary, the ACD and the Investment Manager (each of which is a "**Service Provider**") or any associate of them may (subject to the COLL Sourcebook) hold money on deposit from, lend money to, or engage in stock lending transactions in relation to, the Company, so long as the services concerned are provided on arm's length terms (as set out in the COLL Sourcebook) and in the case of holding money on deposit or lending money the Service Provider is an eligible institution or approved bank.

The Service Providers or any associate of any of them may sell or deal in the sale of property to the Company or purchase property from the Company provided the applicable provisions of the COLL Sourcebook apply and are observed.

Subject to compliance with the COLL Sourcebook, where relevant, the Service Providers may be party to or interested in any contract, arrangement or transaction to which the Company is a party or in which it is interested.

The Service Providers or any associate of any of them will not be liable to account to the Company or any other person, including the holders of Shares, for any profit or benefit made or derived from or in connection with:

- (a) their acting as agent for the Company in the sale or purchase of property to or from the Sub-funds;
- (b) their part in any transaction or the supply of services permitted by the COLL Sourcebook; or
- (c) their dealing in property equivalent to any owned by (or dealt in for the account of) the Company.

### 6.7.2 **The ACD and Investment Manager**

The ACD, the Investment Manager and other companies within the ACD's and/or the Investment Manager's group may, from time to time, act as investment manager or adviser to other funds or sub-funds which follow similar investment objectives to those of the Sub-funds. It is therefore possible that the ACD and/or Investment Manager may in the course of their business have potential conflicts of interest with the Company or a particular Sub-fund or that a conflict exists between the Company and other funds managed by the ACD.

The ACD and the Investment Manager will take all appropriate steps to identify and prevent or manage such conflicts and each of the ACD and the Investment Manager will have regard in such event to its obligations under the ACD Agreement and the Investment Management Agreement respectively and, in particular, to their obligations to act in the best interests of the Company so far as practicable, having regard to their respective 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 and the Investment Manager will ensure that the Company and other collective investment schemes managed by them are fairly treated.

The ACD acknowledges that there may be some occasions 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(s) cannot be avoided disclose these to Shareholders in an appropriate format.

The ACD's conflicts of interest policy is available for inspection at the office of the ACD. The Investment Manager's conflicts of interest policy is available on request from the Investment Manager.

### 6.7.3 **Depositary**

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 Global 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.

## 7. FEES AND EXPENSES

### 7.1 General

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.

All fees, costs, charges or expenses 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 section 7. The Company or each Fund (as the case may be) may, so far as the FCA Rules 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:

- 7.1.1 the charges and expenses payable to the ACD (which will include the fees and expenses payable to the Registrar and Fund Accountant);
- 7.1.2 fees and expenses payable to the Investment Manager;
- 7.1.3 transaction costs (including, without limitation, fees and/or expenses incurred in acquiring, registering and disposing of investments);
- 7.1.4 fees and expenses in respect of establishing and maintaining the Register of Shareholders (and any plan sub-register) and related functions;
- 7.1.5 expenses incurred in producing, distributing and dispatching income and other payments to Shareholders;
- 7.1.6 fees in respect of the publication and circulation of details of the Net Asset Value and prices;
- 7.1.7 the fees, charges, expenses and disbursements of the auditors and tax, legal and other professional advisers of the Company;
- 7.1.8 the costs of convening and holding Shareholder meetings (including meetings of Shareholders in any particular Fund, or any particular Class within a Fund);
- 7.1.9 costs incurred in taking out and maintaining any insurance policy in relation to the Company and/or the ACD;
- 7.1.10 expenses incurred in company secretarial duties, including the cost of minute books and other documentation required to be maintained by the Company;
- 7.1.11 payments, costs or any other administrative expenses in relation to preparation, updates and amendments to and dissemination of literature

(including the Instrument, Prospectus and KID/PRIIP) required or necessary for the purpose of complying with the FCA Rules or any other applicable law or regulation including where Funds are recognised outside the UK;

- 7.1.12 tax and duties payable by the Company;
- 7.1.13 interest on and charges incurred in borrowings (and other charges incurred in effect with borrowing arrangements);
- 7.1.14 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;
- 7.1.15 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;
- 7.1.16 any payments otherwise due by virtue of changes to the FCA Rules;
- 7.1.17 costs in respect of communications with investors;
- 7.1.18 fees, expenses and costs of any paying representative, associate or other agents of the Company or the ACD for the assistance to the ACD in the performance of its duties.
- 7.1.19 any costs in modifying the ACD Agreement and any other relevant document required under the FCA Rules; and
- 7.1.20 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.

***VAT may be payable on these charges.***

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

Expenses are allocated between capital and income in accordance with the FCA Rules.

## **7.2 Costs relating to EPM**

Certain direct and indirect operational costs and/or fees 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. These costs and/or fees are regarded as transaction costs and, therefore, would fall within 7.1.3 above. Further details on the payment of costs and/or fees relating to Efficient Portfolio Management techniques will be set out in the Annual Report.

### 7.3 **Charges payable to the ACD**

In payment for carrying out its duties and responsibilities the ACD is entitled to take an annual management charge out of each Fund. The annual management charge 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 on the last working day of the month.

***The current annual management charge for each Fund (expressed as a percentage per annum of the Net Asset Value of each Fund) is set out in Appendix I.***

***The ACD is also entitled to all reasonable, properly documented, out of pocket expenses incurred in the performance of its duties.***

**VAT may be payable on these charges.**

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, all or part of the ACD's fees 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 ACD's fee will increase the amount of income (which may be taxable) available for distribution to Shareholders in the Fund concerned, but may constrain capital growth.

Where the policy for a Fund is to take charges first from income, 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.

### 7.4 **Increase in the charges payable to the ACD**

Any increase of the annual management charge by the ACD will be carried out in accordance with the FCA Rules.

### 7.5 **Depositary's fees and expenses**

The Depositary is entitled to receive out of the property of each Sub-fund by way of remuneration, a periodic charge which will accrue and be calculated daily and will be payable monthly in respect of each calendar month as soon as practicable after the month end. The rate or rates and/or amounts of the Depositary's periodic charge in respect of each Fund shall be agreed between the ACD and the Depositary from time to time.

***The Depositary's periodic charge is 0.01% of the Net Asset Value of each Sub-fund.***

It is calculated daily by reference to the Net Asset Value of each Fund on the previous business day. The valuation used for each day which is

not a business day will be the value calculated on the previous business day.

***In addition, VAT on the amount of the periodic charge will be paid out of each Fund.***

In the event of the termination of a Fund, the Depositary shall continue to be entitled to a periodic charge in respect of that Fund for the period up to and including the day on which the final distribution in the termination of the Fund shall be made or, in the case of a termination following the passing of an extraordinary resolution approving the scheme of arrangement, up to and including the final day on which the Depositary is responsible for the safekeeping of the Scheme Property of the Fund. Such periodic charge will be calculated, be subject to the terms and accrue and be paid as described above, except that for the purpose of calculating the periodic charge in respect of any day falling after the day on which the termination day of the Fund commences, the value of the Scheme Property of the Fund shall be the Net Asset Value determined at the beginning of each such day.

The Depositary Agreement between the Company and the Depositary provides that the Depositary may also be paid by way of remuneration, out of the property of the Company, custody fees and other transaction and bank charges. At present the Depositary delegates the function of custody of the Scheme Property to the Global Custodian. The remuneration for acting as custodian is calculated at such rate, rates and/or amounts as may be agreed from time to time.

The remuneration for acting as custodian is calculated at such rate and/or amount as the ACD and the Depositary may agree from time to time.

The current remuneration ranges from between 0.0018% and 0.6% per annum of the value of the Scheme Property, plus VAT (if any) calculated at an ad valorem rate determined by the territory or country in which the assets of the sub-fund are held. The current range of transaction charges is between £1.60 and £107.10 per transaction, plus VAT (if any).

The valuation used for each day which is not a business day will be the value calculated on the previous business day.

Custody and transaction charges will be payable monthly out the property of each Fund in arrears.

***In addition to the remuneration referred to above, the Depositary is entitled to receive reimbursement for expenses properly incurred by it in discharge of its duties or exercising any powers conferred upon it in relation to the Company and each Fund.*** Such expenses include, but are not restricted to:

- 7.5.1 charges and expenses payable to the Global 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;
- 7.5.2 all charges imposed by, and any expenses of, any agents appointed by the Depositary to assist in the discharge of its duties;
- 7.5.3 all charges and expenses incurred in connection with the collection and distribution of income;
- 7.5.4 all charges and expenses incurred in relation to the preparation of the Depositary's annual report to Shareholders;
- 7.5.5 all charges and expenses incurred in relation to stock lending or other transactions;
- 7.5.6 fees and expenses payable to any professional advisors advising or assisting the Depositary.

***In addition, VAT (if any) in connection with any of the above is payable out of each Fund.***

On a winding up of the Company, termination of a Fund or the redemption of all outstanding Shares of a Class the Depositary is entitled to its pro rata fees and expenses to the date of such winding up, termination or redemption and any additional expenses necessarily realised in settling or receiving any outstanding obligations.

## 7.6 **Investment Manager Fees**

The Investment Manager is entitled to receive remuneration for its services, which is paid by the ACD from the annual management charge.

## 7.7 **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.

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

The following is a general summary of current UK tax law and His Majesty's Revenue and Customs ("HMRC") published practice; changes can occur without warning. It does not describe the taxation treatment of shareholders who do not hold their interests as an investment, who do not hold their interests as the absolute beneficial owner, who are subject to special tax regimes or describe the detailed taxation treatment of persons resident in jurisdictions other than the UK. The relevant tax treatment will depend upon the individual circumstances of each investor.

**This summary is not, and should not be relied upon by shareholders who are in any doubt as to the taxation implications of making an investment in the Company as being tax advice. Shareholders are advised to consult their professional advisers as to their individual tax position and see Section 5 – Risk Factors.**

### **Taxation of the Company/Funds**

As the Funds are sub-funds of an open-ended investment company to which the Authorised Investment Funds (Tax) Regulations 2006 apply, each Fund, and not the Company, is deemed to be a separate taxable entity. The Funds are generally exempt from UK taxation in respect of capital gains realised on the disposal of investments held within them.

Each Fund, however, is chargeable to UK corporation tax at a rate equal to the basic rate of income tax for the relevant year of assessment (currently 20%) on most sources of income (other than, inter alia, dividends treated as being exempt under Part 9A of the Corporation Tax Act 2009 (the "CTA 2009") and the portion of dividend distributions from UK authorised unit trusts and other UK open-ended investment companies which is not unfranked), net of allowable expenses (and, in relevant cases as set out below, interest distributions made by the Fund). Dividends treated as being exempt under Part 9A CTA 2009 and the portion of dividend distributions from UK authorised unit trusts and other UK open-ended investment companies which is not unfranked will be exempt income of the Fund. Where foreign tax has been deducted from income from overseas sources, some or all of that tax may in some instances be offset against corporation tax payable by the Fund by way of double tax relief.

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.

If throughout a distribution period the investments of any Fund comprise more than 60% (by market value) in 'qualifying investments' that Fund may elect to treat its distributions as a payment of interest (as opposed to a dividend) for UK tax purposes. Such a Fund is referred to as a 'bond

fund' (though the term does not appear in UK tax legislation). Qualifying investments are, broadly, debt-like instruments and include the holding of shares in a master fund (whether incorporated in the UK or offshore) that itself holds more than 60% of its investments in debt-like instruments.

If any Fund were to be treated as paying an interest distribution, it would normally be able to deduct the amount of that distribution in computing its taxable income for corporation tax purposes, thereby reducing or eliminating its liability to corporation tax for the period in question.

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 ("GDO") 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 undertakes that Shares in the Company will 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.

### **Reporting of tax information**

The Company (or the Funds) and the ACD are subject to obligations which require them to provide certain information to relevant tax authorities about the Company, the Funds, shareholders and payments made to them.

The International Tax Compliance Regulations 2015 give effect to:

- (i) reporting obligations under the Organisation for Economic Co-Operation and Development's Common Reporting Standard for the Automatic Exchange of Financial Account Information (the "**CRS**"). The Company is required to identify accounts maintained for account holders who are tax resident in the EU or jurisdictions with which the UK has entered into an agreement to automatically exchange tax information and collect and report such information to HMRC; and
- (ii) an intergovernmental agreement between the US and the UK in relation to the US Foreign Account Tax Compliance Act ("**FATCA**"). FATCA is designed to help the Internal Revenue Service (the "**IRS**") combat US tax evasion. It requires financial institutions, such as the Company (or the Funds), to report on US investors or US holdings. Failure to comply (or be deemed compliant) with these requirements will subject the Company (or a Fund) to US

withholding taxes on certain US-sourced income and gains.

Provided the Company (or a Fund) complies with its obligations under the International Tax Compliance Regulations 2015 it should be deemed compliant with FATCA and the CRS. HMRC will share reported information with the relevant overseas tax authorities.

Shareholders may be asked to provide additional information to the ACD to enable the Company (or each Fund) to satisfy these obligations. Failure to provide requested information may subject a shareholder to liability for any resulting penalties, US withholding taxes, tax information reporting and/or mandatory redemption, transfer or other termination of the shareholder's interest in a Fund.

Council Directive (EU) 2018/822 ("DAC6") as it applies in the EU Member States (and previously the UK), imposes mandatory disclosure requirements on intermediaries and, in certain circumstances, relevant 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, the investors in the Fund, or any person that has advised or assisted in respect of it could be legally obliged to file information in relation to the investors, the Fund and its activities with the competent authorities with a view to an automatic exchange of such information between relevant tax authorities. 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. DAC6 was subsequently revoked in the UK with effect from 28 March 2023, replaced by the simultaneous implementation of the MDR rules (see below).

The OECD's Model Mandatory Disclosure Rules ("MDR") are now implemented in the UK through The International Tax Enforcement (Disclosable Arrangements) Regulations 2023. These rules reflect CRS avoidance arrangements and the use of opaque offshore structures (effectively, the scope of DAC6 hallmarks D1 and D2).

#### Withholding Tax Liability

To the extent the Company (or a Fund) is subject to withholding tax as a result of:

- (i) a shareholder failing (or delaying) to provide relevant information to the ACD;
- (ii) a shareholder failing (or delaying) to enter into a direct agreement with the IRS; or
- (iii) the Company (or a Fund) becoming liable under FATCA or any legislation or regulation to account for tax in any

jurisdiction in the event that a shareholder or beneficial owner of a share receives a distribution, payment or redemption, in respect of their shares or disposes (or be deemed to have disposed) of part or all of their shares in any way,

(each a "**Chargeable Event**"), the ACD may take any action in relation to a shareholder's holding in a Fund to ensure that such withholding is economically borne by the relevant shareholder and/or the ACD and/or its delegate or agent shall be entitled to deduct from the payment arising on a Chargeable Event an amount equal to the appropriate tax. The action by the ACD may also include, but is not limited to, removal of a non-compliant shareholder from the relevant Fund or the ACD or its delegates or agents redeeming or cancelling such number of shares held by the shareholder or such beneficial owner as are required to meet the amount of tax. Neither the ACD nor its delegate or agent, including the Fund Accountant, will be obliged to make any additional payments to the shareholders in respect of such withholding or deduction.

**Shareholders should consult their own tax advisors regarding the possible implications of these rules on their investments in any Fund.**

#### *Indemnity*

Each shareholder agrees to indemnify the Fund and the ACD and its delegates/agents including the Fund Accountant for any loss caused by such shareholder arising to the Fund and/or its delegates/agents by reason of them becoming liable to account for tax in any jurisdiction on the happening of a Chargeable Event.

#### **Taxation of shareholders**

##### **Income distribution and accumulation**

For the purposes of UK taxation on income, the same consequences will arise whether a Fund's income is distributed to a shareholder or accumulated on their behalf. The tax consequences set out in the following sections apply equally to accumulations of income by a Fund as they apply to the distributions made by a Fund.

##### **Income Equalisation**

The price of a share of a particular class in a particular Fund is based on the value of that class's entitlement in the relevant Fund including the income of the Fund since the previous deemed distribution. In the case of the first income calculation made in respect of a share, part of the amount, namely the equalisation payment, is a return of capital and is not taxable as income in the hands of the shareholder.

Equalisation applies only to shares purchased during the relevant accounting period. It is calculated as the average amount of income

included in the issue price of all shares of the Fund concerned issued during the period.

### **Individual shareholders**

#### *Dividend distributions*

Any dividend distribution made by the Company to an individual Shareholder will be treated as if it were a dividend from a UK company. No deduction of UK income tax is made from a dividend distribution. Individual UK resident Shareholders will be subject to UK income tax at their marginal rate, subject to any exempt income received within an individual's dividend allowance, and it is recommended that specific tax advice is taken in respect of rates and other details that may relate to this allowance.

Dividend income in excess of any dividend allowance applying is currently taxed at different marginal rates for basic rate taxpayers, higher rate taxpayers and additional rate taxpayers (refer to: <https://www.gov.uk/tax-on-dividends>).

However, a UK resident individual shareholder who holds their shares in a Fund in an ISA will be exempt from income tax on dividend distributions from the Fund.

No withholding tax is levied on dividend distributions made to individual shareholders resident outside the UK. Non-UK resident shareholders should consult their own advisers as to the tax consequences of a receipt of distributions under the law of their own jurisdiction of residence.

#### *Interest distributions*

Individual UK resident Shareholders will be subject to UK income tax at their marginal rate, subject to any income received within an individual's personal savings allowance, and again, it is recommended that specific tax advice is taken in respect of rates and other details that may relate to this allowance (refer to: <https://www.gov.uk/apply-tax-free-interest-on-savings>).

#### *Capital gains*

Capital gains made by individual Shareholders on disposals from all chargeable sources of investment will be free of tax if the net gain (after deduction of allowable losses suffered in the same tax year) falls within an individual's annual capital gains exemption for the tax year of disposal.

An individual's net chargeable gains are then taxed at the appropriate rate(s) according to their personal circumstances (refer to <https://www.gov.uk/capital-gains-tax/rates>).

However, a UK resident individual shareholder who holds their shares in an ISA will be exempt from capital gains tax on any gain accruing to them on the disposal or deemed disposal of such shares.

A shareholder who is not resident in the UK will not normally be liable to UK tax on capital gains accruing to them on the disposal or deemed disposal of their holding in any Fund, except where the holding is connected with a trade, profession or vocation carried on by them in the UK through a branch or agency or they fall within certain anti-avoidance provisions relating to temporary non-UK residence.

Where income equalisation applies, the part of the issue price of shares which reflects accrued income and is returned to the shareholder with the first allocation of income following the issue is deducted from the shareholder's capital gains tax base cost in the shares.

#### *Exchange between Funds*

An exchange of shares in one Fund for shares in any other Fund may be treated as a redemption and sale and may for persons subject to UK taxation be a disposal for the purposes of UK capital gains tax.

#### *Exchange between share classes of the same Fund*

An exchange of one class of shares in one Fund for another class of shares in the same Fund (i.e. an exchange of income shares for accumulation shares in the same Fund and vice versa) will generally not constitute a realisation for the purposes of capital gains taxation.

#### *Inheritance tax*

A gift by a shareholder of their holding in any of the Funds or the death of a shareholder may give rise to a liability to inheritance tax, if the shareholder is long-term resident (or, for transfers made prior to 6 April 2025, domiciled (or deemed domiciled)) in the UK. For these purposes, a transfer of a holding at less than the full market value may be treated as a gift.

### **Corporate shareholders**

#### *Dividend distributions*

A UK resident corporate shareholder receiving a dividend distribution is treated as receiving a payment which may consist of two parts; an "unfranked" portion and a portion which is not unfranked. In broad terms, the portion treated as not unfranked will be such proportion as is equal to the proportion of the total income of the Fund (brought into account when determining the distribution for the period in question) which consists of dividend income received which is treated as exempt under Part 9A CTA 2009. The not unfranked portion of the payment is treated as dividend income, on which the UK resident corporate shareholder is not chargeable to corporation tax (unless the shareholder

is deemed to be a financial trader by HMRC). There are no tax credits which can be reclaimed in relation to the portion of a dividend distribution which is not unfranked.

The “unfranked” portion of the distribution is treated as an annual payment from which income tax at 20% has been deducted; it is therefore chargeable to corporation tax at the rate applicable to the UK resident corporate shareholder but with credit for the income tax treated as deducted. The current main rate of corporation tax is 25%.

#### *Interest distributions*

Under section 888C of the Income Tax Act 2007 there is no requirement for any Fund to deduct UK income tax at source from payments of interest to any corporate shareholder.

Interest distributions paid by a bond fund to a UK tax paying corporate shareholder who is not a financial trader will be treated as a non-trading loan relationship credit. In relevant circumstances the bond fund will be able to allocate amounts for distribution as interest. A UK tax paying corporate shareholder (who is not a financial trader) will also have to treat a distribution from any Fund as a non-trading loan relationship credit if at any time in that shareholder’s accounting period (as opposed to throughout the Fund’s distribution period) that Fund fails the qualifying investments test.

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

#### *Qualifying Investments*

If a corporate shareholder who is within the charge to UK corporation tax is required to treat its holding in a Fund as a creditor loan relationship then that corporate shareholder will be taxed in an accounting period on the increase in the fair value of its holding during that period (rather than on disposal), or will obtain tax relief on any equivalent decrease in fair value.

#### *Capital gains*

Shareholders chargeable to UK corporation tax must include all chargeable gains realised on the disposal of Shares in their taxable profits. For Shares acquired prior to December 2017, the amount chargeable will be reduced by an indexation allowance for months up to and including December 2017.

Special provisions apply to a UK corporate Shareholder which invests in a bond fund (see above). Where this is the case, the corporate Shareholder’s Shares are treated for tax purposes as rights under a creditor loan relationship. This means that the increase or decrease in fair value of the Shares during each accounting period of the corporate Shareholder is treated as a loan relationship credit or debit, as

appropriate, and constitutes income (as opposed to a capital gain) for tax purposes and, as such, is taxed in the year that it arises.

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

### **Exchange between Funds**

An exchange of shares in one Fund for shares in any other Fund may be treated as a redemption and sale and may for persons subject to UK taxation be a realisation for the purposes of UK corporation tax on capital gains.

### **Exchange between share classes of the same Fund**

An exchange of one class of shares in one Fund for another class of shares in the same Fund (i.e. an exchange of income shares for accumulation shares and vice versa) will generally not constitute a disposal for the purposes of capital gains taxation.

### **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.

### **Stamp Duty Reserve Tax ("SDRT")**

SDRT is not generally chargeable on dealings in units in authorised investment funds, with subscriptions and redemptions of units are exempt from SDRT.

Sales of shares by one shareholder to another may trigger SDRT at 0.5% payable by the purchaser.

Shareholders will generally be liable to SDRT on the acquisition of "chargeable securities" of a Fund (underlying stock or marketable securities of a Fund that are within the charge to SDRT) in exchange for a surrender of their shares in that Fund (i.e. an in specie redemption), unless the surrender is a pro rata in specie redemption.

### **General**

All Funds of the Company are eligible to be held within a stocks and shares ISA. Income and capital gains within such an ISA are tax free and withdrawals can be made at any time without any loss of tax relief.

In the case of accumulation shares, reinvested income is deemed to have been distributed to the shareholder for the purposes of taxation

and a tax voucher will be issued to the shareholder to provide the appropriate details for their returns.

### **Tax-Elected Funds (“TEFs”)**

TEFs and investors in them are taxed as described above in respect of capital gains. The tax treatment of their income may be different, however. None of the Funds have currently elected to join the TEF regime.

### **Taxation of TEFs - income**

TEFs are entitled to deduct the gross amount of all non-dividend distributions (as described below) made from their taxable income. This should generally result in TEFs having no UK tax liability on their income (noting that certain types of income received by a TEF, such as non-exempt dividends, offshore income gains, or certain property income, may still be taxable).

### **Taxation of Shareholders of a TEF - income**

Any TEFs that produce distributable income will pay distributions to investors (which will be automatically reinvested in the Fund in the case of accumulation Shares).

Any UK resident investors who receive distributions (or are deemed to receive them in the case of accumulation Shares) may have to classify them into two categories (in which case the division will be indicated on the tax voucher). The attribution will depend on the nature of the income arising to the TEF.

TEF distribution (dividend): Any part of a TEF’s income representing dividends or certain other types of property-related income will constitute a TEF distribution (dividend) for UK tax purposes. It should be treated in the same way as a dividend distribution from a Fund that has not opted for TEF status in the hands of United Kingdom resident investors, as described under the sub-heading “Taxation of shareholders” above.

TEF distribution (non-dividend): Any part of a TEF’s income representing other types of income will constitute a TEF distribution (non-dividend) for UK tax purposes. It should be treated in the same way as an interest distribution from a Fund as described under the sub-heading “Taxation of shareholders” above.

Non-UK resident investors may be required to treat all distributions from TEFs as dividends, depending on their personal circumstances. Non-UK resident investors are advised to consult their professional advisers as to their individual tax position, including under the law of any relevant jurisdiction.

**Provision of tax advice for investors**

It should be noted that the Authorised Corporate Director ("**ACD**") of this fund, being Apex Fundrock Ltd, does not provide taxation advice of any description for any relevant jurisdiction to the fund's investors.

As such, any information provided in the taxation section should not be relied upon by the fund's investors as the basis for any investment or other decision relating to the investor's current or future holding in the fund.

These details are provided for information purposes only.

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

The Company 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 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) either that the Company will be able to meet its liabilities within 12 months of the date of the statement or that the Company will be unable to do so. The Company may not be wound up under the Regulations 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 FCA Rules 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.
- 10.4 on the effective date of a duly approved scheme of arrangement which is to result in the Company ceasing to hold any Scheme Property; or
- 10.5 in the case of a Fund, on the effective date of a duly approved scheme of arrangement which is to result in the Fund ceasing to hold any Scheme Property; or
- 10.6 on the date on which all of the Funds fall within 10.5 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:

- 10.7 COLL 6.2 (Dealing), COLL 6.3 (Valuation and Pricing) and COLL 5 (Investment and borrowing powers) will cease to apply to the Company or the relevant Fund;

- 10.8 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;
- 10.9 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;
- 10.10 where the Company is being wound up, the Company shall cease to carry on its business except in so far as it is beneficial for the winding up of the Company;
- 10.11 the corporate status and powers of the Company and subject to 10.1 to 10.5 above, the powers of the Depositary shall continue until the Company is dissolved.

The ACD shall, as soon as practicable after the Company or the Fund falls to be wound up or terminated (as appropriate), realise the assets and meet the liabilities of the Company and, after paying out or retaining adequate provision for all liabilities properly payable and retaining provision for the costs of winding up or 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, the Company will be dissolved and any money (including unclaimed distributions) still standing to the account of the Company, will be paid into court by the ACD within one month of the dissolution.

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) within two 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. 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 FCA Rules.

In relation to income Shares, distributions of income for each Fund in which income Shares are issued 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.

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 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 report containing the full accounts is available to any person free of charge upon request to the ACD directly.

The reports of the Company shall (if relevant) contain details of:

- (a) the percentage of each Fund's assets that are subject to special arrangements arising from their illiquid nature;
- (b) any new arrangements that the ACD has made for managing a Fund's liquidity;
- (c) each Fund's current risk profile and the risk management systems employed by the ACD to manage those risks.

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

The following documents may be inspected free of between 8.30am and 4.30pm (London time) on any business day at the offices of the ACD at Hamilton Centre, Rodney Way, Chelmsford, Essex, United Kingdom, 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 28 February 2026 between the Company and the ACD; and
- 11.5.2 the Depositary Agreement dated 28 February 2026 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 Apex Fundrock Ltd, Hamilton Centre, Rodney Way, Chelmsford, Essex, United Kingdom, CM1 3BY. 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 record keeping, security training and monitoring purposes and to confirm investors' instructions. Recordings will be provided on request for a period of at least five years from the date of such recording, or, where requested by a competent regulatory authority, for a period of seven years, where 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**

Any complaint should be referred to the ACD at its registered office. All complaints will be handled in accordance with the ACD's internal complaint handling procedures.

In the event that an unsatisfactory response is provided, you can refer your complaint to the Financial Ombudsman Service at: The Financial Ombudsman Service, Exchange Tower, London, E14 9SR. Information about the Financial Ombudsman can be found on its website at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk).

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. Apex Fundrock Ltd is covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the scheme 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 Financial Conduct Authority and the Financial Services Compensation Scheme.

#### 11.9 **Commission**

When executing orders, or placing orders with other entities for execution, that relate to financial instruments for, or on behalf of, the

Funds, the Investment Manager will not accept and retain any fees, commissions or monetary benefits; or accept any non-monetary benefits, where these are paid or provided by any third party or a person acting on behalf of a third party.

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

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

#### **11.10 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.

#### **11.11 Professional Liability Risks**

As the Company is an 'Alternative Investment Fund' for the purposes of the AIFMD Rules, the ACD is required to ensure that certain Professional Liability Risks are covered at all times, either through additional own funds and/or through appropriate coverage of professional indemnity insurance. The ACD satisfies its obligations to cover Professional Liability Risks in relation to the Company by: (a) holding professional indemnity insurance (in accordance with the FCA Rules) and maintaining an amount of own funds to meet the capital requirements under the AIFMD Rules; and (b) complying with the qualitative requirements in the AIFMD Rules that address professional liability risks.

#### **11.12 Best Execution**

The ACD and Investment Manager must act in the best interests of each Fund when executing decisions to deal on behalf of the relevant Fund. The ACD's best execution policy sets out (i) the systems and controls that have been put in place and (ii) the basis upon which the ACD will effect transactions and place orders in relation to the Company whilst complying with its obligations under the handbook of rules issued by the FCA to obtain the best possible outcome for each transaction undertaken on behalf of the company. Details of the best execution policy are

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

#### 11.13 Fair treatment of investors

Procedures, arrangements and policies have been put in place by the ACD to ensure compliance with the principles of fair treatment of investors. The principles of treating investors fairly include, but are not limited to:

- (a) acting in the best interest of the Funds and of the investors;
- (b) executing the investment decisions taken for the account of the Funds in accordance with the objectives, the investment policy and the risk profile of the Funds;
- (c) ensuring that the interests of any group of investors are not placed above the interests of any other group of investors;
- (d) ensuring that fair, correct and transparent pricing models and valuation systems are used for the Funds managed;
- (e) preventing undue costs being charged to the Funds and investors;
- (f) taking all reasonable steps to avoid conflicts of interests and, when they cannot be avoided, identifying, managing, monitoring and, where applicable, disclosing those conflicts of interest to prevent them from adversely affecting the interests of investors; and
- (g) recognising and dealing with complaints fairly.

#### 11.14 Preferential treatment of investors

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 Shareholders.

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

As at the date of this Prospectus, the ACD has not granted preferential treatment or the right to obtain preferential treatment to any investor

or potential investor in the Funds. As such, all investors in the Company will invest in the same manner and on the same terms.

#### 11.15 **Shareholder's rights**

Shareholders are entitled to participate in 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.

#### 11.16 **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:

- (a) 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;

- (b) the current risk profile of each Fund, and information on the risk management systems used by the ACD to manage those risks;
- (c) where applicable, any right of reuse of collateral or any guarantee granted under leveraging arrangements;
- (d) the total amount of leverage employed by each Fund calculated in accordance with the gross and commitment methods; and
- (e) any material changes to the information above.

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.

#### 11.17 Notices

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

#### 11.18 Changes to the Company

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>	An event that will change purpose or nature of the Fund or the basis on which the investor invested, for example changes to an investment objective, its risk profile or something that will cause material prejudice to investors would require investor approval. <b>Fundamental changes require approval at a meeting of Shareholders. The procedure for Shareholder meetings is described above at paragraph.</b>
<b>Significant event</b>	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 material increase payments out of the Company, or could reasonably be expected to cause a Shareholder to reconsider their participation in the Company. <b>If the change is regarded as significant, not less than 60 days' prior written notice will be given to Shareholders.</b>

<b>Notifiable event</b>	An event that is not fundamental or significant and for which the ACD would decide when and how Shareholders would be notified. <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.
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Changes to a Fund's investment 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.

If the change is regarded as significant, not less than 60 days' prior written notice will be given to Shareholders. If the change is regarded as notifiable, Shareholders will receive suitable pre or post event notice of the change.

#### 11.19 **Genuine diversity of ownership**

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

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

#### 11.20 **Provisions to facilitate any future election for TEF status**

The Funds may not have a UK property business or an overseas property business (as defined for regulation 69Z46 of the Authorised Investment Funds (Tax) FCA Rules 2006).

No Fund may enter into or be a party to any form of debt, the interest on which is dependent on the results of that Fund or the value of its assets, or where the interest exceeds a normal commercial return on the principal, or where the capital to be repaid exceeds the amount lent or is not reasonably comparable with amounts generally repayable on listed securities (as provided in regulation 69Z47 of the Authorised Investment Funds (Tax) FCA Rules 2006).

#### 11.21 **Data protection**

Prospective investors should note that all personal data contained in any document provided by shareholders or any further data collected in the

course of business with the Fund or provided personally to the ACD constitutes personal data within the meaning of Data Protection Laws.

Such personal data will be used by the Company for the purposes of administration, transfer agency, statistical analysis, research and disclosure to the Company, its delegates, and agents. Such processing of personal data is required: (i) for the performance of tasks that are necessary for the performance of the contract between the Investor and the Company, (ii) for compliance with certain legal obligations to which the Company or a Fund is subject, or (iii) is carried out on as the ACD considers it is within its legitimate interests to do so (having shown that its legitimate interests are not overridden by the prospective investors' own interests, rights, and freedoms) (the "**Grounds for Processing**"). The ACD follows strict security procedures as to how prospective investors' personal data is stored and used, and who sees it, to help stop any destruction, loss, alteration or an unauthorised person accessing it.

Investors acknowledge that such personal data are disclosed by the Company, its delegates and its or their duly authorised agents and any of their respective related, associated or affiliated companies on the basis of the above Grounds for Processing and that such entities ("**Apex Fundrock's Associates**") may further process (including obtaining, holding, using, disclosing and otherwise processing) the personal data on the basis of the same Grounds for Processing for any one or more of the following purposes:

- to manage and administer the investor's holding in the Company and any related accounts on an ongoing basis;
- to carry out statistical analysis and market research;
- to comply with legal, regulatory and taxation obligations applicable to the investor and the Company; or
- for disclosure or transfer, whether in the United Kingdom or countries or territories outside of the United Kingdom, including, but without limitation, the United States, to third parties, including financial advisors, regulatory bodies, auditors and technology providers or to the Company and its delegates and its or their duly appointed agents and any of their respective related, associated or affiliated companies for the purposes specified above.

Where transferring personal data outside the UK, such as to the United States, Apex Fundrock's Associates shall take such additional steps to adequately protect the Shareholders' personal data as required under Data Protection Laws. This may include, in the absence of an adequacy regulation, safeguards such as the Information Commissioner's Office's International Data Transfer Agreement.

In cases where personal data is shared with third parties who are themselves controllers, Apex Fundrock's Associates will consider the

applicable requirements of the ICO's statutory code of practice, which means, amongst others, that Apex Fundrock's Associates will have to have written terms in place with any other controller setting out what categories of personal data are being shared and for what purpose. When sharing personal data with another organisation who is a processor, Apex Fundrock's Associates is aware that certain mandatory written terms must be included in that contract, as well as having carried out due diligence on the recipient before sharing personal data with it.

The Company, the ACD and Apex Fundrock's Associates may also process prospective investors' personal information where it or they consider there are other legitimate business interests of the Company (including fraud prevention) to necessitate the processing (having shown that its legitimate interests are not overridden by the individuals' own interests, rights, and freedoms) or for any other specific purposes where the investor has given specific consent to the processing (in advance). If a prospective investor has provided consent for their personal data to be processed, the prospective investor shall be entitled to withdraw their consent at any time by contacting the ACD at [DPO@apexfs.com](mailto:DPO@apexfs.com). Please note, in particular, in order to comply with the Common Reporting Standard (Please see the section of this Prospectus entitled "European Union Administrative Cooperation in the Field of Taxation Directive and the Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard"), as implemented in the United Kingdom by the International Tax Compliance Regulations 2015, an investor's personal data (including financial information) may be shared with HM Revenue & Customs and other tax authorities.

They in turn may exchange information (including personal data and financial information) with foreign tax authorities (including foreign tax authorities located outside the UK or EEA). Please consult the Automatic Exchange of Information ("**AEOI**") webpage on [www.gov.uk](http://www.gov.uk) for further information in this regard.

Please note that your personal data will be retained by the Company for as long as necessary to fulfil the purposes the ACD collected it for, which, in general terms, is likely to be for the duration of the relevant investment and otherwise in accordance with the Company's legal obligations (e.g. 7 years in the UK). Pursuant to the Data Protection Laws, investors have a right of access to their personal data kept by the Company, the right to amend and rectify any inaccuracies in their personal data held by the Company and the right to data portability of their personal data by making a request to the Company in writing at [DPO@apexfs.com](mailto:DPO@apexfs.com). For further information in relation to your data protection rights refer to the website of the Information Commissioner's Office at <https://ico.org.uk/> and search for "Individual Rights".

The ACD reserves the right to change, modify, add or remove portions of this notice from time to time in our sole discretion, but will inform investors of all material changes. If you have any questions or concerns

regarding this notice or the ACD's practices please contact the ACD at DPO@apexfs.com.

#### 11.22 **Legal implications of investing in 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, the Shareholder 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 their investment will, subject to the terms of the application form, generally be limited to the value of their investments.

#### 11.23 **Governing law and jurisdiction**

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.

#### 11.24 **Shareholder compensation**

Shareholders may be entitled to compensation from the Financial Services Compensation Scheme if the Company cannot meet its obligations. This depends on the type of business and circumstances of the claim. In respect of most types of investment business the first £85,000 is protected in full.

Further information about compensation arrangements is available from the Financial Services Compensation Scheme website [www.fscs.org.uk](http://www.fscs.org.uk).

#### 11.25 **Client Money**

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 Client Money Rules. The purpose of utilising client money accounts is to protect shareholders should the ACD become insolvent during such a period. All client money 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.

### **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 measures to protect these sums.

For the purpose of this section, 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.

**APPENDIX I**

The Funds in the Company have each been risk rated and allocated a number (indicated at the end of each Fund name) to reflect that rating. Lower numbers indicate a less risky Fund, whilst the higher numbers reflect a Fund which is for investors with a greater appetite for risk. The Funds invest in accordance of the level of risk relevant to the particular Fund. Shareholders will, prior to investing, be allocated a risk profile based on an analysis of their current asset allocation and their attitude to risk, using a risk profile modelling tool which analyses a prospective investors response against 10 measures of risk, and investors are then allocated a Fund or Funds for investment accordingly.

**These Funds will only be accessible through Financial Advisers using these risk ratings, there will be no direct access.**

**FUND DETAILS**

<b>Name:</b>	MI Verbatim Portfolio 3 Fund
<b>Type of Fund:</b>	Non-UCITS Retail Scheme (NURS)
<b>FCA PRN:</b>	633501
<b>Launch date:</b>	16 February 2010
<b>First Dealing Day:</b>	1 March 2010
<b>Investment objective:</b>	The Fund will use a broadly defensive investment strategy with the aim of achieving capital growth over the medium to longer term.
<b>Investment policy:</b>	<p>The Fund will seek to achieve its objective through investment in collective investment schemes (regulated and unregulated) as well as directly held transferable securities (including exchange traded notes), derivatives, cash, deposits (including certificates of deposit), warrants, and money market instruments. Investment may be made globally but foreign currency exposure through non UK investments may be hedged back into Sterling.</p> <p>The Fund may also gain exposure (directly and indirectly) to alternatives, including but not limited to, property, commodities, hedge funds, private equity, infrastructure and loans, through investment in collective investment schemes and transferable securities. Use may also be made of stock lending, borrowing, cash holdings and derivatives.</p> <p>It is intended that derivatives will be used for investment purposes as well as for efficient portfolio management but the ACD does not anticipate that such use of derivatives will have any significant adverse effect on the risk profile of the Fund. In particularly volatile markets, the Investment Manager may temporarily hold more than 10% in cash provided it is in accordance with the investment objective of the Fund. As the Investment Manager has the discretion to borrow up to 10% of the value of the property of the Fund, this facility may be used to help manage liquidity.</p>
<b>No benchmark explanation:</b>	The Fund is managed with the aim to maintain within its risk band, consistent with broadly defensive investment strategy, rather than to deliver a target return. There is no constraining benchmark or suitable comparator available. Investors can assess the Fund's performance by comparison of its total return over the medium to longer term to the Fund's Investment objective.

<b>Investment Manager:</b>	Tatton Investment Management Limited
<b>Final accounting date:</b>	31 December
<b>Interim accounting date:</b>	30 June
<b>Income accumulation / distribution date*:</b>	28 February
<b>Valuation Point:</b>	12 noon
<b>Dealing frequency:</b>	Daily
<b>Classes of Shares:</b>	B Class
<b>Type of Shares:</b>	Accumulation
<b>Currency of denomination:</b>	Pounds sterling
<b>Initial charge:</b>	5%
<b>Redemption charge:</b>	None
<b>Annual Management Charge:</b>	0.9%
<b>Minimum initial investment:</b>	£1,000
<b>Minimum subsequent investment:</b>	£500
<b>Minimum holding:</b>	£1,000
<b>Minimum redemption:</b>	£500
<b>Regular Savings Plan:</b>	Yes, minimum payment of £50 per month (minimum £50 per fund)
<b>Regular Withdrawal Facility</b>	Yes – available on lump sum investments into accumulation Shares with a minimum qualifying investment of £10,000.  The minimum withdrawal per fund per year is £300 or 3%. This facility is not available where money is being invested by direct debit in a regular savings plan.
<b>ISA status:</b>	Qualifying Investment for stocks and shares component
<b>Charges taken from income:</b>	Yes
<b>Past performance:</b>	Past performance information is set out in Appendix V

<b>Status of Fund for tax purposes:</b>	The Fund will be an Equity Fund for the purposes of tax
<b>Initial price:</b>	100p
<b>Whether Shares will be issued in any other currency:</b>	No
<b>Typical investor profile:</b>	<p>This Fund may be suitable for:</p> <p>A cautious investor who is looking for an investment where the return should be slightly better than that available from a high street deposit account and accept that the value of the investment could fall as well as rise. They would feel uncomfortable however if their investments were to rise and fall in value very rapidly.</p>

\*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 FCA Rules.

<b>Name:</b>	MI Verbatim Portfolio 4 Fund
<b>Type of Fund:</b>	Non-UCITS Retail Scheme (NURS)
<b>FCA PRN:</b>	633502
<b>Launch date:</b>	16 February 2010
<b>First Dealing Day:</b>	1 March 2010
<b>Investment objective:</b>	The Fund will use a broadly cautious managed investment strategy with the aim of achieving capital growth over the medium to longer term.
<b>Investment policy:</b>	<p>The Fund will seek to achieve its objective through investment in collective investment schemes (regulated and unregulated) as well as directly held transferable securities (including exchange traded notes), derivatives, cash, deposits (including certificates of deposit), warrants and money market instruments. Investment may be made globally but foreign currency exposure through non UK investments may be hedged back into Sterling.</p> <p>The Fund may also gain exposure (directly and indirectly) to alternatives, including but not limited to, property, commodities, hedge funds, private equity, infrastructure and loans, through investment in collective investment schemes and transferable securities.</p> <p>Use may also be made of stock lending, borrowing, cash holdings and derivatives. It is intended that derivatives may be used for investment purposes as well as for efficient portfolio management but the ACD does not anticipate that such use of derivatives will have any significant adverse effect on the risk profile of the Fund. In particularly volatile markets, the Investment Manager may temporarily hold more than 10% in cash provided it is in accordance with the investment objective of the Fund. As the Investment Manager has the discretion to borrow up to 10% of the value of the property of the Fund, this facility may be used to help manage liquidity.</p>
<b>No benchmark explanation:</b>	The Fund is managed with the aim to maintain within its risk band, consistent with broadly cautious managed investment strategy, rather than to deliver a target return. There is no constraining benchmark or suitable comparator available. Investors can assess the Fund's performance by comparison of its total return over the medium to longer term to the Fund's Investment objective.

<b>Investment Manager:</b>	Tatton Investment Management Limited
<b>Final accounting date:</b>	31 December
<b>Interim accounting date:</b>	30 June
<b>Income accumulation / distribution date*:</b>	28 February
<b>Valuation Point:</b>	12 noon
<b>Dealing frequency:</b>	Daily
<b>Classes of Shares:</b>	B Class
<b>Type of Shares:</b>	Accumulation
<b>Currency of denomination:</b>	Pounds sterling
<b>Initial charge:</b>	5%
<b>Redemption charge:</b>	None
<b>Annual Management Charge:</b>	0.9%
<b>Minimum initial investment:</b>	£1,000
<b>Minimum subsequent investment:</b>	£500
<b>Minimum holding:</b>	£1,000
<b>Minimum redemption:</b>	£500
<b>Regular Savings Plan:</b>	Yes, minimum payment of £50 per month (minimum £50 per fund)
<b>Regular Withdrawal Facility</b>	Yes – available on lump sum investments into accumulation Shares with a minimum qualifying investment of £10,000. The minimum withdrawal per fund per year is £300 or 3%. This facility is not available where money is being invested by direct debit in a regular savings plan.
<b>ISA status:</b>	Qualifying Investment for stocks and shares component
<b>Charges taken from income:</b>	Yes
<b>Past performance:</b>	Past performance information is set out in Appendix V

**Status of Fund for tax purposes:** The Fund is an Equity Fund for the purposes of tax

**Initial price:** 100p

**Typical investor profile:** This Fund may be suitable for:

A balanced investor is looking for a balance of risk and reward, seeking higher returns than those available from a high street deposit account and willing to accept a certain amount of fluctuation in the value of their investments as a result. However, they would feel uncomfortable if their investments were to fall in value significantly in one year.

\*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 FCA Rules.

**Name:** MI Verbatim Portfolio 5 Income Fund

**This Fund is being terminated and is not available for investment**

**Type of Fund:** Non-UCITS Retail Scheme (NURS)

**FCA PRN:** 633503

**Launch date:** 16 February 2010

**First Dealing Day:** 1 March 2010

**Investment objective:** The Fund will use a broadly cautious balanced investment strategy with the aim of achieving income with some potential for capital growth over the medium to longer term.

**Investment policy:** The Fund will seek to achieve its objective through investment in collective investment schemes (regulated and unregulated) as well as directly held transferable securities (including exchange traded notes), derivatives, cash, deposits (including certificates of deposit), warrants, and money market instruments. Investment may be made globally but foreign currency exposure through non UK investments may be hedged back into Sterling.

The Fund may also gain exposure (directly and indirectly) to alternatives, including but not limited to, property, commodities, hedge funds, private equity, infrastructure and loans, through investment in collective investment schemes and transferable securities.

The equity element of the portfolio will have a bias towards stocks generating a high and sustainable income.

Use may also be made of stock lending, borrowing, cash holdings and derivatives. It is intended that derivatives may be used for investment purposes as well as for efficient portfolio management but the ACD does not anticipate that such use of derivatives will have any significant adverse effect on the risk profile of the Fund. In particularly volatile markets, the Investment Manager may temporarily hold more than 10% in cash provided it is in accordance with the investment objective of the Fund.

As the Investment Manager has the discretion to borrow up to 10% of the value of the property of the Fund, this facility may be used to help manage liquidity.

**No benchmark** The Fund is managed with the aim to maintain within its risk band, consistent with broadly cautious balanced

<b>explanation:</b>	investment strategy, rather than to deliver a target return. There is no constraining benchmark or suitable comparator available. Investors can assess the Fund's performance by comparison of its total return over the medium to longer term to the Fund's Investment objective.
<b>Investment Manager:</b>	Tatton Investment Management Limited
<b>Final accounting date:</b>	31 December
<b>Interim accounting date:</b>	30 June
<b>Ex-dividend dates:</b>	1 January/1 April/1 July/1 October
<b>Income accumulation / distribution dates*:</b>	28 February/31 May/31 August/30 November
<b>Valuation Point:</b>	12 noon
<b>Dealing frequency:</b>	Daily
<b>Classes of Shares:</b>	B Class
<b>Type of Shares:</b>	Income
<b>Currency of denomination:</b>	Pounds sterling
<b>Initial charge:</b>	5%
<b>Redemption charge:</b>	None
<b>Annual Management Charge:</b>	0.9%
<b>Minimum initial investment:</b>	£1,000
<b>Minimum subsequent investment:</b>	£500
<b>Minimum holding:</b>	£1,000
<b>Minimum redemption:</b>	£500
<b>Regular Savings Plan:</b>	Yes, minimum payment of £50 per month (minimum £50 per fund)
<b>Regular Withdrawal Facility</b>	Yes – available on lump sum investments into accumulation Shares with a minimum qualifying investment of £10,000. The minimum withdrawal per fund per year is £300 or 3%. This facility is not available where money is being invested by direct debit in a regular savings plan.

<b>ISA status:</b>	Qualifying Investment for stocks and shares component
<b>Charges taken from income:</b>	No
<b>Past performance:</b>	Past performance information is set out in Appendix V
<b>Status of Fund for tax purposes:</b>	The Fund is an Equity Fund for the purposes of tax
<b>Initial price:</b>	100p
<b>Typical investor profile:</b>	<p>This Fund may be suitable for:</p> <p>A balanced investor is looking for a balance of risk and reward, seeking higher returns than those available from a high street deposit account and willing to accept a certain amount of fluctuation in the value of their investments as a result. However, they would feel uncomfortable if their investments were to fall in value significantly in one year. This Fund may be suitable for those investors seeking some income.</p>

\*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 FCA Rules.

<b>Name:</b>	MI Verbatim Portfolio 5 Growth Fund
<b>Type of Fund:</b>	Non-UCITS Retail Scheme (NURS)
<b>FCA PRN:</b>	633504
<b>Launch date:</b>	16 February 2010
<b>First Dealing Day:</b>	1 March 2010
<b>Investment objective:</b>	The Fund will use a broadly cautious balanced strategy with the aim of achieving capital growth over the medium to longer term.
<b>Investment policy:</b>	<p>The Fund will seek to achieve its objective through investment in collective investment schemes (regulated and unregulated) as well as directly held transferable securities (including exchange traded notes), derivatives, cash, deposits (including certificates of deposit), warrants, and money market instruments. Investment may be made globally but foreign currency exposure through non UK investments may be hedged back into Sterling.</p> <p>The Fund may also gain exposure (directly and indirectly) to alternatives, including but not limited to, property, commodities, hedge funds, private equity, infrastructure and loans, through investment in collective investment schemes and transferable securities.</p> <p>Use may also be made of stock lending, borrowing, cash holdings and derivatives. It is intended that derivatives will be used for investment purposes as well as for efficient portfolio management but the ACD does not anticipate that such use of derivatives will have any significant adverse effect on the risk profile of the Fund. In particularly volatile markets, the Investment Manager may temporarily hold more than 10% in cash provided it is in accordance with the investment objective of the Fund. As the Investment Manager has the discretion to borrow up to 10% of the value of the property of the Fund, this facility may be used to help manage liquidity.</p>
<b>No benchmark explanation:</b>	The Fund is managed with the aim to maintain within its risk band, consistent with broadly cautious balanced strategy, rather than to deliver a target return. There is no constraining benchmark or suitable comparator available. Investors can assess the Fund's performance by comparison of its total return over the medium to longer term to the Fund's Investment objective.
<b>Investment Manager:</b>	Tatton Investment Management Limited

<b>Final accounting date:</b>	31 December
<b>Interim accounting date:</b>	30 June
<b>Income accumulation / distribution date*:</b>	28 February
<b>Valuation Point:</b>	12 noon
<b>Dealing frequency:</b>	Daily
<b>Classes of Shares:</b>	B Class
<b>Type of Shares:</b>	Accumulation
<b>Currency of denomination:</b>	Pounds sterling
<b>Initial charge:</b>	5%
<b>Redemption charge:</b>	None
<b>Annual Management Charge:</b>	0.9%
<b>Minimum initial investment:</b>	£1,000
<b>Minimum subsequent investment:</b>	£500
<b>Minimum holding:</b>	£1,000
<b>Minimum redemption:</b>	£500
<b>Regular Savings Plan:</b>	Yes, minimum payment of £50 per month (minimum £50 per fund)
<b>Regular Withdrawal Facility</b>	Yes – available on lump sum investments into accumulation Shares with a minimum qualifying investment of £10,000. The minimum withdrawal per fund per year is £300 or 3%. This facility is not available where money is being invested by direct debit in a regular savings plan.
<b>ISA status:</b>	Qualifying Investment for stocks and shares component
<b>Charges taken from income:</b>	Yes
<b>Past performance:</b>	Past performance information is set out in Appendix V
<b>Status of Fund for tax purposes:</b>	The Fund is an Equity Fund for the purposes of tax

**Initial price:** 100p

**Typical investor profile:** This Fund may be suitable for:

A balanced investor who is looking for a balance of risk and reward, seeking higher returns than those available from a high street deposit account and willing to accept a certain amount of fluctuation in the value of their investments as a result. However, they would feel uncomfortable if their investments were to fall in value significantly in one year.

\*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 FCA Rules.

<b>Name:</b>	MI Verbatim Portfolio 6 Fund
<b>Type of Fund:</b>	Non-UCITS Retail Scheme (NURS)
<b>FCA PRN:</b>	633505
<b>Launch date:</b>	16 February 2010
<b>First Dealing Day:</b>	1 March 2010
<b>Investment objective:</b>	The Fund will use a broadly balanced investment strategy with the aim of achieving capital growth over the medium to longer term.
<b>Investment policy:</b>	<p>The Fund will seek to achieve its objective through investment in collective investment schemes (regulated and unregulated) as well as directly held transferable securities (including exchange traded notes), derivatives, cash, deposits (including certificates of deposit), warrants and money market instruments. Investment may be made globally but foreign currency exposure through non UK investments may be hedged back into Sterling.</p> <p>The Fund may also gain exposure (directly and indirectly) to alternatives, including but not limited to, property, commodities, hedge funds, private equity, infrastructure and loans, through investment in collective investment schemes and transferable securities.</p> <p>Use may also be made of stock lending, borrowing, cash holdings and derivatives. It is intended that derivatives will be used for investment purposes as well as for efficient portfolio management but the ACD does not anticipate that such use of derivatives will have any significant adverse effect on the risk profile of the Fund. In particularly volatile markets, the Investment Manager may temporarily hold more than 10% in cash provided it is in accordance with the investment objective of the Fund. As the Investment Manager has the discretion to borrow up to 10% of the value of the property of the Fund, this facility may be used to help manage liquidity.</p>
<b>No benchmark explanation:</b>	The Fund is managed with the aim to maintain within its risk band, consistent with broadly balanced investment strategy, rather than to deliver a target return. There is no constraining benchmark or suitable comparator available. Investors can assess the Fund's performance by comparison of its total return over the medium to longer term to the Fund's Investment objective.
<b>Investment Manager</b>	Tatton Investment Management Limited

<b>Final accounting date</b>	31 December
<b>Interim accounting date</b>	30 June
<b>Income accumulation / distribution date*:</b>	28 February
<b>Valuation Point:</b>	12 noon
<b>Dealing frequency:</b>	Daily
<b>Classes of Shares:</b>	B Class
<b>Type of Shares:</b>	Accumulation
<b>Currency of denomination:</b>	Pounds sterling
<b>Initial charge:</b>	5%
<b>Redemption charge:</b>	None
<b>Annual Management Charge:</b>	0.9%
<b>Minimum initial investment:</b>	£1,000
<b>Minimum subsequent investment:</b>	£500
<b>Minimum holding:</b>	£1,000
<b>Minimum redemption:</b>	£500
<b>Regular Savings Plan:</b>	Yes, minimum payment of £50 per month (minimum £50 per fund)
<b>Regular Withdrawal Facility</b>	Yes – available on lump sum investments into accumulation Shares with a minimum qualifying investment of £10,000. The minimum withdrawal per fund per year is £300 or 3%. This facility is not available where money is being invested by direct debit in a regular savings plan.
<b>ISA status:</b>	Qualifying Investment for stocks and shares component
<b>Charges taken from income:</b>	Yes
<b>Past performance:</b>	Past performance information is set out in Appendix V
<b>Status of Fund for tax purposes:</b>	The Fund is an Equity Fund for the purposes of tax

**Initial price:** 100p

**Typical investor profile:** This Fund may be suitable for:

A balanced investor who is looking for a balance of risk and reward, seeking higher returns than those available from a high street deposit account and willing to accept a certain amount of fluctuation in the value of their investments as a result. However, they would feel uncomfortable if their investments were to fall in value significantly in one year.

\*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 FCA Rules.

<b>Name:</b>	MI Verbatim Portfolio 7 Fund
<b>Type of Fund:</b>	Non-UCITS Retail Scheme (NURS)
<b>FCA PRN:</b>	633506
<b>Launch date:</b>	16 February 2010
<b>First Dealing Day:</b>	1 March 2010
<b>Investment objective:</b>	The Fund will use a broadly growth investment strategy with the aim of achieving capital growth over the medium to longer term.
<b>Investment policy:</b>	<p>The Fund will seek to achieve its objective through investment in collective investment schemes (regulated and unregulated) as well as directly held transferable securities (including exchange traded notes), derivatives, cash, deposits (including certificates of deposit), warrants and money market instruments. Investment may be made globally but foreign currency exposure through non UK investments may be hedged back into Sterling.</p> <p>The Fund may also gain exposure (directly and indirectly) to alternatives, including but not limited to, property, commodities, hedge funds, private equity, infrastructure and loans, through investment in collective investment schemes and transferable securities.</p> <p>Use may also be made of stock lending, borrowing, cash holdings and derivatives. It is intended that derivatives will be used for investment purposes as well as for efficient portfolio management but the ACD does not anticipate that such use of derivatives will have any significant adverse effect on the risk profile of the Fund. In particularly volatile markets, the Investment Manager may temporarily hold more than 10% in cash provided it is in accordance with the investment objective of the Fund. As the Investment Manager has the discretion to borrow up to 10% of the value of the property of the Fund, this facility may be used to manage liquidity.</p>
<b>No benchmark explanation:</b>	The Fund is managed with the aim to maintain within its risk band, consistent with broadly growth investment strategy, rather than to deliver a target return. There is no constraining benchmark or suitable comparator available. Investors can assess the Fund's performance by comparison of its total return over the medium to longer term to the Fund's Investment objective.
<b>Investment Manager</b>	Tatton Investment Management Limited

<b>Final accounting date</b>	31 December
<b>Interim accounting date</b>	30 June
<b>Income accumulation / distribution date*:</b>	28 February
<b>Valuation Point:</b>	12 noon
<b>Dealing frequency:</b>	Daily
<b>Classes of Shares:</b>	B Class
<b>Type of Shares:</b>	Accumulation
<b>Currency of denomination:</b>	Pounds sterling
<b>Initial charge:</b>	5%
<b>Redemption charge:</b>	None
<b>Annual Management Charge:</b>	0.9%
<b>Minimum initial investment:</b>	£1,000
<b>Minimum subsequent investment:</b>	£500
<b>Minimum holding:</b>	£1,000
<b>Minimum redemption:</b>	£500
<b>Regular Savings Plan:</b>	Yes, minimum payment of £50 per month (minimum £50 per fund)
<b>Regular Withdrawal Facility</b>	Yes – available on lump sum investments into accumulation Shares with a minimum qualifying investment of £10,000. The minimum withdrawal per fund per year is £300 or 3%. This facility is not available where money is being invested by direct debit in a regular savings plan.
<b>ISA status:</b>	Qualifying Investment for stocks and shares component
<b>Charges taken from income:</b>	Yes
<b>Past performance:</b>	Past performance information is set out in Appendix V
<b>Status of Fund for tax purposes:</b>	The Fund is an Equity Fund for the purposes of tax

**Initial price:** 100p

**Typical investor profile:** This Fund may be suitable for:

A motivated investor who is willing to accept a higher level of risk on their investment, in return for, higher returns in the long run. They are willing to accept a good amount of fluctuation in the value of their investments as a result. They would feel comfortable if their investments fell in value more than one quarter in one year and would see this as a time to ride out the storm rather than a time to purchase more.

\*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 FCA Rules.

**APPENDIX II****ELIGIBLE SECURITIES MARKETS AND ELIGIBLE DERIVATIVES MARKETS**

Set out below are the securities and derivatives markets through which the Company may invest or deal in approved securities on account of each Fund (subject to the investment objective and policy of each Fund):

- a "regulated market" as defined in the FCA Handbook;
- a market established in the UK or an EEA State which is regulated, operates regularly and is open to the public; or
- the markets listed below:

**Securities Markets**

<b>Country</b>	<b>Market</b>
Australia	Australian Securities Exchange
Brazil	B3
China	Shenzhen Stock Exchange Shanghai Stock Exchange
Hong Kong	Hong Kong Exchanges and Clearing Limited
India	National Stock Exchange of India Ltd
Indonesia	Indonesia Stock Exchange
Japan	Tokyo Stock Exchange
Malaysia	Bursa Malaysia
Mexico	Mexican Stock Exchange
New Zealand	NZX Limited
Philippines	Philippines Stock Exchange
Singapore	Singapore Exchange
South Africa	Exchange JSE Limited
Korea	Korea Exchange
Switzerland	SIX Swiss Exchange
Taiwan	Taiwan Stock Exchange
Thailand	The Stock Exchange of Thailand

Turkey	Borsa Istanbul
The United States of America	NASDAQ Capital Market
	NASDAQ Global Market
	NASDAQ Global Select Market
	New York Stock Exchange
	NYSE Amex Stock Exchange
	NYSE ARCA Stock Exchange
	NASDAQ OMX Nordic Exchange
	ICE Intercontinental Exchange
	CBOE
	NYMEX
	NYSE LIFFE
	CME
	ISE International Securities Exchange
	Chicago Mercantile Exchange

### **Derivatives Markets**

<b>Country</b>	<b>Market</b>
Australia	Australian Securities Exchange
Hong Kong	Hong Kong Exchanges and Clearing Limited
Japan	Tokyo Commodity Exchange TOCOM
	Tokyo Grain Exchange
Malaysia	Bursa Malaysia
New Zealand	NZX Limited
Singapore	Singapore Exchange
South Africa	JSE Limited
Korea	Korea Exchange

Switzerland	SIX SWISS Exchange
Thailand	Thailand Futures Exchange
The United States of America	CBOT
	ICE Intercontinental Exchange
	CBOE
	NYMEX
	NYSE LIFFE
	NASDAQ OMX
	CME
	ISE International Securities Exchange
	Chicago Mercantile Exchange

## **APPENDIX III**

### **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 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 the FCA Rules that are applicable to Non-UCITS Retail Schemes.

Normally, a Fund will be fully invested save for an amount to enable the pursuit of a Fund's investment objective, 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 objective and policy of each Fund, the Scheme Property of each Fund aims to provide a prudent spread of risk.

#### **1.2 Cover**

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

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

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) or 77 (instruments creating or acknowledging indebtedness) 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:
- (i) 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;
- (ii) 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:

- (i) 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;
- (ii) 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 units at the request of any qualifying shareholder; and

1.3.6.2 to be negotiable.

1.3.7 No more than 5% of the Scheme Property of a Fund may be invested in warrants.

## 2. **Non-UCITS Retail Schemes - 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 money market instruments;

2.1.3 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;
  - 2.2.2 recently issued transferable securities provided that:
    - 2.2.2.1 the terms of issue include an undertaking that application will be made to be admitted on an eligible market; and
    - 2.2.2.2 such admission is secured within a year of issue;
  - 2.2.3 approved money market instruments not admitted to or dealt on an eligible market which satisfy the requirements for investment set out in COLL 5.2.10AR(1) to COLL 5.2.10CR.
- 2.3 Not more than 20% in value of the Scheme Property is to consist of transferable securities, which are not approved securities (aggregated with the value of the Scheme Property which can be invested in unregulated collective investment schemes as set out in COLL 5.6.2G (2)(b)) or money market instruments which are liquid and have a value which can be determined accurately at any time.
- 2.4 The requirements on spread of investments do not apply until 12 months after the later of:
  - 2.4.1 the date on which the authorisation order in respect of the Fund takes effect; and
  - 2.4.2 the date the initial offer period commenced,

provided always that paragraph 1.1 above is complied with during any such period.
- 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 20% 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 Handbook; or
  - 3.3.2 a market 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, a market must not be considered appropriate unless it is regulated, operates regularly, is recognised, as a market exchange or as a self regulatory 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 Not more than 20% in the value of the Scheme Property of a Fund is to consist of deposits with a single body.
- 4.3 Not more than 10% in value of the Scheme Property of a Fund is to consist of transferable securities or money market instruments issued by any single body subject to COLL 5.6.23R (Schemes replicating an index).
- 4.4 The limit of 10% in 4.3 above is raised to 25% in value of the Scheme Property in respect of covered bonds.
- 4.5 In applying 4.3, certificates representing certain securities are to be treated as equivalent to the underlying security.
- 4.6 The FCA Rules provides that not more than 35% in value of the Scheme Property is to consist of the units or shares of any one collective investment scheme.
- 4.7 The exposure to any one counterparty in an OTC derivative transaction must not exceed 10% in value of a Fund.
- 4.8 For the purpose of calculating the limit in 4.7, the exposure in respect of an

OTC derivative may be reduced to the extent that collateral is held in respect of it if the collateral meets each of the following conditions:

- 4.8.1 it is marked-to-market on a daily basis and exceeds the value of the amount at risk;
  - 4.8.2 it is exposed only to negligible risks (e.g. government bonds of first credit rating or cash) and is liquid;
  - 4.8.3 it is held by a third party custodian not related to the provider or is legally secured from the consequences of a failure of a related party; and
  - 4.8.4 can be fully enforced by the Fund at any time.
- 4.9 For the purposes of calculating the limits in 4.7, OTC derivative positions with the same counterparty may be netted provided that the netting procedures:
- 4.9.1 comply with the conditions set out in Part Three, Title II, Chapter 6, Section 7 (Contractual netting (Contracts for novation and other netting agreements)) of the UK CRR; and
  - 4.9.2 are based on legally binding agreements.
- 4.10 In applying this paragraph (Spread: general), all derivatives transactions are deemed to be free of counterparty risk if they are performed on an exchange where the clearing house meets each of the following conditions:
- 4.10.1 it is backed by an appropriate performance guarantee; and
  - 4.10.2 it is characterised by a daily mark-to-market valuation of the derivative positions and at least daily margining.

## 5. **Spread: government and public securities**

- 5.1 The following section applies to government and public securities ("**such securities**") that are issued or guaranteed by (i) the UK or an EEA State; (ii) a local authority of the UK or an EEA State; (iii) a non-EEA State; or (iv) a public international body to which the UK or one or more EEA States belong.
- 5.2 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.
- 5.3 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:
- 5.3.1 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 Fund;
  - 5.3.2 no more than 30% in value of the Scheme Property consists of

such securities of any one issue;

5.3.3 the Scheme Property of a Fund includes such securities issued by that or another issuer, of at least six different issues;

5.3.4 the disclosures in the Prospectus required by the FCA have been made.

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

6.1 The Sub-fund may be fully invested in units or shares in other collective investment schemes ("**Second Scheme**") provided that Second Scheme satisfies all of the following conditions;

6.1.1 The Second Scheme must:

6.1.1.1 be a UK UCITS Scheme 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

6.1.1.2 be authorised as a Non-UCITS Retail Scheme; or

6.1.1.3 be a recognised scheme (as defined in the FCA Glossary); or

6.1.1.4 be constituted outside the United Kingdom and have investment and borrowing powers which are the same or more restrictive than those of a Non-UCITS Retail Scheme; or

6.1.1.5 be a scheme not falling within paragraphs 6.1.1.1 to 6.1.1.4 and in respect of which no more than 20% in value of the Scheme Property (including any transferable securities which are not approved securities) is invested.

6.1.2 Investment may be made in collective investments schemes established in any jurisdiction, subject to compliance with the requirements of section

6.1.1 above.

6.1.3 The Second Scheme is a scheme which operates on the principle of the prudent spread of risk.

6.1.4 The Second Scheme is prohibited from having more than 15% in value of the scheme property consisting of units or shares in collective investment schemes.

6.1.5 The participants in the Second Scheme must be entitled to have their units or shares redeemed in accordance with the scheme at a price related to the Net value of the property to which the units or shares relate and determined in accordance with the scheme.

6.1.6 Where the Second Scheme is an umbrella, the provisions in paragraphs

6.1.2 to 6.1.4 apply to each sub-fund as if it were a separate scheme.

6.2 Subject to the limitations set out above, a Fund may invest in or dispose of units or shares in a collective investment scheme which is managed or operated by the ACD or an Associate of the ACD as long as no charge is made in respect of the investment or disposal of units or shares and as long as the ACD is obliged to pay to the Fund within the time specified in the FCA Rules any amount by which the price paid for the units in the second scheme exceeds the price that would have been received by the second scheme had the units or shares been newly issued or sold by it (or if the ACD cannot ascertain that amount, the amount of the maximum charge permitted to be made by the seller of units or shares in the second scheme) or on a disposal of units, the amount of any charge made by the manager or operator of the second scheme or an Associate in respect of the disposal. Investors should be aware that an annual management fee may be levied in respect of the second as well as the first scheme.

6.3 The Scheme Property attributable to a Fund may include shares in another Fund (a

“**Second Fund**”) subject to the requirements of paragraph 6.3 below.

6.4 Funds may invest in a Second Fund provided that:

6.4.1 the Second Fund does not hold Shares in any other Fund of the Company;

6.4.2 the requirements set out in paragraphs 6.5 and 6.6 below are complied with; and

6.4.3 the investing or disposing Fund must not be a feeder NURS to the Second

Fund.

6.5 The Funds may, subject to the limit set out in 6.1 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.

6.6 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 rules on double charging contained in the FCA Rules are complied with.

6.7 Where a Fund of the Company 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.

## 7. **Investment in Nil and Partly Paid Securities**

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. **Investment in money market instruments**

8.1 A Fund may invest up to 100% in money market instruments provided the money market instrument is listed on or normally dealt on an eligible market (in accordance with paragraph 3 of this Appendix).

8.2 Notwithstanding the above, up to 20% of the Scheme Property may be invested in money market instruments which do not meet these criteria but which are liquid and have a value which can be determined accurately at any time.

## 9. **Efficient Portfolio Management**

9.1 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 Funds.**

9.2 Permitted transactions are those that the Funds reasonably regard as economically appropriate to EPM, that is:

9.2.1 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

9.2.2 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:

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

9.2.2.2 receiving a premium for the writing of a covered call

option or a covered put option on property of a Fund which a Fund is willing to buy or sell at the exercise price, or

9.2.2.3 stock lending arrangements.

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

- 9.3 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.

**All the Funds may use derivatives for investment. Where the ACD invests in derivatives and forward transactions in the pursuit of a Fund's objectives, the Net Asset Value of that Fund may at times be volatile (in the absence of compensating investment techniques). However, it is the ACD's intention that the Funds will not have volatility over and above the general market volatility of the markets of a Fund's underlying investments owing to the use of the derivatives and/or forward transactions in the pursuit of its objectives. It is not the ACD's intention that the use of derivatives and forward transactions in the pursuit of a Fund's objective will cause its risk profile to change.**

10. **Derivatives: General**

- 10.1 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 11 ('Permitted transactions (derivatives and forwards)') below, and the transaction is covered, as required by paragraph 20 ('Cover for transactions in derivatives and forward transactions').

- 10.2 Where a Fund invests in derivatives, the exposure to the underlying assets must not exceed the limits set out in the FCA Rules 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.

- 10.3 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 section.

- 10.4 A transferable security or an approved money-market instrument will embed a derivative if it contains a component which fulfils the following criteria:
- 10.4.1 by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or approved money-market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, and therefore vary in a way similar to a stand-alone derivative;
  - 10.4.2 its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and
  - 10.4.3 it has a significant impact on the risk profile and pricing of the transferable security or approved money-market instrument.
- 10.5 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.
- 10.6 Where a Fund invests in an index based derivative, provided the relevant index falls within COLL 5.6.2R (Relevant Indices) the underlying constituents of the index do not have to be taken into account for the purposes of COLL 5.6.7R and COLL 5.6.8R.
- 11. Permitted transactions (derivatives and forwards)**
- 11.1 A transaction in a derivative must be:
- 11.1.1 in an approved derivative; or
  - 11.1.2 be one which complies with paragraph 15 ('OTC transactions in derivatives').
- 11.2 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, money- market instruments, deposits, permitted derivatives under this paragraph, collective investment scheme units permitted under paragraph 6 ('Investment in collective investment schemes'), permitted immovables, gold, financial indices which satisfy the criteria set out in COLL 5.2.20R, interest rates, foreign exchange rates, and currencies.
- 11.3 The exposure to the underlyings in 11.2 above must not exceed the limits in paragraph 4 and 5 above.
- 11.4 A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market.
- 11.5 A transaction in a derivative must not cause a Fund to diverge from its

investment objectives as stated in the Instrument of Incorporation and the most recently published version of this Prospectus.

11.6 A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of transferable securities, money-market instruments, units in collective investment schemes, or derivatives, provided that a sale is not to be considered as uncovered if the conditions in paragraph 14.2 are satisfied.

11.7 Any forward transaction must be with an Eligible Institution or an Approved Bank.

## 12. **Financial indices underlying derivatives**

12.1 The financial indices referred to in 11.2 are those which satisfy the following criteria:

12.1.1 the index is sufficiently diversified;

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

12.1.3 the index is published in an appropriate manner.

12.2 A financial index is sufficiently diversified if its components adhere to the spread requirements in this section.

12.3 A financial index represents an adequate benchmark for the market to which it refers if its provider uses a recognised methodology which generally does not result in the exclusion of a major issuer of the market to which it refers.

12.4 A financial index is published in an appropriate manner if:

12.4.1 it is accessible to the public; and

12.4.2 the index provider is independent from the index replicating scheme.

## 13. **Transactions for the purchase of property**

A derivative or forward transaction which will or could lead to the delivery of property for the account of the 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 FCA Rules.

## 14. **Requirement to cover sales**

14.1 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.

14.2 The above does not apply where:

14.2.1 the risks of the underlying financial instrument of a derivative can be appropriately represented by another financial instrument and the underlying financial instrument is highly liquid; or

14.2.2 the ACD or the Depositary has the right to settle the derivative in cash and cover exists within the Scheme Property of a Fund which falls within one of the following asset classes:

14.2.2.1 cash;

14.2.2.2 liquid debt instruments (e.g. government bonds of first credit rating) with appropriate safeguards (in particular, haircuts); or

14.3 other highly liquid assets having regard to their correlation with the underlying of the financial derivative instruments, subject to appropriate safeguards (e.g. haircuts where relevant).

14.4 In the asset classes referred to in paragraphs 14.2.1 and 14.2.2, an asset may be considered as liquid where the instrument can be Converted into cash in no more than seven Business Days at a price closely corresponding to the current valuation of the financial instrument on its own market.

15. **OTC Transactions in Derivatives**

15.1 Any transaction in an OTC derivative under paragraph 11.1.2 must be:

15.1.1 in a future or an option or a contract for differences;

15.1.2 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 (as defined in the FCA Glossary); 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; a CCP that is authorised in that capacity for the purposes of EMIR; a CCP that is recognised in that capacity in accordance with the process set out in article 25 of EMIR; or to the extent not already covered above, a CCP supervised in a jurisdiction that has implemented the relevant reforms on over-the-counter derivatives and is identified as having done so by the Financial Stability Board in its summary report on progress in implementation of G20 financial regulatory reforms dated 25 June 2019;

15.1.3 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 can enter into one or more further transactions to sell, liquidate or close out that transaction at any time, at its fair value; and

- 15.1.4 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:

15.1.4.1 on the basis of an up-to-date market value which the ACD

and the Depositary have agreed is reliable; or

15.1.4.2 if the value referred to in 15.1.4.1 is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and

- 15.1.5 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:

15.1.5.1 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

15.1.5.2 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.

- 15.2 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.

## 16. **Risk management**

- 16.1 The ACD uses a risk management process, enabling it to monitor and measure as frequently as appropriate the risk of a Fund's positions and their contribution to the overall risk profile of the Fund.

## 17. **Investments in deposits**

- 17.1 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.

**18. Stock lending**

18.1 The entry into stock lending transactions and repo contracts 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.

18.2 The specific method of stock lending permitted in this section 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.

18.3 The stock lending permitted by this section 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.

18.4 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 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, the counterparty is an authorised person or a person authorised by a home state regulator, and collateral is obtained to secure the obligation of the counterparty. Collateral must be acceptable to the Depositary, adequate and sufficiently immediate.

18.5 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.

18.6 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.

18.7 There is no limit on the value of the Scheme Property which maybe the subject of stock lending transactions.

**19. Schemes replicating an index**

- 19.1 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 performance or composition of a relevant index as defined below.
- 19.2 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.
- 19.3 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.
- 19.4 The indices referred to above are those which satisfy the following criteria:
- 19.4.1 the composition is sufficiently diversified;
  - 19.4.2 the index is a representative benchmark for the market to which it refers; and
  - 19.4.3 the index is published in an appropriate manner.
20. **Cover for transactions in derivatives and forward transactions**
- 20.1 A Fund may invest in derivatives and forward transactions as long as the exposure to which the Fund is committed by that transaction itself is suitably covered from within its Scheme Property of a Fund. Exposure will include any initial outlay in respect of that transaction.
- 20.2 Cover ensures that a Fund is not exposed to the risk of loss of property, including money, to an extent greater than the Net value of the Scheme Property. Therefore, a Fund must hold Scheme Property sufficient in value or amount to match the exposure arising from a derivative obligation to which the Fund is committed. Detailed requirements for cover of a Fund are set out below.
- 20.3 A future is to be regarded as an obligation to which the Fund is committed (in that, unless closed out, the future will require something to be delivered, or accepted and paid for; a written option as an obligation to which the scheme is committed (in that it gives the right of potential exercise to another thereby creating exposure); and a bought option as a right (in that the purchaser can, but need not, exercise the right to require the writer to deliver and accept and pay for something).
- 20.4 Cover used in respect of one transaction in derivatives or forward transaction must not be used for cover in respect of another transaction in derivatives or a forward transaction.
- 20.5 A transaction in derivatives or forward transaction is to be entered into only if the maximum exposure, in terms of the principal or notional principal

created by the transaction to which the scheme is or may be committed by another person is covered globally.

- 20.6 Exposure is covered globally if adequate cover from within the Scheme Property is available to meet the scheme's total exposure, taking into account the value of the underlying assets, any reasonably foreseeable market movement, counterparty risk, and the time available to liquidate any positions.
- 20.7 Cash not yet received into the Scheme Property but due to be received within one month is available as cover.
- 20.8 Property the subject of a stock lending transaction is only available for cover if the ACD has taken reasonable care to determine that it is obtainable (by return or re-acquisition) in time to meet the obligation for which cover is required.
- 20.9 The global exposure relating to derivatives may not exceed the Net value of the  
Scheme Property.

## 21. **Cash and near cash**

- 21.1 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:
- 21.1.1 the pursuit of the Fund's investment objectives; or
  - 21.1.2 the redemption of units or shares; or
  - 21.1.3 efficient management of the Fund in accordance with its investment objective; or
  - 21.1.4 other purposes which may reasonably be regarded as ancillary to the investment objective of the Fund.
- 21.2 During the period of the initial offer the Scheme Property may consist of cash and near cash without limitation.

## 22. **General**

- 22.1 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.
- 22.2 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.

22.3 It is not intended that the Funds will have an interest in any immovable property or tangible moveable property.

23. **Underwriting**

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

24. **Borrowing powers and Leverage**

24.1 The ACD may, on the instructions of the Fund and subject to the FCA Rules, 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.

24.2 The ACD must ensure that borrowing does not, on any business day, exceed 10% of the value of the Fund.

24.3 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).

24.4 The ACD will not employ Leverage in respect of its management of the Company save where it undertakes certain derivatives and forward transactions for the limited purposes described in this Appendix III and subject at all times to the requirements and restrictions set out in the FCA Rules insofar as they relate to Non-UCITS Retail Schemes. Therefore the Company will not be regarded as a type of fund using Leverage on a substantial basis (as described in the AIFMD Rules).

24.5 The maximum level of leverage which a Fund may employ, calculated in accordance with the gross and commitment methods are as follows:

<b>Fund</b>	<b>Maximum level of leverage as a percentage of the Fund's NAV – Gross Method</b>	<b>Maximum level of leverage as a percentage of the Fund's NAV – Commitment Method</b>
MI Verbatim Portfolio 3 Fund	110	110
MI Verbatim Portfolio 4 Fund	110	110
MI Verbatim Portfolio 5 Growth Fund	110	110

MI Verbatim Portfolio 6 Fund	110	110
MI Verbatim Portfolio 7 Fund	110	110

25. **Restrictions on lending of property other than money**

- 25.1 Scheme Property other than money must not be lent by way of deposit or otherwise.
- 25.2 Transactions permitted by paragraph 18 ('Stock lending') are not to be regarded as lending for the purposes of paragraph 25.1.
- 25.3 The Scheme Property must not be mortgaged.
- 25.4 Where transactions in derivatives or forward transactions are used for the account of a Fund, nothing in this paragraph prevents the Company or the Depositary at the request of the Company from:
- 25.4.1 lending, depositing, pledging or charging Scheme Property for margin requirements; or
- 25.4.2 transferring Scheme Property under the terms of an agreement in relation to margin requirements provided that the ACD reasonably considers that both the agreement and the margin arrangements made under it (including in relation to the level of margin) provide appropriate protection to Shareholders.

26. **Restrictions on lending of money**

- 26.1 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.
- 26.2 Acquiring a debenture is not lending for the purposes of paragraph 25.1, nor is the placing of money on deposit or in a current account.

27. **Guarantees and indemnities**

- 27.1 The Depositary, for the account of a Fund, must not provide any guarantees or indemnity in respect of the obligation of any person.
- 27.2 Scheme Property may not be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person.
- 27.3 Paragraphs 26.1 and 26.2 do not apply to any indemnity or guarantee given for margin requirements where derivatives or forward transactions are being used or an indemnity given to a person winding up a body corporate or other scheme in circumstances where share assets are becoming part of the Scheme Property by way of unitisation.

**APPENDIX IV****LIST OF AUTHORISED COLLECTIVE INVESTMENT SCHEMES OPERATED BY THE ACD**

**The ACD acts as Authorised Corporate Director ("ACD"), Alternative Investment Fund Manager ("AIFM") and/or Authorised Fund Manager ("AFM") of the following authorised funds:**

MI Activus Wealth Funds

MI Bespoke Funds ICVC

MI Brewin Dolphin Investment Funds

MI Brewin Dolphin Voyager Funds

MI Brompton UK Recovery Unit Trust

MI Canaccord Genuity Investment Funds

MI Charles Stanley Investment Funds

MI Charles Stanley Investment Funds II

MI Chelverton Equity Fund

MI GAM Funds

MI Hawksmoor Open-Ended Investment Company

MI Metropolis Valuefund

MI Multi Asset Funds

MI Polen Capital Investment Funds

MI Quilter Cheviot Investment Funds

MI Sonoma Partners Funds

MI Thornbridge Investment Funds

MI TwentyFour Investment Funds

MI Verbatim Multi Index Funds

**APPENDIX V****PAST PERFORMANCE TABLES FOR EACH FUND AND INVESTOR PROFILE**

The table below shows the total return of each share class over 12 monthly periods and in total, since each share class inception. This performance information assumes reinvestment of any distributed income and is net of tax and charges but does not include the effect of any preliminary charge that may be paid on the purchase of an investment.

	<b>Year to 31/12/2025</b>	<b>Year to 31/12/2024</b>	<b>Year to 31/12/2023</b>	<b>Year to 31/12/2022</b>	<b>Year to 31/12/2021</b>
MI Verbatim Portfolio 3 B Acc	8.6	5.0	5.6	(9.3)	4.6
MI Verbatim Portfolio 4 B Acc	9.9	6.2	6.5	(9.5)	6.8
MI Verbatim Portfolio 5 Growth B Acc	11.1	7.6	6.7	(8.7)	9.1
MI Verbatim Portfolio 5 Income B Inc*	N/A	4.2	7.9	(12.4)	9.7
MI Verbatim Portfolio 6 B Acc	12.0	8.8	6.9	(8.6)	11.4
MI Verbatim Portfolio 7 B Acc	12.8	9..9	6.5	(7.8)	12.7

\* Please note that this Fund is no longer available for investment and is in the process of being terminated.

**Important: Past performance is not an indication of future performance.**

### Investor profile

The Funds are marketable to both retail and institutional investors investing in the medium to longer term and seeking to match a specific profile as follows:

Fund	Type of Investor	Description of Investors
MI Verbatim Portfolio 3 Fund	Cautious	A Cautious Investor is looking for an investment where the return should be slightly better than that available from a high street deposit account and accept that the value of the investment could fall as well as rise. They would feel uncomfortable however if their investments were to rise and fall in value very rapidly.
MI Verbatim Portfolio 4 Fund	Balanced	A Balanced Investor is looking for a balance of risk and reward, seeking higher returns than those available from a high street deposit account and willing to accept a certain amount of fluctuation in the value of their investments as a result. However, they would feel uncomfortable if their investments were to fall in value significantly in one year.
MI Verbatim Portfolio 5 Growth Fund	Balanced	A Balanced Investor is looking for a balance of risk and reward, seeking higher returns than those available from a high street deposit account and willing to accept a certain amount of fluctuation in the value of their investments as a result. However, they would feel uncomfortable if their investments were to fall in value significantly in one year.
MI Verbatim Portfolio 5 Income Fund	Balanced	A Balanced Investor is looking for a balance of risk and reward, seeking higher returns than those available from a high street deposit account and willing to accept a certain amount of fluctuation in the value of their investments as a result. However, they would feel uncomfortable if their investments were to fall in value significantly in one year. This Fund may be suitable for those investors seeking some income.
MI Verbatim Portfolio 6 Fund	Balanced	A Balanced Investor is looking for a balance of risk and reward, seeking higher returns than those available from a high street deposit account and willing to accept a certain amount of fluctuation in the value of their investments as a result. However, they would feel uncomfortable if their investments were to fall in value significantly in one year.

MI Verbatim Portfolio 7 Fund	Motivated	<p>A Motivated Investor is willing to accept a higher level of risk on their investment, in return for, higher returns in the long run. They are willing to accept a good amount of fluctuation in the value of their investments as a result.</p> <p>They would feel comfortable if their investments fell in value more than one quarter in one year and would see this as a time to ride out the storm rather than a time to purchase more.</p>
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\* Please note that this Fund is no longer available for investment and is in the process of being terminated.

**APPENDIX VI****The Company and Head Office**

MI Verbatim Funds  
Hamilton Centre  
Rodney Way  
Chelmsford  
Essex  
CM1 3BY

**Authorised Corporate Director**

Apex Fundrock Ltd  
Hamilton Centre  
Rodney Way  
Chelmsford, Essex  
United Kingdom  
CM1 3BY

**Depositary**

Citibank UK Limited  
Citigroup Centre, Canada Square  
Canary Wharf, London  
E14 5LB

**Investment Manager**

Tatton Investment Management Limited  
17 St. Swithin's Lane  
London EC4N 8AL

**Fund Accountant**

Apex FundRock Limited  
Hamilton Centre  
Rodney Way  
Chelmsford, Essex  
United Kingdom  
CM1 3BY

**Registrar**

Apex FundRock Limited  
Hamilton Centre  
Rodney Way  
Chelmsford, Essex  
United Kingdom  
CM1 3BY

**Auditors**

Grant Thornton UK LLP  
8 Finsbury Circus  
London  
EC2M 7EA

**APPENDIX VII****LIST OF SUB-CUSTODIANS**

**The Global Custodian may delegate the custody of assets to the following sub-custodians:**

**Depository's sub-delegates (as of September 2025)**

Argentina	The Branch of Citibank, N.A. in the Republic of Argentina
Australia	Citigroup Pty. Limited
Austria	Citibank Europe plc
Bahrain	Citibank, N.A., Bahrain Branch
Bangladesh	Citibank, N.A., Bangladesh Branch
Belgium	Citibank Europe plc
Bermuda	The Hong Kong & Shanghai Banking Corporation Limited acting through its agent, HSBC Bank Bermuda Limited
Bosnia-Herzegovina (Sarajevo)	UniCredit Bank d.d.
Bosnia-Herzegovina: Srpska (Banja Luka)	UniCredit Bank d.d.
Botswana	Standard Chartered Bank of Botswana Limited
Brazil	Citibank, N.A., Brazilian Branch
Bulgaria	Citibank Europe plc Bulgaria Branch
Canada	Citibank, N.A., Canadian Branch effective June 1 2025
Chile	Banco de Chile
China B Shanghai	Citibank, N.A., Hong Kong Branch (For China B shares)
China B Shenzhen	Citibank, N.A., Hong Kong Branch (For China B shares)
China A Shares	Citibank (China) Co., Ltd (except for B shares as noted above)
China Hong Kong Stock Connect	Citibank, N.A., Hong Kong Branch
Clearstream ICSD	ICSD
Colombia	Cititrust Colombia S.A. Sociedad Fiduciaria
Costa Rica	Banco Nacional de Costa Rica

Croatia	Privedna Banka Zagreb d.d.
Cyprus	Citibank Europe plc, Greece Branch
Czech Republic	Citibank Europe plc, organizacni slozka
Denmark	Citibank Europe plc
Egypt	Citibank, N.A., Egypt
Estonia	Swedbank AS
Euroclear	Euroclear Bank SA/NV
Finland	Citibank Europe plc
France	Citibank Europe plc
Georgia	JSC Bank of Georgia
Germany	Citibank Europe plc
Ghana	Standard Chartered Bank of Ghana Limited
Greece	Citibank Europe plc, Greece Branch
Hong Kong	Citibank N.A., Hong Kong Branch
Hungary	Citibank Europe plc, Hungarian Branch Office
Iceland	Islandsbanki hf
India	Citibank, N.A. Mumbai Branch
Indonesia	Citibank, N.A., Jakarta Branch
Ireland	Not Applicable. Citibank is a direct member of Euroclear Bank SA/NV, which is an ICSD.
Israel	Citibank, N.A., Israel Branch
Italy	Citibank Europe plc
Jamaica	Scotia Investments Jamaica Limited
Japan	Citibank N.A., Tokyo Branch
Jordan	Standard Chartered Bank - Dubai DIFC Branch - effective August 3rd
Kazakhstan	Citibank Kazakhstan JSC
Kenya	Standard Chartered Bank Kenya Limited
Korea (South)	Citibank Korea Inc.
Kuwait	Citibank N.A., Kuwait Branch
Latvia	Swedbank AS, acting through its agent

	Swedbank AB
Lithuania	Swedbank AS, acting through its agent , Swedbank AB
Luxembourg	only offered through the ICSDs- Euroclear & Clearstream
Malaysia	Citibank Berhad
Malta	Citibank is a direct member of Clearstream Banking, which is an ICSD.
Mauritius	The Hong Kong & Shanghai Banking Corporation Limited
Mexico	Banco Citi México, S.A., Institución de Banca Múltiple, Grupo Financiero Citi México, effective November 30th 2024
Morocco	Citibank Maghreb S.A
Netherlands	Citibank Europe plc
Namibia	Standard Bank of South Africa Limited acting through its agent, Standard Bank Namibia Limited
New Zealand	Citibank, N.A., New Zealand Branch
Nigeria	Citibank Nigeria Limited
Norway	Citibank Europe plc
Oman	Standard Chartered Bank Oman Branch
Pakistan	Citibank, N.A., Pakistan Branch
Panama	Citibank N.A., Panama Branch
Peru	Citibank del Peru S.A
Philippines	Citibank, N.A., Philippine Branch
Poland	Bank Handlowy w Warszawie SA
Portugal	Citibank Europe plc
Qatar	The Hong Kong & Shanghai Banking Corporation Limited acting through its agent, HSBC Bank Middle East Limited
Romania	Citibank Europe - Romania Branch
Saudi Arabia	Citigroup Saudi Arabia
Serbia	UniCredit Bank Srbija a.d.

Singapore	Citibank, N.A., Singapore Branch
Slovak Republic	Citibank Europe plc pobočka zahraničnej banky
Slovenia	UniCredit Banka Slovenia d.d. Ljubljana
South Africa	Citibank N.A., South Africa Branch
Spain	Citibank Europe plc
Sri Lanka	Citibank, N.A. Sri Lanka Branch
Sweden	Citibank Europe plc, Sweden Branch
Switzerland	Citibank N.A., London Branch
Taiwan	Citibank Taiwan Limited
Tanzania	Standard Bank of South Africa acting through its affiliate Stanbic Bank Tanzania Ltd
Thailand	Citibank, N.A., Bangkok Branch
Tunisia	Union Internationale de Banques
Turkiye	Citibank, A.S.
Uganda	Standard Chartered Bank of Uganda Limited
Ukraine	JSC Citibank
UAE- Abu Dhabi Securities Exchange	Citibank N.A., UAE
United Arab Emirates DFM	Citibank N.A., UAE
United Arab Emirates NASDAQ Dubai	Citibank N.A., UAE
United Kingdom	Citibank N.A., London Branch
United States	Citibank N.A., New York offices
Uruguay	Banco Itau Uruguay S.A.
Vietnam	Citibank N.A., Hanoi Branch
Zambia	Standard Chartered Bank Zambia Plc

Note: Benin, Burkina-Faso, Guinea Bissau, Ivory Coast, Mali, Niger, Senegal and Togo are members of the West African Economic and Monetary Union (WAEMU).