

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt about the contents of this document you should consult a person authorised under the Financial Services and Markets Act 2000 to advise on investments of the type referred to in this document such as your stockbroker, solicitor, accountant financial adviser or other professional adviser.

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04<sup>th</sup> June 2021

**To the shareholders of FP Octopus Investments UCITS Funds (the “Company”) and its sub-funds (i) FP Octopus UK Micro Cap Growth Fund and (ii) FP Octopus UK Multi Cap Income Fund (the “Funds”)**

Dear Shareholder

**Changes to the Funds**

FundRock Partners Limited is the authorised corporate director (“**ACD**”) of the Company. Octopus Investments Limited is the investment manager of the Company (“**Investment Manager**”).

I am writing to you as a shareholder in the Company to inform you of certain changes to the Company and each of the Funds (as further described below). The changes include clarificatory changes to the investment objective and policy of each of the Funds.

**Background to the investment objective and policy changes**

As ACD of the Company we have in conjunction with the Investment Manager recently carried out a detailed review of the investment objectives and policies of the Funds.

The Financial Conduct Authority (“**FCA**”), consumer groups, industry bodies and other key players in the investment funds sector have found that certain investment fund disclosures are not always expressed in clear language. The expectations in terms of investor communications have shifted over the years. In light of this, the ACD and the Investment Manager have reviewed and updated the investment objectives and policies of the Funds, to reflect more clearly how the Funds are managed in practice. **These changes will not affect or otherwise change how the Funds will be managed in practice.**

The ACD and the Investment Manager do not believe that any of these changes will change the risk profile or nature of the Funds or otherwise materially prejudice investors in the Funds.

A comparison of the previous investment objectives and policies for each of the Funds together with the new investment objectives and policies are set out in schedule 1 to this letter.

**Changes to the FP Octopus UK Multi-Cap Income Fund**

In relation to the changes to the investment objective and policy outlined above, we would like to draw your attention in particular to a change to the benchmarks used by FP Octopus UK Multi-Cap Income Fund (the “**Multi-Cap Fund**”). The Multi-Cap Fund previously used both the **FundRock Partners Limited** (registered in England and Wales No 4162989. Authorised and regulated by the Financial Conduct Authority  
Registered Address: 52-54 Gracechurch Street, London, EC3V 0EH



FTSE All Share Index and the IA UK Equity Income Sector as comparator benchmarks where investors were invited to compare the Multi-Cap Fund's performance against those benchmarks.

As part of their review of the investment objective and policy of the Multi-Cap Fund, the ACD and Investment Manager have decided that it would be clearer to describe the FTSE All Share Index as a target benchmark. A target benchmark is a benchmark which is used to define a fund's target performance and whether or not the fund has met its objective. In this case, the objective of the Multi-Cap Fund has been updated as follows to describe how the investment strategy of the Multi-Cap Fund uses the FTSE All Share Index as a target:

*"The investment objective is to achieve income generation (money paid out by an investment, such as interest from a bond or dividend from a share) in line with the FTSE All Share Index (the "Target") and capital growth (the increase in the value of investments) above the Target, in each case over a period of 5 years or more (on a net of fees basis)."*

The benchmark wording in the prospectus has been updated accordingly (as set out in schedule 1 to this letter). Shareholders are still invited to use both the FTSE All Share Index and the IA UK Equity Income Sector for the purposes of comparing the performance of the Multi-Cap Fund.

### **Virtual General Meetings**

Due to the ongoing operational challenges created by the ongoing Covid-19 pandemic, the ACD has made certain changes to the prospectus of the Company to provide that general meetings of Shareholders may be held virtually. This is to ensure that votes on important matters relating to the Company may continue to proceed regardless of the current Covid-19 restrictions. The changes to the prospectus clarify how such virtual meetings may be held and how Shareholders may attend and vote where a virtual meeting is held.

### **Mandatory Conversion**

The prospectus of the Company has been updated to enable the ACD to undertake mandatory conversion of shares in a Fund, where such a conversion is reasonably expected to be in the best interests of the shareholders in that Fund. This wording is being included to reflect existing regulatory requirements relating to mandatory conversion as well as guidance from the FCA.

*"The ACD may also, in its sole discretion, convert all of an existing class of Shares (the "Old Class Shares") in a Fund to new class of Shares (the "New Class Shares") in the same Fund (so that there is a reorganisation of the Shares in the Fund in which all Shareholders holding Old Class Shares exchange their Shares for New Class Shares in the Fund), provided that the conversion is reasonably expected to be in the best interests of the Shareholders of the Old Class Shares. The ACD will provide all of the Shareholders of the Old Class Shares with 60 days' prior notice of any such conversion.*

*Please note that, under current tax law, a reorganisation of the Shares in the Fund (in which all the Shareholders holding Shares in a class of Shares in the Fund exchange all their Shares for Shares of a different class in the same Fund) will generally not be treated as a disposal for capital gains tax purposes. Shareholders who are in any doubt as to their tax treatment in respect of any conversion of Shares should seek their own professional advice."*

### **Effective date for these changes**

Please note that all of the changes described in this letter came into effect on 25<sup>th</sup> June 2021. The documentation for the Funds (including the Company prospectus and key investor



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information) have been duly updated to reflect these changes. Copies of these documents are available for inspection either on the ACD's website (at [www.fundrock.com](http://www.fundrock.com)) or at the offices of the ACD at 52-54 Gracechurch Street, London, EC3V 0EH during normal business hours on weekdays (excluding bank holidays).

You are therefore not required to take any further action. However, if you have any questions, please contact us on +44 (0) 1268 448 634 or otherwise speak with your professional adviser.

Yours faithfully

**Simon Gunson**

**Managing Director**

For and on behalf of

**FundRock Partners Limited**

**(as authorised corporate director of the Company)**

**Schedule 1****Changes to the investment objectives and policies of the Funds****FP Octopus UK Micro Cap Growth Fund**

<b>Existing Objective</b>	<b>Revised Objective</b>
The investment objective of the Fund is to achieve capital growth by focusing on areas of the UK market where the Investment Manager identifies capital growth opportunities.	The investment objective of the Fund is to achieve capital growth (the increase in the value of investments), net of fees, over a period of 5 years or more.

<b>Existing Policy</b>	<b>Revised Policy</b>
<p>The Fund will invest predominantly in small cap equities. It is expected that opportunities will be focused on UK incorporated smaller companies with a full market listing, AIM listing or listed on ISDX. The Investment Manager may also choose to invest in a limited amount of bonds and/or collective investment schemes <b>and has the flexibility to hold derivatives for the purposes of efficient portfolio management only.</b></p> <p>The ACD shall ensure that, taking into account the investment objective and policy of the Fund, the property of the Fund aims to provide a prudent spread of risk.</p> <p>Investors should note that while the investment objective of the Fund is to achieve long term capital growth there may be situations in which an income return is also achieved.</p> <p>Investors' attention is drawn to the detailed risk warnings in this Prospectus. On giving Shareholders 60 days' notice, the Funds will be able to also use derivatives for investment purposes. Shareholders should note the risk warning at section 5.15 of this Prospectus in relation to the Funds using derivatives for investment purposes following the giving of 60 days' pre-notification.</p> <p>The Fund will be managed in a manner that maintains eligibility for ISAs.</p>	<p>The Fund will focus on areas of the UK market where the Investment Manager identifies capital growth opportunities.</p> <p>The Fund will invest at least 80% in the shares of companies, which at the point of investment, are micro-caps (i.e. has a market capitalization of less than £250 million). However, the companies in which the Fund invests may grow beyond the size of a micro-cap and, consequently, the portfolio of the Fund may hold less than 80% in micro-cap shares at any given time. Where a company has grown beyond the size of a micro-cap, shares in that company may continue to be held by the Fund until such time as the investment manager considers selling the shares to be in the best interests of the Fund. It is expected that opportunities will be focused on UK incorporated smaller companies with a full market listing, AIM listing or listed on ISDX.</p> <p>The Fund can invest in a limited amount of bonds (which is a loan, usually to a company or government that pays interest) and/or real estate investment trusts and investment companies .</p> <p><b>Use may also be made of derivatives (investments whose value is linked to another investment, or the performance of a stock exchange or to some other variable factor, such as interest rates) for efficient portfolio</b></p>



	<p><b>management. Efficient portfolio management is where the Fund is managed in a way to reduce risk or cost and or generate extra income or growth.</b></p> <p>On giving Shareholders 60 days' notice, the Funds will be able to also use derivatives for investment purposes.</p> <p>The Fund will be managed in a manner that maintains eligibility for ISAs.</p>
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FP Octopus UK Multi Cap Income Fund

<b>Existing Objective</b>	<b>Revised Objective</b>
The investment objective is to achieve income and capital growth.	The investment objective is to achieve (on a net of fees basis), over a 5 year rolling period, income generation (money paid out by an investment, such as interest from a bond or dividend from a share) which is on average in line with the FTSE All Share Index (the "Target") and capital growth (the increase in the value of investments) above the Target.

<b>Existing Policy</b>	<b>Revised Policy</b>
<p>The Fund aims to achieve the investment objective by investing at least 80% of its scheme property in companies that are listed and domiciled in the UK, or incorporated in the UK, or have a significant exposure to the UK. The Investment Manager is able to invest in companies of any size including constituents of the FTSE 100 index, but there will typically be a bias towards constituents of the FTSE 250 Index, FTSE Small Cap Index, and companies listed on the Alternative Investment Market ("AIM").</p> <p>There is no particular emphasis on any industrial or economic sector.</p> <p><b>The Fund may also invest in collective investment schemes, money market instruments and other transferable securities such as derivatives and forward transactions for the purposes of Efficient Portfolio Management.</b></p>	<p>The Fund will invest at least 80% (including, to a limited extent, through real estate investment trusts (REITs) and investment companies) in companies that are listed and domiciled in the UK, or incorporated in the UK, or have a significant exposure to the UK.</p> <p>The Fund may invest in companies of any size including constituents of the FTSE 100 index, but there will typically be a bias (when compared against the FTSE All Share Index) towards constituents of the FTSE 250 Index, FTSE Small Cap Index, and companies listed on the Alternative Investment Market ("AIM").</p> <p>There is no particular emphasis on any industrial or economic sector.</p> <p>The Fund may also invest in collective investment schemes, money market instruments and other transferable securities (such as shares, debentures, government and public securities). Money market instruments are</p>



<p>Under extraordinary market conditions, the Investment Manager may hold less than 80% of its scheme property in companies that are listed and domiciled in the UK, or incorporated in the UK, or have a significant exposure to the UK. Extraordinary market conditions could be due to political, economic unrest or instability, world events leading to market instability, closure of any UK stock exchange, or any event which could cause the risk profile of the Fund to be increased.</p> <p>The Fund will be managed in a manner that maintains eligibility for ISAs.</p>	<p>investments that take the form of short term loans made by the Fund to banks or governments (the issuer).</p> <p><b>Use may also be made of derivatives (investments whose value is linked to another investment, or the performance of a stock exchange or to some other variable factor, such as interest rates) and forward transactions for efficient portfolio management. Efficient portfolio management is where the Fund is managed in a way to reduce risk or cost and/or generate extra income or growth.</b></p> <p><b>Under extraordinary market conditions or following significant inflows into the Fund, the Fund may hold less than 80% of its scheme property in companies that are listed and domiciled in the UK, or incorporated in the UK, or have a significant exposure to the UK. The Fund may hold a larger amount of cash where, in such circumstances, the investment manager considers this to be in the best interests of the Fund.</b></p> <p><b>Extraordinary market conditions could be due to political, economic unrest or instability, world events leading to market instability, closure of any UK stock exchange, or any event which could cause the risk profile of the Fund to be increased.</b></p> <p><b>The Fund will be managed in a manner that maintains eligibility for ISAs.</b></p>
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<b>Existing Benchmark</b>	<b>Revised Benchmark</b>
<p>For the purpose of providing comparable indicative returns only, investors should refer to the FTSE- All Share Index and IA UK Equity Income Sector (“<b>Comparator Benchmarks</b>”).</p> <p>The Comparator Benchmarks have been chosen by the Investment Manager as they reflect the composition of the Fund and its bias towards investment in UK equities with a primary objective of achieving capital growth.</p> <p>The Comparator Benchmarks do not represent, or act as, a constraint in the selection of individual investments in the Fund or the management of the Fund’s portfolio.</p> <p>The performance of the Fund may deviate materially from the performance of the Comparator Benchmarks.</p>	<p>The performance of the Fund has been set against the FTSE All Share Index as a target benchmark (the “<b>Target Benchmark</b>”) which means that the Fund seeks to provide income in line with and capital growth above an equivalent investment in the Target Benchmark (i.e. in the same companies and proportions as the Target Benchmark) on a net of fees basis.</p> <p>Investors may compare the Fund’s performance against the IA UK Equity Income Sector (the “<b>Comparator Benchmark</b>”).</p> <p>The Target Benchmark and the Comparator Benchmark have been chosen by the Investment Manager as they reflect the composition of the Fund and its bias towards investment in UK equities.</p>



The Target Benchmark and the Comparator Benchmark do not represent, or act as, a constraint in the selection of individual investments in the Fund or the management of the Fund's portfolio.

The performance of the Fund may deviate materially from the performance of the Target Benchmark and the Comparator Benchmark.