



PROSPECTUS

OF

TM Fulcrum UCITS Funds

**(An open-ended investment company with variable
capital incorporated with limited liability and
registered in England and Wales
under registered number IC000939)**

This document constitutes the Prospectus for TM Fulcrum UCITS Funds (the "**Company**") which has been prepared in accordance with the Collective Investment Schemes Sourcebook.

This Prospectus is dated, and is valid, as at 26 January 2022. This document replaces any previous prospectuses issued by the Company.

Copies of this Prospectus have been sent to the Financial Conduct Authority and the Depositary.

IMPORTANT INFORMATION**IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS PROSPECTUS YOU SHOULD CONSULT YOUR FINANCIAL ADVISER**

TUTMAN LLP, 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 in this document does not contain any untrue or misleading statement or omit any matters required by The Open-Ended Investment Companies Regulations 2001 to be included in it. TUTMAN LLP accepts responsibility accordingly.

No person has been authorised by the Company to give any information or make any representations in connection with the offering of Shares other than those contained in this 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 an offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

The Shares have not been and will not be registered under the 1933 Act or the securities laws of the United States. The Shares may not be offered or sold directly or indirectly in the United States or to or for the account or benefit of any US Person or in a transaction not subject to the regulatory requirements of, the 1933 Act and any applicable state securities laws. Any re-offer or resale of any of the Shares in the United States or to US Persons may constitute a violation of US law. The Company has not been and will not be registered under the 1940 Act and investors will not be entitled to the benefit of registration.

The Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of these offering materials. Any representation to the contrary is unlawful. The Shares are subject to restrictions on transferability and resale and may not be transferred or resold in the United States except as permitted under the 1933 Act and applicable state securities laws, pursuant to registration or exemption therefrom.

In order to ensure compliance with the restrictions referred to above, the Company is, accordingly, not open for investment by any US Persons or ERISA Plans except in exceptional circumstances and then only with the prior consent of the ACD. A prospective investor may be required at the time of acquiring Shares to represent that such investor is a qualified holder and not a US Person or acquiring Shares for the account or benefit, directly or indirectly, of a US Person or with the assets of an ERISA Plan. The granting of prior consent by the ACD to an investment does not confer on the investor a right to acquire Shares in respect of any future or subsequent application.

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

The provisions of the Company's Instrument of Incorporation are binding on each of its Shareholders (who are taken to have notice of them).

This prospectus has been approved for the purpose of section 21 of the Financial Services and Markets Act 2000 by TUTMAN LLP.

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 TUTMAN LLP that this is the most recently published prospectus.

The Depositary is not a person responsible for the information contained in this prospectus and accordingly does not accept any responsibility therefore under the Regulations or otherwise.

CONTENTS

	Page
DIRECTORY.....	iv
DEFINITIONS	5
DETAILS OF THE COMPANY	14
INVESTMENT OBJECTIVES, POLICIES AND OTHER DETAILS OF THE FUNDS.....	16
BUYING, SELLING AND SWITCHING SHARES	17
VALUATION OF THE COMPANY	25
RISK FACTORS	29
SECURITIES FINANCING TRANSACTIONS	35
MANAGEMENT AND ADMINISTRATION	37
CHARGES AND EXPENSES	43
INSTRUMENT OF INCORPORATION	47
SHAREHOLDER MEETINGS, VOTING RIGHTS AND SERVICE OF NOTICES	52
TAXATION.....	54
WINDING UP OF THE COMPANY OR TERMINATION OF A FUND	58
GENERAL INFORMATION	60
APPENDIX I.....	64
APPENDIX II.....	84
APPENDIX III	108
APPENDIX IV.....	111
APPENDIX V	112
APPENDIX VI.....	113

DIRECTORY

Head Office of the Company

Exchange Building
St. John's Street
Chichester, West Sussex PO19 1UP

Authorised Corporate Director

TUTMAN LLP
Exchange Building
St. John's Street
Chichester, West Sussex PO19 1UP

Investment Manager

Fulcrum Asset Management LLP
Marble Arch House
66 Seymour Street
London W1H 5BT

www.fulcrumasset.com

Fund Accountant

J.P. Morgan Europe Limited
25 Bank Street
Canary Wharf, London E14 5JP

Administrator, Registrar and Transfer Agent

FNZ TA Services Limited
Level 7, 2 Redman Place
Stratford E20 1JQ

Tel: 0330 0240 785

Depository

**NatWest Trustee and Depository Services
Limited**
House A, Floor 0, Gogarburn,
175 Glasgow Rd, Edinburgh EH12 1HQ

Custodian

**J.P. Morgan Chase Bank N.A. (London
Branch)**
25 Bank Street
Canary Wharf, London E14 5JP

Auditors

Deloitte LLP
110 Queen Street
Glasgow G1 3BX

The Financial Conduct Authority (FCA)

12 Endeavour Square
London E20 1JN

This document is the Prospectus of the TM Fulcrum UCITS Funds (the "Company"). In this Prospectus the words and expressions below shall have the following meanings:

DEFINITIONS

- "ACD"** TUTMAN LLP, the authorised corporate director of the Company;
- "AIF"** an alternative investment fund within the scope of the AIFMD Rules;
- "AIFMD Rules"** the Directive 2011/01/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers, as supplemented by Commission Delegated Regulations (EU) No. 231/2013 of 19 December 2012 and the rules issued by the FCA and ESMA from time to time (including any amendments or updates made in relation thereto) as implemented in the UK by the Alternative Investment Fund Managers Regulations 2013 (as amended);
- "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,
 - and a credit institution established in an EEA State and duly authorised by the relevant Home State regulator.
- as such definition may be updated in the FCA Glossary from time to time;
- "Associate"** as defined in the FCA Glossary;
- "Benchmarks Regulation"** as defined in the FCA Glossary;

“Business Day”	any day on which banks are open for business in London and/or such other place or places and such other day or days as the ACD may determine;
“CASS”	the requirements relating to holding client assets and client money published by the FCA as part of the FCA Handbook, as amended or replaced from time to time;
“CCP”	as defined in the FCA Glossary;
“Class” or “Classes”	in relation to Shares, means (according to the context) all of the Shares related to a Fund or of a particular class or classes of Share related to a Fund;
“COLL”	refers to the appropriate chapter or rule in the COLL Sourcebook;
“COLL Sourcebook”	the Collective Investment Schemes Sourcebook which forms part of the FCA Handbook of Rules and Guidance as amended or replaced from time to time;
“Company”	TM Fulcrum UCITS Funds;
“Data Protection Laws”	<p>all applicable laws relating to the processing, privacy and/or use of personal data including the following laws to the extent applicable in the circumstances:</p> <ul style="list-style-type: none"> (a) the UK GDPR; (b) the Data Protection Act 2018; (c) any laws which implement any such laws; and (d) any laws which replace, extend, re-enact, consolidate or amend any of the foregoing (whether or not before or after the date of this Prospectus); and (e) all guidance, guidelines and codes of practice issued by any relevant supervisory authority relating to such Data Protection Laws (in each case whether or not legally binding);
“Dealing Day”	every day in the UK other than a Saturday, Sunday, a bank holiday or a day deemed as a holiday by the ACD with the prior agreement of the Depositary;
“Depositary”	NatWest Trustee and Depositary Services Limited;
“Directors”	the director or directors of the Company for the time being (including the ACD) or, as the case may be, the directors assembled as a board (including any committee of the board) from time to time;

“EEA State”	a state which is within the European Economic Area as defined in the FCA Glossary;
“Eligible Institution”	one of certain eligible institutions as defined in the FCA Glossary;
“ERISA Plan”	(i) any retirement plan subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended (“ERISA”); (ii) any individual retirement account or plan subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended; or (iii) an entity whose assets include plan assets by reason of a plan’s investment in the entity (generally because 25% or more of a class of equity interests in the entity is owned by plans);
“ESMA”	European Securities and Markets Authority;
“EUWA”	as defined in the FCA Glossary;
“FATCA”	the Foreign Account Tax Compliance Act (US);
“FCA Glossary”	the glossary given the meanings of the defined expressions used in the FCA Handbook as amended from time to time;
“fraction”	a smaller denomination Share (on the basis that one thousand smaller denomination Shares make one larger denomination Share);
“FCA”	the Financial Conduct Authority and any successor or replacement organisation or authority;
“FCA Handbook”	the FCA’s Handbook of rules and guidance, as amended from time to time;
“FCA Rules”	the rules from time to time contained in COLL Sourcebook but, for the avoidance of doubt, not including guidance or evidential requirements contained in COLL Sourcebook;
“Financial Instrument”	as defined in the FCA Handbook;
“Fund” or “Funds”	a sub-fund of the Company (being part of the Scheme Property of the Company which is pooled separately) and 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 and ‘Funds’ shall be interpreted accordingly;
“Fund Accountant”	the person who provides fund accounting services, being J.P. Morgan Europe Limited and its successor or successors as fund accountant;
“Home State”	As defined in the FCA Glossary
“Instrument of Incorporation”	the instrument dated 1 January 2015, incorporating the Company, as may be amended from time to time;
“Net Asset Value” or	the value of the Scheme Property of the Company (or of any Fund, as the context requires) less the liabilities of the

"NAV"	Company (or of the Fund concerned) as calculated in accordance with the Company's Instrument of Incorporation;
"Non-Qualified Person"	<p>any person to whom a transfer of Shares (legally or beneficially) or by whom a holding of Shares (legally or beneficially) would or, in the opinion of the ACD, might:-</p> <ul style="list-style-type: none"> a) be in breach of any law (or regulation by a competent authority) of any country or territory by virtue of which the person in question is not qualified to hold such Shares; or b) require the Company or the ACD or the Investment Manager to be registered under any law or regulation whether as an investment fund or otherwise, or cause the Company to be required to apply for registration, or comply with any registration requirements in respect of any of its Shares, whether in the United States of America or any other jurisdiction; or c) cause the Company, its Shareholders, the ACD or the Investment Manager some legal, regulatory, taxation, pecuniary or material administrative disadvantage which the Company or its Shareholders might not otherwise have incurred or suffered; or d) result in the Company having more than 80 beneficial owners of its Shares (whether directly or by attribution pursuant to section 3 (c) (1) (a) of the United States Investment Company Act of 1940) who are United States persons within the meaning of Regulation S under the United States Securities Act of 1933, as amended.
"Non-UCITS retail scheme"	in accordance with the FCA Rules an authorised fund which is neither a UK UCITS nor a qualified investor scheme;
"OECD"	the Organisation for Economic Co-operation and Development;
"OEIC Regulations"	the Open-Ended Investment Companies Regulations 2001 as amended or re-enacted from time to time;
"Reference Benchmark"	UK Retail Price Index;
"Register"	the register of Shareholders in the Company;
"Regulated Activities Order"	the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 SI 2001/s44 as amended from time to time;
"Regulations"	the OEIC Regulations and the FCA Handbook;
"Retail Prices Index"	the Retail Prices Index published by the Office for National Statistics, or a successor or replacement organisation;
"Scheme Property"	the property of the Company or the Fund as the context requires under the Regulations held by the Depositary for safe-keeping;

“SDRT”	stamp duty reserve tax;
“securities financing transaction”	as defined in the FCA Glossary;
“Securities Financing Transaction Regulation”	as defined in the FCA Glossary;
“Share” or “Shares”	a share or shares in the Company (including larger denomination shares and fractions);
“Shareholder”	a holder of registered Shares in the Company;
“SYSC”	the Senior Management Arrangement Systems and Controls sourcebook issued by the FCA pursuant to the Act, as amended or replaced from time to time;
“UCITS”	an undertaking for collective investment in transferable securities. This will include a UCITS scheme or an EEA UCITS scheme, as defined in the FCA Glossary;
“UCITS Directive”	the European Parliament and Council Directive of 13 July 2009 on the co-ordination of laws, regulations and administrative provisions relating to undertakings for Collective Investment in Transferable Securities (UCITS) (No. 2009/65/EC) as amended;
“UCITS Directive Regulations”	the European Parliament and Council Directive of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (No 2009/65/EC) as it forms part of the law of England, Wales, Scotland and Northern Ireland by virtue of section 3 of the EUWA, and any statutory instruments that the UK government makes to amend deficiencies in retained European Union law by virtue of section 8 of the EUWA (as may be amended from time to time) (including, without limitation, the Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 SI 2019/325 incorporating European directives or other European legislation relating to undertakings for collective investment in transferable securities into UK domestic law following the UK’s withdrawal from the European Union);
“UK AIF”	as defined in the FCA Glossary;
“UK GDPR”	Regulation 2016/679 of the European Parliament and of the Council of 27 th April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (General Data Protection Regulation) as it forms part of the law of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the EUWA, and any statutory instruments that the UK government makes to amend deficiencies in retained European Union law by virtue of section 8 of the EUWA (as may be amended from time to time) following the UK’s withdrawal from the European Union;
“UK UCITS”	as defined in the FCA Glossary;

- “United Kingdom” or “UK”** the United Kingdom of Great Britain and Northern Ireland;
- “United States” or “US”** the United States of America, its territories and possessions, any State of the United States, and the District of Columbia;
- “US Persons”** a person as described in any of the following paragraphs:
1. With respect to any person, any individual or entity that would be a US Person under Regulation S of the 1933 Act. The Regulation S definition is set out below. Even if you are not considered a US Person under Regulation S, you can still be considered a "US Person" within the meaning of this Prospectus under Paragraphs 2, 3 and 4, below;
 2. With respect to any person, any individual or entity that would be excluded from the definition of "Non-United States person" in Commodity Futures Trading Commission ("CFTC") Rule 4.7. The definition of "Non-United States person" is set out below;
 3. With respect to individuals, any US citizen or "resident alien" within the meaning of US income tax laws as in effect from time to time. Currently, the term "resident alien" is defined under US income tax laws; or
 4. With respect to persons other than individuals, (i) a corporation or partnership created or organised in the United States or under the law of the United States or any state, (ii) a trust where (a) a US court is able to exercise primary supervision over the administration of the trust and (b) one or more US persons have the authority to control all substantial decisions of the trust and (iii) an estate which is subject to US tax on its worldwide income from all sources;

Regulation S definition of US Person

- 1) Pursuant to Regulation S of the 1933 Act, "US Person" means:
 - a) any natural person resident in the United States;
 - b) any partnership or corporation organised or incorporated under the laws of the United States;
 - c) any estate of which any executor or administrator is a US person;
 - d) any trust of which any trustee is a US person;
 - e) any agency or branch of a foreign entity located in the United States;
 - f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person;
 - g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; or
 - h) any partnership or corporation if:

- i) organised or incorporated under the laws of any non-US jurisdiction; and
 - j) formed by a US Person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the 1933 Act) who are not natural persons, estates or trusts;
- 2) Notwithstanding (1) above, any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US Person by a dealer or other professional fiduciary organised, incorporated, or (if an individual) resident in the United States shall not be deemed a "US Person";
 - 3) Notwithstanding (1) above, any estate of which any professional fiduciary acting as executor or administrator is a US Person shall not be deemed a "US Person" if:
 - a) an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with respect to the assets of the estate; and
 - b) the estate is governed by non-US law;
 - 4) Notwithstanding (1) above, any trust of which any professional fiduciary acting as trustee is a US Person shall not be deemed a "US Person" if a trustee who is not a US Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person;
 - 5) Notwithstanding (1) above, an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country shall not be deemed a "US Person";
 - 6) Notwithstanding (1) above, any agency or branch of a US Person located outside the United States shall not be deemed a "US Person" if:
 - a) the agency or branch operates for valid business reasons; and
 - b) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located;
 - 7) The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organisations, their agencies, affiliates and pension plans shall not be deemed "US Persons".

The ACD may amend the definition of "US Person" without notice to Shareholders as necessary in order best to reflect then-current applicable US law and regulation. Contact your investment adviser for a list of persons or entities that are deemed to be "US Persons";

"Non-United States persons" definition

CFTC Rule 4.7 currently provides that the following persons are considered "Non-United States persons":

1. a natural person who is not a resident of the United States or an enclave of the US government, its agencies or instrumentalities;
2. a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a non-US jurisdiction and which has its principal place of business in a non-US jurisdiction;
3. an estate or trust, the income of which is not subject to US income tax regardless of source;
4. an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided, that shares of participation in the entity held by persons who do not qualify as Non-United States persons or otherwise as qualified eligible persons (as defined in CFTC Rule 4.7(a)(2) or (3)) represent in the aggregate less than ten per cent. of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by persons who do not qualify as Non-United States persons in a pool with respect to which the operator is exempt from certain requirements of Part 4 of the CFTC's regulations by virtue of its participants being Non-United States persons; and
5. a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States;

"Valuation Point"	the point, whether on a periodic basis or for a particular valuation, at which the ACD carries out a valuation of the property of the Company for the purpose of determining the price at which Shares of a Class may be issued, cancelled or redeemed. The Valuation Point will be 12 midday upon each Dealing Day or as otherwise determined in accordance with paragraph 4.1;
"VAT"	value added tax;
"1933 Act"	the United States Securities Act of 1933 (as may be amended or re-enacted); and
"1940 Act"	the United States Investment Company Act of 1940 (as may be amended or re-enacted).

Any words or expressions defined in the OEIC Regulations or FCA Rules shall have the same meanings where used herein.

Headings used in this Prospectus are for convenience only and shall not affect their meaning or legal effect.

References in the main body of this Prospectus to paragraphs mean paragraphs in the main body of this Prospectus unless otherwise stated. Similarly, references in an Appendix to paragraphs mean paragraphs in the relevant Appendix unless otherwise stated.

References to the plural shall include the singular and vice versa.

Unless otherwise defined in this Prospectus, words or expressions in this Prospectus shall bear the same meaning as words or expressions defined in the FCA Glossary.

References to statutes, statutory provisions or regulations (including any provision of the FCA Handbook) shall include those statutes, provisions, regulations, or FCA Rules as amended, extended, consolidated, substituted or re-enacted from time to time and, in particular, references to Regulations and/or Directives of the European Union shall, where appropriate, include all domestic law and regulation enacted (or re-enacted) for the purpose of bringing such European Union law and regulation into domestic law and regulation.

1. **DETAILS OF THE COMPANY**

1.1 **General**

TM Fulcrum UCITS Funds is an open-ended investment company with variable capital incorporated in England and Wales and authorised by the Financial Services Authority (the predecessor of the FCA) on 22 February 2012. The Company was launched on 26 March 2012.

The Company registered number is IC000939 and the FCA Product Reference Number (PRN) of the Company is 575657.

Shareholders of the Company are not liable for the debts of the Company.

Head Office:

Exchange Building, St. John's Street, Chichester, West Sussex PO19 1UP

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.

Base Currency:

The base currency of the Company and each Fund is Pounds Sterling. Where a Class of Shares or a Fund is designated in a differing currency from that of the Company (for example, a Class of Shares or a Fund designated in Euros when the Fund's or the Company's base currency is designated in Sterling), this may give rise to additional exchange rate risk.

Share Capital: Maximum £500 billion

Minimum £5 million

Shares in the Company 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.

Past performance tables for the Company, or each Fund (where relevant), are contained in Appendix V.

The circumstances in which the Company may be wound up, and the procedures involved, are set out in paragraph 12 below.

1.2 **The Structure of the Company**

The Company is a UK UCITS which complies with the requirements of the COLL Sourcebook.

1.2.1 **The Funds**

The Company is structured as an umbrella company, in that 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.

As at the date of this Prospectus there are three Funds available for investment. The details of these Funds are those set out in Appendix I

and these Funds are:

Fund	PRN
TM Fulcrum Diversified Absolute Return Fund	635763
TM Fulcrum Diversified Core Absolute Return Fund	656974
TM Fulcrum Income Fund	800415

Each Fund is structured as a UK UCITS.

The assets of each Fund will be treated as separate from those of every other Fund and will be invested in accordance with the investment objective and investment policy applicable to that Fund.

The Funds are segregated portfolios of assets to which any liabilities, attributable, or allocated, to a particular Fund shall be met first out of the property attributable, or allocated to, that particular Fund. 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.

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 the Funds 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 and allocated in accordance with the FCA Rules may be re-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. In the event that any assets are re-allocated the ACD will advise Shareholders in the next succeeding annual, or half yearly, report to Shareholders.

Please also see paragraph 5.1.4 below "Liabilities of the Company and the Funds".

1.2.2 **Shares**

Several Classes of Share may be issued by the Funds. At present the below Share Classes are issued:

- a) Class A Accumulation;
- b) Class B income;
- c) Class B Accumulation;
- d) Class C Income;
- e) Class C Accumulation;
- f) Class D Accumulation;

- g) Class F Income; and
- h) Class F Accumulation.

Additional Classes of Shares may be issued in the future in accordance with the rules in the COLL Sourcebook. Classes are denominated in Sterling, Euro, US Dollars, Swiss Francs and Australian Dollars. The Classes and types of Share presently available in each Fund and further information in respect of currency hedged share Classes are set out in the details of the relevant Funds contained in Appendix I.

Holders of income Shares are entitled to be paid the income attributable to such Shares on the relevant allocation dates as set out in Appendix I.

Holders of accumulation Shares are not entitled to be paid the income attributable 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.

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

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

Shareholders are entitled (subject to certain restrictions) to switch all or part of their Shares in a Class or a Fund for Shares in another Class within the same Fund or for Shares of the same or another Class within a different Fund. Details of this switching facility and the restrictions are set out in paragraph 3.3.

Currency hedged share classes

Class A, Class B, Class C, and Class D US Dollar Accumulation Shares and Class C US Dollar Income Shares, Class A, Class B, Class C and Class D Euro Accumulation Shares and Class C Euro Income Shares and Class A, Class B, Class C, Class D Swiss Franc Accumulation Shares and Class C Swiss Franc Income Shares and Class A, Class B, Class C, and Class D Australian Dollar Accumulation Shares and Class C Australian Dollar Income Shares are currency hedged share classes.

Please refer to the paragraph titled "currency hedging transactions" and the relevant Fund information (Appendix I) for risks associated with these transactions and operation of the hedged Share Classes.

2. INVESTMENT OBJECTIVES, POLICIES AND OTHER DETAILS OF THE FUNDS

Investment of the assets of each of the Funds must comply with COLL Sourcebook and the investment objective and policy of the relevant Fund. Details of these investment objectives and other important information relating to each Fund are set out in Appendix I.

The investment of the Scheme Property is subject to the limits set out in Chapter 5 of COLL as it relates to UK UCITS schemes, which are set out in Appendix II.

3. **BUYING, SELLING AND SWITCHING SHARES**

The dealing office of the ACD is open from at least 9.00 a.m. until 5.00 p.m. on each Dealing Day to receive requests for the issue, redemption and switching of Shares.

3.1 **Buying Shares**

3.1.1 **Procedure**

Shares can be bought by sending a completed application form to the ACD at the Registrar and Transfer Agent's address (see the Directory above), through the means of electronic communications (as set out in the paragraph titled 'Electronic Communications' below), or by obtaining an application form by telephoning the ACD's Customer Enquiry Line on 0808 2342879.

Application forms may be obtained from the ACD. In addition, the ACD may from time to time, at its discretion, make arrangements to allow Shares to be bought on-line or through other communication media, for example by fax.

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 has been issued will not be returned to the applicant. Instead, smaller denomination Shares will be issued. A smaller denomination Share is equivalent to one one-thousandth of a larger denomination Share.

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.

Shares are not listed or dealt on any investment exchange.

3.1.2 **Documents the purchaser will receive**

A contract note giving details of the Shares purchased and the price used will be issued by the end of the next Business Day following the purchase together with, where appropriate, a notice of the applicant's right to cancel.

Settlement is due for purchases within four Business Days of the date of the contract note.

Share certificates will not be issued in respect of Shares. Ownership of Shares will be evidenced by an entry on the Register. Statements in respect of periodic distributions on Shares will show the number of Shares held by the Shareholder. Individual statements of a Shareholder's Shares will also be issued at any time on request by the Shareholder. Where the Shares are jointly held such statements will be sent to the first named holder on the Register.

3.1.3 **Minimum subscriptions and holdings**

The minimum initial subscription, additional subscription and minimum holding levels relating to each Fund are set out in Appendix I. The ACD may at its discretion accept subscriptions and/or holdings lower than the minimum amount(s).

3.2 **Selling Shares**

3.2.1 **Procedure**

Every Shareholder has the right to require that the Company redeem his or her Shares on any Dealing Day unless the value of Shares which the Shareholder wishes to redeem will mean that the Shareholder will hold Shares with a value less than the required minimum holding. A Shareholder who is not redeeming its entire holding in the relevant Class may only redeem Shares having a value equal to or more than the "Minimum Redemption" (if relevant) set out in respect of the relevant Fund in Appendix I.

Requests to redeem Shares may be made by obtaining an application form by telephoning the ACD's Customer Enquiry Line on 0808 2342879, through the means of electronic communications (as set out in the paragraph titled 'Electronic Communications' below), or in writing to the ACD at the Registrar and Transfer Agent's address (see the Directory above).

The ACD may from time to time, at its discretion, make arrangements to allow Shares to be sold on-line or through other communication media, for example by fax.

3.2.2 **Documents the Seller will receive**

A contract note giving details of the number and price of Shares sold will be sent to the selling Shareholder (the first-named, in the case of joint Shareholders) together (if sufficient written instructions have not already been given) with a form of renunciation for completion and execution by the Shareholder (and, in the case of a joint holding, by all the Shareholders) no later than the end of the next Business Day following the later of the request to redeem Shares or the Valuation Point by reference to which the redemption price is determined. Settlements of redemptions by the ACD will be made by the close of business on the fourth Business Day next following:

- 3.2.2.1 receipt by the ACD of the redemption request (or other sufficient written instructions) duly signed by all the relevant Shareholders and completed as to the appropriate number of Shares, together with any other appropriate evidence of title; and
- 3.2.2.2 the Valuation Point at which the price of Shares is established.

Payment of redemption proceeds will be made by cheque, or by arrangement by bank transfer in accordance with any instruction received. If no instructions are given, payment will be made by cheque posted to the Shareholder (at the Shareholder's risk). Instructions to make payments to a third party will not normally be accepted.

3.2.3 **Limits on partial redemption**

Part of a Shareholder's holding may be sold but the ACD reserves the right to refuse a request to redeem part of a holding if:

- 3.2.3.1 the value of the Shares to be redeemed in any Class is less than the applicable minimum redemption amount for that Class; or
- 3.2.3.2 the value of the remaining holding of Shares of any Class following the redemption would be less than the applicable minimum holding for that Class.

3.3 **Switching**

Holders of Shares in a Fund may at any time switch all or some of their Shares of one Class or Fund (the "Original Shares") for Shares of another Class or Fund (the "New Shares"). The number of New Shares issued will be determined by reference to the respective prices of New Shares and Original Shares at the Valuation Points applicable at the time the Original Shares are repurchased and the New Shares are issued.

The ACD may at its discretion levy a charge on the switching of Shares between Funds or Classes. No switching charges are currently levied.

If the switch would result in the Shareholder holding a number of Original Shares or New Shares of a value which is less than the minimum holding for the Class concerned, the ACD may, if it thinks fit, convert the whole of the applicant's holding of Original Shares to New Shares or refuse to effect any switch of the Original Shares. No switch will be made during any period when the right of Shareholders to require the redemption of the relevant Shares is suspended. The general provisions on procedures relating to redemption will apply equally to a switch. Where a duly completed switching form is received by the ACD before the Valuation Point on a Dealing Day (or the last Valuation Point if there is more than one) the switch will be dealt with at the prices applicable at that Valuation Point. Switching requests received after a Valuation Point will be held over until the next day which is a Dealing Day in the relevant Funds.

The ACD may adjust the number of New Shares to be issued to reflect the imposition of any switching charge together with any other charges or levies in respect of the issue or sale of the New Shares or repurchase or cancellation of the Original Shares as may be permitted pursuant to the Regulations.

Please note that a switch of Shares in one Fund for Shares in any other Fund is treated as a redemption and sale and will, for persons subject to UK taxation, be a realisation for the purposes of capital gains taxation. The disposal of Original Shares may give rise to a liability to tax, depending on the Shareholder's circumstances.

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

3.4 **Dealing Charges**

3.4.1 **Preliminary charge**

The ACD may impose a charge on the purchase of Shares. The preliminary charge currently payable in respect of each Class of Shares

is set out in Appendix I, as a percentage of the amount invested by the prospective Shareholder.

The preliminary charge is payable to the ACD. The ACD may waive or discount the preliminary charge at its discretion.

The ACD is permitted to increase the preliminary charge payable on purchase of Shares (or to introduce such a charge where none is currently payable) in accordance with the COLL Sourcebook.

3.4.2 **Redemption charge**

The ACD may make a charge on the redemption of Shares. At present no redemption charge is levied on any of the Funds; Appendix I sets out the circumstances a charge may apply to each Fund.

The ACD may introduce a redemption charge on Shares or increase an existing charge in accordance with the COLL Sourcebook. Such a charge will only be levied on Shares issued after the date of introduction of, or increase in the charge. Shares will be deemed to be redeemed in the order in which they were purchased for the purposes of making a charge on redemption.

In the event of a change to the rate or method of calculation of a redemption charge, details of the previous rate or method of calculation will be available from the ACD.

3.4.3 **Switching charge**

On the switching of Shares between Funds or Classes, the Instrument of Incorporation authorises the Company to impose a switching charge. No switching charges are currently levied.

The ACD may introduce a switching charge on Shares or increase an existing charge in accordance with the COLL Sourcebook.

3.5 **Other dealing information**

3.5.1 **Dilution**

The basis on which the Company's investments are valued for the purpose of calculating the issue and redemption price of Shares as stipulated in the Regulations and the Instrument of Incorporation is summarised in paragraph 4. The actual cost of purchasing or selling a Fund's investments may be higher or lower than the mid-market value used in calculating the Share price - for example, due to dealing charges, or through dealing at prices other than the mid-market price. A Fund may suffer dilution (reduction) in the value of the Scheme Property as a result of the costs incurred in dealing in the underlying investments and of any spread between the buying and selling prices of those investments. It is not, however, possible to predict accurately whether dilution will occur at any point in time.

Under certain circumstances (for example, large volumes of deals) dilution may have an adverse effect on the existing/continuing Shareholders' interest in the Fund. In order to prevent this effect, called "dilution", and in order to protect the interests of existing/continuing Shareholders, the ACD has the power to apply a "dilution adjustment" to the price on the purchase and/or redemption of Shares. If applied,

the dilution adjustment will be made to the price of the Fund, with the effect that any extra capital invested/retained will become part of the relevant Fund and not paid to the ACD.

The dilution adjustment for each Fund will be calculated by reference to the estimated costs of dealing in the underlying investments of that Fund, including any dealing spreads, commission and transfer taxes. The price of each Class of Share in a Fund will be calculated separately but any dilution adjustment will, in percentage terms, affect the price of Shares of each Class identically.

The need to apply a dilution adjustment will depend on the volume of net purchases or redemptions of the Shares. The ACD may charge a dilution adjustment on the purchase and redemption of such Shares if, in its opinion, the existing/continuing Shareholders might otherwise materially be adversely affected and if applying a dilution adjustment, so far as practicable, is fair to all existing and potential Shareholders. In determining the rate of any dilution adjustment, the ACD may, in order to reduce volatility, take account of the trend of a Fund to expand or contract and the transaction in Shares at a particular Valuation Point.

In practice, a dilution adjustment would only be imposed in exceptional circumstances and the amount of the adjustment would not exceed what the ACD considers necessary to compensate the relevant Fund for the potential effect of the dilution described above. The only cases in which the ACD specifically envisages that it might exercise its discretion in favour of imposing a dilution levy are where the ACD is of the opinion that the interests of Shareholders requires it or on large deals.

A large deal for this purpose is any single transaction or series of transactions in one dealing period involving investment into or realisation from a single Fund of more than 5% of the Net Asset Value of that Fund. A dilution adjustment must be imposed only in a manner, that so far as practicable, is fair to all Shareholders or potential Shareholders.

As dilution is directly related to the inflows and outflows of monies from a Fund it is not possible to predict accurately whether dilution will occur at any future point in time or how frequently the ACD will need to make such a dilution adjustment. The actual dilution adjustment applied will depend on market conditions at or around the time at which the deal is struck. However, the ACD does not anticipate that a dilution adjustment will be made regularly and that the application of a dilution adjustment will occur only on exceptional occasions. Based on the ACD's experience, should it be applied it is anticipated that it would be applied at a rate of less than 1% of the relevant price.

3.5.2 **Money laundering**

As a result of legislation in force in the UK to prevent money laundering, persons conducting investment business are responsible for compliance with money laundering regulations. In order to implement these procedures, in certain circumstances Shareholders may be asked to provide proof of identity when buying or selling Shares. Until satisfactory proof of identity is provided, the ACD reserves the right to refuse to sell Shares or pay the proceeds of a redemption of Shares.

Refer to paragraph 13.10 'Electronic Verification' for details of resources the ACD may access in verifying information on you.

3.5.3 **Market Timing**

The Funds are intended to be a medium to long-term investment vehicle and are not designed to be used by investors for speculating on short-term market or currency movements. The ACD reserves the right, as it deems appropriate, to take any necessary or desirable measures in order to limit or prevent abusive trading practices, including "market timing" or "portfolio churning". Such actions may include (but are not limited to) the ACD rejecting any application for subscriptions or conversions of Shares from any investor which the ACD believes is engaged in or suspected to be engaged in such abusive practices. Although there can be no assurance that the ACD will be able to detect and prevent all such occurrences, the goal of this policy is to minimise any negative impact of such abusive short-term trading practices on the other Shareholders while recognising the benefits that accrue to all Shareholders from sharing fund expenses across a large asset base.

3.5.4 **Restrictions and Compulsory Transfer and Redemption**

3.5.4.1 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 circumstances ("relevant circumstances") (i) which constitute a breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or (ii) which would (or would if other Shares were acquired or held in like circumstances) result in the Company incurring any liability to taxation which the Company is not 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). In this connection, the ACD may, inter alia, reject in its discretion any application for the purchase, sale or switching of Shares.

3.5.4.2 If it comes to the notice of the ACD that any Shares are or may be owned or held legally or beneficially by a Non-Qualified Person ("affected Shares") the ACD may give notice to the registered holder(s) of the affected Shares requiring either the transfer of such Shares to a person who is not a Non-Qualified Person or a request in writing for the redemption or cancellation of such Shares in accordance with the FCA Rules. If any person upon whom such a notice is served does not, within 30 days after the date of such notice, transfer the affected Shares to a person who is not a Non-Qualified Person or establish to the satisfaction of the ACD (whose judgement is final and binding) that he and the beneficial owner are not Non-Qualified Persons, he shall be deemed upon the expiration 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 pursuant to the FCA Rules.

3.5.4.3 A person who becomes aware that he is holding or whether beneficially or otherwise owns affected Shares in any of the

relevant circumstances referred to in paragraph 3.5.4.1, or by virtue of which he is not qualified to hold such affected Shares, shall forthwith, unless he has already received a notice as aforesaid, either transfer all his affected Shares to a person qualified to own them or give a request in writing for the redemption of all his affected Shares pursuant to the Regulations.

3.5.5 **In specie redemptions**

The ACD may, in the event of a request for redemption in excess of 10% of the Scheme Property or £5 million (whichever is the lesser), arrange that in lieu of payment of the price of the Shares in cash, the Company shall cancel the Shares and transfer to that Shareholder property of the Company of the relevant value or, if required by the Shareholder, the net proceeds of the sale of the relevant property to him. The ACD must give written notice to the Shareholder concerned of its decision to exercise these powers before the cash payment would otherwise be due.

The ACD will select the Scheme Property to be transferred in consultation with the Depositary. They must ensure that the selection is made with a view to achieving no more advantage or disadvantage to the Shareholder requesting cancellation/redemption than to the continuing Shareholders.

The Company may retain out of the Company property to be transferred property or cash of a value or amount equivalent to any stamp duty reserve tax to be paid in relation to the redemption of Shares.

3.5.6 **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 acquiring of those assets in exchange for the Shares concerned is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders.

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 of that Fund.

3.5.7 **Suspension of dealings in the Company**

The ACD may, with the prior agreement of the Depositary, or 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 Shareholders in that Fund.

The ACD and the Depositary will ensure that any such suspension may only continue for as long as it 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 the UK or each EEA state (as applicable) where the Company 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 suspensions.

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.

3.5.8 **Deferred redemption**

In times of high redemptions, where requested redemptions exceed 10% of a Fund's value, to protect the interests of continuing Shareholders, the ACD may defer redemptions at a particular Valuation Point on a Dealing Day, to the Valuation Point on the next Dealing Day. This will allow the ACD to match the sale of Scheme Property to the level of redemptions, and should reduce the impact of dilution on a Fund. Subject to sufficient liquidity being raised at the next Valuation Point all deals relating to the earlier Valuation Point will be completed before those relating to the later Valuation Point are considered.

3.5.9 **Governing law**

All deals in Shares are governed by English law.

3.5.10 **Electronic Communications**

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 Shareholder, 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 Shareholder.

3.5.11 **Client Money**

No interest will be paid on client money held by the ACD. Client money will be held in a pooled general client bank account, which is designated as a client money account.

The ACD will not be responsible for any actions or omissions of the relevant bank. If the bank holding the client account becomes insolvent, the ACD will have a claim on behalf of all Shareholders, but if there is a shortfall, all clients will share in this proportionately, although Shareholders may be entitled to compensation from the Financial Services Compensation Scheme. The availability of compensation depends on the type of business being conducted. Details are available from the Financial Services Compensation Scheme Helpline on 0800 678 1100 or 020 7741 4100 and on the Financial Services Compensation Scheme website: www.fscs.org.uk.

Money deposited into an account with a third party may have a security interest, lien or right of set-off in relation to the money, to the extent permitted by the Client Money Rules.

4. **VALUATION OF THE COMPANY**

4.1 **Introduction**

The price of a Share in the Company 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 calculated at the Valuation Point on each Dealing Day. There will be a single price per Share.

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 dealings. 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.

4.2 **Calculation of the Net Asset Value**

The value of the Scheme 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 Property which is not cash (or other assets dealt with in paragraphs 4.2.3 and 4.2.4 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 redemption prices are quoted, at the average of the two prices provided the buying price has been reduced by any preliminary charge included therein and the redemption price has been increased by any exit or redemption charge attributable thereto; or
 - (c) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists, or, if the most recent price available does not reflect the ACD's best estimate of the value of the units or shares at a value which, in the opinion of the ACD, is fair and reasonable;
- 4.2.2.2 exchange-traded derivative contracts:
- (a) if a single price for buying and selling the exchange-traded derivative contract is quoted, at that price; or
 - (b) if separate buying and selling prices are quoted, at the average of the two prices;
- 4.2.2.3 over-the-counter derivative contracts shall be valued in accordance with the method of valuation as shall have been agreed between the ACD and the Depositary;
- 4.2.2.4 any other investment:
- (a) if a single price for buying and redeeming the security is quoted, at that price; or
 - (b) if separate buying and redemption prices are quoted, at the average of the two prices; or
 - (c) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists, or, if the most recent price available does not reflect the ACD's best estimate of the value of the securities 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 to 4.2.2.4 above: at a value which, in the opinion of the ACD, represents a fair and reasonable mid-market price.
- 4.2.3 Cash and amounts held in current, deposit and margin accounts and in other time related deposits shall be valued at their nominal values.

- 4.2.4 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 this Prospectus shall be assumed (unless the contrary has been shown) to have been taken.
- 4.2.5 Subject to paragraphs 4.2.6 and 4.2.7 below, agreements for the unconditional sale or purchase of 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.
- 4.2.6 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 4.2.5.
- 4.2.7 All agreements are to be included under paragraph 4.2.5 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.
- 4.2.8 Deduct an estimated amount for anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the property of the Fund; 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, stamp duty, stamp duty reserve tax and any foreign taxes or duties.
- 4.2.9 Deduct an estimated amount for any liabilities payable out of the property and any tax thereon treating periodic items as accruing from day to day.
- 4.2.10 Deduct the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings.
- 4.2.11 Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.
- 4.2.12 Add any other credits or amounts due to be paid into the Scheme Property.
- 4.2.13 Add a sum representing any interest or any income accrued due or deemed to have accrued but not received and any stamp duty reserve tax provision anticipated to be received.
- 4.2.14 Currencies or values in currencies other than the base currency or (as the case may be) the designated currency of a Fund 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.

4.3 **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 preliminary charge, or redemption charge, (or SDRT on a specific deal, if applicable) is payable in addition to the price or deducted from the proceeds and is taken from the gross subscription or redemption monies.

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

4.4 **Fair Value Pricing**

4.4.1 Where the ACD has reasonable grounds to believe that:

- (i) no reliable price exists for a security (including a unit/share in a collective investment scheme) at a Valuation Point; or
- (ii) 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:

- (i) no recent trade in the security concerned; or
- (ii) suspension of dealings in an underlying collective investment scheme; or
- (iii) 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:

- (i) the type of authorised fund concerned;
- (ii) the securities involved;
- (iii) whether the underlying collective investment schemes may already have applied fair value pricing;
- (iv) the basis and reliability of the alternative price used; and
- (v) 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 most recent prices will appear daily on the Trustnet website at

www.trustnet.com and can also be obtained by telephone on 01483 783 900.

For reasons beyond the control of the ACD, these may not necessarily be the current prices.

The cancellation price last notified to the Depository is available from the ACD upon request.

5. **RISK FACTORS**

5.1 **General Risks**

Investors should be aware that there are risks inherent in the holding of securities:

5.1.1 Past performance is no guide to the future. The value of Shares, and any income from them, can go down as well as up, particularly in the short term, meaning that an investment may not be returned in full.

5.1.2 The tax treatment of the Company may change and such changes cannot be foreseen.

5.1.3 Where regular investments are made with the intention of achieving a specific capital sum in the future, this will normally be subject to maintaining a specified level of investment.

5.1.4 **Liabilities of the Company and the Funds**

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

As explained in paragraph 1.2.1 where, under the OEIC Regulations, each Fund is a segregated portfolio of assets and those assets can only be used to meet the liabilities of, or claims against, that Fund. Whilst the provisions of the OEIC Regulations provide for segregated liability between the Funds, the concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known whether a foreign court would give effect to the segregated liability and cross-investment provisions contained in the OEIC Regulations. Therefore, it is not possible to be certain that the assets of a Fund will always be completely insulated from the liabilities of another Fund of the Company in every circumstance.

5.1.5 **Effect of Preliminary Charge**

Where an preliminary charge is imposed, an investor who realises his 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.

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

5.1.6 **Effect of Redemption Charge**

An investor who realises his Shares after less than 12 months may incur a redemption charge, and may not (even in the absence of a fall in the value of the relevant investments) realise the amount originally

invested. Therefore, the Shares should be viewed as a medium to long-term investment.

5.1.7 **Dilution Adjustment**

Investors should note that in certain circumstances a dilution adjustment may be applied on their purchase or redemption of Shares (see paragraph 3.5.1).

5.1.8 **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 paragraph 3.5.7).

5.1.9 **Charges to Capital**

Where the Prospectus states that all or part of fees and/or charges may be charged against capital rather than income, this will enhance income returns but may constrain future capital growth.

5.1.10 **Net Asset Value**

Whilst the Company may use the latest available published price in respect of each investment in order to calculate the Net Asset Value it reserves the right to use more recent valuations where this is considered appropriate. Such valuations may be based on an estimate of a more recent price of any unit or share in an underlying investment fund of other collective investment undertaking in which the Company invests obtained from or calculated on the basis of more recent information received from the underlying fund or undertaking or any of its service providers or agents. Subject to the FCA Rules, in the event that a price or valuation estimate accepted by the Company in relation to an underlying investment subsequently proves to be incorrect or varies from a final published price no adjustment to the Net Asset Value or Shares in issue will be made unless the ACD deems it appropriate in the circumstances.

5.1.11 **Legal and Regulatory Risks**

Legal and regulatory (including taxation) changes could adversely affect the Company. Regulation (including taxation) of investment vehicles, such as the Company, are subject to change. The effect of any future legal or regulatory (including taxation) change on the Company is impossible to predict but could be substantial and have adverse consequences on the rights and returns of Shareholders.

5.1.12 **Exchange-Traded Funds**

5.1.12.1 Exchange Traded Funds (ETFs) are usually open-ended collective investment schemes, the units of which track an index, a commodity or a basket of assets like an index, but are traded like a stock on regulated markets and investment exchanges.

5.1.12.2 An investment by the Company in ETFs generally presents the same primary risks as an investment in a collective investment fund. The schemes investing in ETFs are exposed not only to movements in the value of the

underlying asset but also to the risk that the issuer or counterparty gets into financial problems. In addition, an ETF may be subject to the following risks:

- (a) a discount of the ETF's shares to its net asset value;
- (b) failure to develop an active or liquid trading market for the ETF's shares. The lack of a liquid secondary market, in particular, may make it very difficult for the Company to sell the ETFs it holds and there can be no guarantee that a secondary trading market will develop;
- (c) the listing / relevant exchange halting trading of the ETF's shares;
- (d) failure of the ETF's shares to track the quoted reference index;
- (e) the re-weighting of; and
- (f) the holding of troubled or illiquid securities in the quoted reference index.

5.1.12.3 Certain of the ETFs in which the Company may invest are leveraged and this can cause their prices to be more volatile and their value to fall below the value of the underlying asset. The more the Company invests in leveraged ETFs, the more this leverage will increase any losses on those investments.

5.1.12.4 ETFs may involve duplication of management fees and certain other expenses, as the Company indirectly bears their proportionate share of any expenses paid by the ETFs in which it invests and whilst most ETFs quote an on-going charge figure or a total expense ratio, swap-based ETFs and currency hedged ETFs may have additional costs which are not included in these figures.

5.1.13 **Exchange-Traded Notes**

5.1.13.1 Exchange Traded Notes (ETNs) are a type of unsecured, unsubordinated debt security, the returns of which are based on the performance of a market index minus applicable fees, combining both the aspects of bonds and Exchange Traded Funds and traded on a major exchange(s).

5.1.13.2 ETNs are subject to credit risk, including the credit risk of the issuer, and the value of the ETN may drop due to a downgrade in the issuer's credit rating, despite the underlying market benchmark of strategy remaining unchanged. The general credit market environment can also affect the creditworthiness of the issuer, causing the value of the ETN to fluctuate significantly. Changes in interest rate conditions can also affect the value of the ETN. Generally, if interest rates fall, the value of these investments rises. Conversely, if interest rates rise, their value falls.

5.1.13.3 The value of an ETN may also be influenced by time to maturity, level of supply and demand for the ETN, volatility and lack of liquidity in tracked assets, and economic, legal, political, or geographic events that affect the underlying asset that is tracked (or referenced) in the ETN.

5.1.13.4 Although most ETNs will quote an annual management charge ratio, this may not include all of the costs involved in running the investment and they do not always quote a total expense ratio figure.

5.1.14 **Custody Risk**

5.1.14.1 The Depository may delegate the function of safekeeping of Financial Instruments to the Custodian, who may in turn appoint a custody agent. The Depository or Custodian may hold Financial Instruments in fungible accounts (meaning the assets are interchangeable) or omnibus accounts (resulting in accounts being combined). The use of omnibus accounts gives rise to a potential risk that there could be a shortfall in the Financial Instruments held in such an account should the total of the Financial Instruments be less than the aggregate entitlement of the Company. It is expected that such risks will be mitigated by the Custodian's trade matching and reconciliation processes, however in the event of an irreconcilable shortfall, the affected clients would bear the risk of any shortfall on a pro-rata basis and the Company may not recover all of its Financial Instruments.

5.1.15 **Infectious Diseases**

5.1.15.1 Infectious diseases that pose significant threats to human health may be highly disruptive to global economies and markets. The economic and market disruptions caused by infectious diseases could significantly impact the value of the Scheme Property of the Company and the value of distributions paid to investors

5.2 **Specific Risks**

5.2.1 **Fixed Interest Securities**

Fixed interest securities are particularly affected by trends in interest rates and inflation. If interest rates increase, capital values may fall and vice versa. Inflation will erode the real value of capital. In addition, companies may not be able to honour repayment on bonds they issue.

5.2.2 **Foreign Exchange Risk**

The Net Asset Value of the Company will be computed in the base currency whereas the investments held for the account of the Company may be acquired in other currencies. The Company's Net Asset Value may change significantly when the currencies other than the base currency in which some of the Company's investments are denominated strengthen or weaken against the base currency. Currency exchange rates generally are determined by supply and demand in the foreign

exchange markets and the perceived relative merits of investments in different countries. Currency exchange rates can also be affected unpredictably by intervention by government or central banks or by currency controls or political developments.

In addition currency hedging transactions, while potentially reducing the currency risks to which the Company would otherwise be exposed, involve certain other risks, including the risk of a default by a counterparty. In addition, where the Company enters into "cross-hedging" transactions (e.g., utilising a currency different from the currency in which the security being hedged is denominated), the Company will be exposed to the risk that changes in the value of the currency used to hedge will not correlate with changes in the value of the currency in which the securities are denominated, which could result in loss on both the hedging transaction and the Company securities.

Forward currency contracts and currency futures involve the possibility that the market for them may be limited with respect to certain currencies and, upon a contract's maturity, the possible inability to negotiate with the dealer to enter into an offsetting transaction. There is no assurance that an active forward currency contract market will always exist. These factors restrict the ability to hedge against the risk of devaluation of currencies in which a substantial quantity of securities are being held for the Company and are unrelated to the qualitative rating that may be assigned to any particular security.

5.2.3 **Currencies**

Currency fluctuations may adversely affect the value of the Company's investments and the income thereon and, depending on an investor's currency of reference, currency fluctuations may adversely affect the value of his investment in Shares.

5.2.4 **Emerging Markets**

Investment in emerging markets carries a higher risk than investing in mature markets. This is mainly because of the volatility of the markets and local regulations, and custody and registration arrangements, which may be less developed than in more mature markets.

5.2.5 **Financial Derivative Instruments**

The Company may use futures, options, swaps, forwards and other derivative instruments for investment purposes and for the purposes of hedging against either price or currency fluctuations. The ACD's ability to use such strategies may be limited by market conditions, regulatory limits and tax considerations. Use of derivatives involves certain special risks, including (i) imperfect correlation between movements in the securities or currency on which a futures or options contract is based and movements in the securities or currencies in the Company; (ii) the absence of a liquid market for any particular instrument at any particular time; (iii) while the Company may not be geared in any way through the use of derivatives, the degree of leverage inherent in futures trading, i.e., the low margin deposits normally required in futures trading, means that futures trading may be highly leveraged; accordingly, a relatively small price movement in a futures contract may result in an immediate and substantial loss to the Company; and (iv) possible impediments to the ability to meet redemption requests or other short-term obligations because of the percentage of the

Company's assets segregated to cover its obligations. Hedging strategies necessarily add costs to the Company.

For derivative instruments other than purchased options, any loss suffered may exceed the amount of the initial investment made or the premium received by the Company. Over-the-counter ("OTC") derivative instruments, including securities financing transactions, involve an enhanced risk that the counterparty will fail to perform its contractual obligations. If a Fund enters into a transaction in over-the-counter markets, a Fund is exposed to the credit of its counterparties, and their ability to satisfy the terms of such contracts. For example, a Fund may enter into agreements, or use other derivative techniques, each of which expose a Fund to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of bankruptcy, or insolvency of a counterparty, a Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Company seeks to enforce its rights, inability to realise any gains on its investment during such a period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above-mentioned agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change of tax or accounting laws relative to those at the time the agreement was originated. In such circumstances investors may be unable to recover any losses incurred.

Some derivative instruments are not readily marketable or may become illiquid under adverse market conditions. In addition, during periods of market volatility, a commodity exchange may suspend or limit trading in an exchange-traded derivative instrument which may make the contract temporarily illiquid and difficult to price. Commodity exchanges may also establish daily limits on the amount that the price of a futures contract or an option thereon can vary from the previous day's settlement price. Once the daily limit is exceeded, no trades may be made that day at a price beyond the limit. This may prevent the Company from closing out positions and limiting its losses.

Derivative transactions are typically undertaken under separate legal arrangements. In the case of OTC derivatives, a standard International Swaps and Derivatives Association ("ISDA") agreement is used to govern the trade between the Fund and the counterparty. The agreement covers situations such as a default of either party and also the delivery and receipt of collateral.

As a result, there is a risk of loss to the Fund where liabilities in those agreements are challenged in a court of law.

The ACD may enter into currency hedging transactions for the purposes of reducing risk by limiting the effect of movements in exchange rates on the value of the relevant currency Class Shares. Currently Class A, Class B, Class C, and Class D US Dollar Accumulation Shares and Class C US Dollar Income Shares, Class A, Class B, Class C and Class D Euro Accumulation Shares and Class C Euro Income Shares and Class A, Class B, Class C, Class D Swiss Franc Accumulation Shares and Class C Swiss Franc Income Shares and Class A, Class B, Class C, and Class D Australian Dollar Accumulation Shares and Class C Australian Dollar Income Shares are currency hedged share classes. Currency hedged transactions in respect of these Classes which are intended to mitigate the effects of exchange rate fluctuations between the currency of the

hedged currency shares and the base currency of the Company may not be able to completely eliminate the effects of adverse changes in exchange rates. Similarly there may be a risk that commitments arising from currency hedging transactions may not be capable of being met out of the property attributable to the relevant currency class Shares, and may therefore be required to be satisfied out of the Scheme Property of other Classes within the Company. There is therefore a risk of 'contagion' in that other Classes within the Company may be affected by the hedging transactions undertaken in respect of the currency hedged shares. Further details in respect of the operation of the hedged Share Classes are set out in Appendix I.

5.2.6 **No Guarantee of Capital**

Investors should note that **TM Fulcrum Diversified Absolute Return Fund, TM Fulcrum Diversified Core Absolute Return Fund and TM Fulcrum Income Fund** do not offer any form of guarantee with respect to investment performance and no form of capital protection will apply.

Investors should note that investors' capital is, in fact, at risk and there is no guarantee that any particular returns will be achieved, whether over a stated time period, or any other time period.

It cannot be guaranteed that a specific investment period in which a Fund aims to achieve these returns, or these specific positive returns, will be achieved.

6. **SECURITIES FINANCING TRANSACTIONS**

6.1 **Use of securities financing transactions**

6.1.1 The funds may use securities financing transactions to help meet the investment objective of a Fund and/or as part of efficient portfolio management.

6.2 **Selection of counterparties**

6.2.1 The Investment Manager selects execution-only brokers and counterparties and submits a request to the ACD's Investment Committee for approval. The ACD's Investment Committee reviews information provided by the Investment Manager on the proposed counterparty to assess their credit-worthiness, together with the type, settlement and delivery mechanism of the proposed security transaction. The ACD's Investment Committee maintains a list of approved securities financing transactions counterparties, which is kept under review. This review covers the ownership structure, financial strength, regulatory oversight and commercial reputation of the relevant legal entities. Ongoing monitoring involves the review by the Investment Manager of the audited and interim financial statements and market data service provider alerts.

6.2.2 Broker selection is based on, but not limited to, the following factors:

6.2.2.1 ability to execute and execution quality;

6.2.2.2 ability to provide liquidity/capital;

- 6.2.2.3 price and quote speed;
- 6.2.2.4 operational quality and efficiency; and
- 6.2.2.5 compliance with regulatory reporting obligations.

6.3 **Acceptable collateral**

- 6.3.1 Eligible collateral types (for derivative trading) are approved by the Investment Manager, and are set out in the respective ISDA Credit Support Annexes. Generally, eligible collateral consists of UK gilts, US treasuries and negotiable debt obligations of a range of Eurozone countries, generally subject to a minimum credit-rating. Collateral is subject to a haircut on a sliding scale based on the residual maturity of the underlying instrument.
- 6.3.2 Collateral obtained in respect of total return swaps must comply with the following criteria:
 - 6.3.2.1 liquidity: any collateral received other than cash should be of high quality, highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation;
 - 6.3.2.2 valuation: it should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;
 - 6.3.2.3 issuer: it should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;
 - 6.3.2.4 correlation: it should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure of 20% of the Fund's Net Asset Value to any single issuer on an aggregate basis, taking into account all collateral received;
 - 6.3.2.5 diversification: there is no restriction on the level of diversification required with respect to any country, market or issuer;
 - 6.3.2.6 maturity: collateral received may have a maturity date such as bonds or may not have a maturity date such as cash and equity; and
 - 6.3.2.7 enforceability: it should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.

6.4 **COLLATERAL VALUATION**

- 6.4.1 The value of collateral obtained is marked to market on a daily basis. Valuations are carried out daily and a margin is applied to collateral transactions so that, depending on the combination of securities on loan and the type of collateral received, the value of collateral required will

range from 0% to 20% of the value of securities. The collateral is marked to market daily to maintain the 0% to 5% excess collateral to act as insurance for volatile market conditions

- 6.4.2 Subject to the framework of agreements in place with the relevant counterparty, which may or may not include minimum transfer amounts, it is the ACD's general intention that any collateral received shall have a value, adjusted in light of the haircut policy, which equals or exceeds the relevant counterparty exposure where appropriate. The ACD has implemented a haircut policy in respect of each class of assets received as collateral. A haircut is a discount applied to the value of a collateral asset to account for the fact that its valuation, or liquidity profile, may deteriorate over time. The haircut policy takes account of criteria including the asset types, liquidity, valuation, issuer credit quality, correlation and risks linked to the management of collateral and enforceability.

6.5 **COLLATERAL RISK MANAGEMENT**

- 6.5.1 In the event of a counterparty default or operational difficulty, securities that are loaned out may not be returned or returned in a timely manner. Should the borrower of securities fail to return the securities lent by a Fund, there is a risk that the collateral received on such transactions may have a market value lower than that of the securities lent, whether due to inaccurate pricing of the collateral, adverse market movements in the value of the collateral, a deterioration in the credit rating of the issuer of the collateral, or the illiquidity of the market in which the collateral is traded. Delays in the return of securities on loan might restrict the Fund's ability to complete the sale of securities or to meet redemption requests. A default by the counterparty combined with a fall in the market value of the collateral below that of the value of the securities lent, may result in a reduction in the value of a Fund.
- 6.5.2 Collateral received will be held within a safekeeping account at the Depository. The Funds will be exposed to the risk of the Depository not being able to fully meet its obligation to return the collateral when required in the case of bankruptcy of the Depository.

6.6 **Safekeeping**

- 6.6.1 The collateral and the assets underlying total return swap transactions (and that remain assets of the Fund) will be held within a safekeeping account or record kept at the Custodian.

6.7 **Policy on Sharing Revenue Generated by SFTs**

- 6.7.1 Collateral requirements are netted off against each other on an ongoing basis and paid to the relevant broker in the form of cash or equivalent.

7. **MANAGEMENT AND ADMINISTRATION**

7.1 **Authorised Corporate Director (ACD) and other Directors**

- 7.1.1 The ACD (meaning the authorised fund manager for the purposes of COLL Sourcebook) is TUTMAN LLP, a limited liability partnership incorporated in England on 2 November 2011 with registered number OC369415.

- 7.1.2 The members of the ACD are:
- | | |
|--------------------------------------|-------------------|
| Thesis Unit Trust Management Limited | Designated Member |
| Thesis Holdings Limited | Designated Member |
- 7.1.3 Thesis Unit Trust Management Limited is wholly owned by Thesis Holdings Limited, a private limited company incorporated in Jersey with number 123560.
- 7.1.4 The address of the ACD's registered office and Head Office is located at Exchange Building, St John's Street, Chichester, West Sussex PO19 1UP.
- 7.1.5 The ACD has members' capital of £875,000.
- 7.1.6 The ACD is responsible for managing and administering the Company's affairs in compliance with the COLL Sourcebook.
- 7.1.7 The ACD is also the authorised fund manager of regulated collective investment schemes set out in Appendix IV.
- 7.1.8 The ACD is responsible for managing and administering the Company's affairs in compliance with the Regulations. The ACD may delegate its management, administration and registrar functions to third parties including Associates subject to the rules in the COLL Sourcebook. Details of delegated functions are set out at sub-paragraph 7.2.7.
- 7.1.9 The ACD is authorised and regulated by the FCA.
- 7.1.10 Investors buy and redeem Shares through the ACD who nets them to reduce the number of Shares issued/cancelled by the Company. When carrying out deals in Shares, the ACD acts as principal but does not profit from this activity..

7.2 **Terms of Appointment of the ACD**

- 7.2.1 The appointment of the ACD has been made under an agreement dated 1 April 2016 between the Company and the ACD (the "ACD Agreement"). The ACD is the sole Director of the Company.
- 7.2.2 The ACD Agreement provides that the appointment of the ACD may be terminated upon resolution of the Company in general meeting giving not less than 3 months' prior notice to the ACD or forthwith in certain circumstances by the ACD to the Company or the Depositary, or by the Depositary or the Company to the ACD. Termination cannot take effect until the FCA has approved the change of ACD.
- 7.2.3 The ACD is entitled to its pro rata fees and expenses to the date of termination and any additional expenses necessarily realised in settling or realising any outstanding obligations. No compensation for loss of office is provided for in the agreement. The ACD Agreement provides indemnities to the ACD other than for certain matters including those arising by reason of its fraud, negligence, wilful default, breach of duty or its bad faith, in the performance of its duties and obligations.
- 7.2.4 Under the ACD Agreement the ACD is entitled to delegate all of its functions to third parties, including without limitation, its investment advisory, administration and registrar functions.

- 7.2.5 The fees to which the ACD is entitled are set out in paragraphs 3 and 8.
- 7.2.6 The ACD is authorised and regulated by the FCA whose address is set out in the Directory at the front of this Prospectus.
- 7.2.7 The ACD has delegated the following functions to the parties listed below:
 - 7.2.7.1 investment management to the Investment Manager;
 - 7.2.7.2 registration to the Registrar;
 - 7.2.7.3 administration to the Administrator; and
 - 7.2.7.4 fund accountancy to the Fund Accountant.

7.3 **The Depositary**

- 7.3.1 The Company's Depositary is NatWest Trustee and Depositary Services Limited. The Depositary was incorporated in England and Wales as a private limited company with company number 11194605. Its registered and head office is at 250 Bishopsgate, London EC2M 4AA. The Depositary's office address concerned with matters relating to the Company is set out in the Directory at the front of this Prospectus.
- 7.3.2 The ultimate holding company of the Depositary is NatWest Group plc, which is incorporated in Scotland. The principal business activity of the Depositary is the provision of trustee and depositary services.
- 7.3.3 The Depositary is established in the UK and authorised and regulated by the FCA to act as Depositary of a UK UCITS or a UK AIF.
- 7.3.4 **Terms of Appointment**
 - 7.3.4.1 The Depositary was appointed under a Depositary Agreement between the ACD, the Company and the Depositary (the "Depositary Agreement").
 - 7.3.4.2 Under the Depositary Agreement, the Depositary is free to render similar services to others and the Depositary, the Company and the ACD are subject to a duty not to disclose confidential information.
 - 7.3.4.3 The powers, duties, rights and obligations of the Depositary, the Company and the ACD under the Depositary Agreement shall, to the extent of any conflict, be overridden by the FCA Rules.
 - 7.3.4.4 Under the Depositary Agreement the Depositary will be liable to the Company for any loss of Financial Instruments held in custody or for any liabilities incurred by the Company as a result of the Depositary's negligent or intentional failure to fulfil its obligations.
 - 7.3.4.5 However, the Depositary Agreement excludes the Depositary from any liability except in the case of fraud, wilful default, negligence or failure to exercise due care and diligence in the performance or non-performance of its obligations.

- 7.3.4.6 The Depositary Agreement provides that the Company will indemnify the Depositary for any loss suffered in the performance or non-performance of its obligations except in the case of fraud, wilful default, negligence or failure to exercise due care and diligence on its part.
- 7.3.4.7 The Depositary Agreement may be terminated on 6 months' notice by the Company or the Depositary or earlier on certain breaches or the insolvency of a party. However, termination of the Depositary Agreement will not take effect, nor may the Depositary retire voluntarily, until the appointment of a new Depositary has taken place.
- 7.3.4.8 Other than to exercise the rights of lien/set off over the Scheme Property in relation to unpaid fees and expenses in relation to the proper performance of services under the Depositary Agreement or sub-custody agreement, unless otherwise agreed by the ACD on behalf of the Company, the Depositary shall not be entitled to, and no sub-custodian shall be authorised by the Depositary to re-use for its own purpose and benefit any of the Scheme Property it has been entrusted with.
- 7.3.4.9 Details of the fees payable to the Depositary are given in paragraph 8.3.

7.3.5 **Duties of the Depositary**

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

7.3.6 **Conflicts of interest**

- 7.3.6.1 The Depositary may act as the depositary of other open-ended investment companies and as trustee or custodian of other collective investment schemes.
- 7.3.6.2 It is possible that the Depositary and/or its delegates and sub-delegates may in the course of its or their business be involved in other financial and professional activities which may on occasion have potential conflicts of interest with the Company or a particular Fund and/or other funds managed by the ACD or other funds for which the Depositary acts as the depositary, trustee or custodian. The Depositary will, however, have regard in such event to its obligations under the Depositary Agreement and the FCA Rules and, in particular, will use reasonable endeavours to ensure that the performance of its duties will not be impaired by any such involvement it may have and that any conflicts which may arise will be resolved fairly and in the best interests of Shareholders collectively so far as practicable, having regard to its obligations to other clients.
- 7.3.6.3 Nevertheless, as the Depositary operates independently

from the Company, Shareholders, the ACD and its associated suppliers and the Custodian, the Depositary does not anticipate any conflicts of interest with any of the aforementioned parties.

7.3.7 **Delegation of Safekeeping Functions**

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

7.3.7.2 The Depositary is responsible for the safe-keeping of all the Company's property and for fulfilling other duties specified in the FCA Rules which include the taking of reasonable care to ensure that the Company is managed in accordance with those parts of the FCA Rules that concern pricing and dealing in the Shares, allocation of income and compliance with the investment and borrowing powers laid down in the FCA Rules.

7.3.7.3 The Depositary has delegated safekeeping of the Scheme Property to J.P. Morgan Chase Bank N.A. London Branch (the "Custodian"). In turn, the Custodian has delegated the custody of assets in certain markets in which the Company may invest to various sub-delegates ("sub-custodians"). A list of sub-custodians is given in Appendix VI. Investors should note that the list of sub-custodians is updated only at each Prospectus review.

7.3.8 **Updated Information**

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

7.4 **Terms of Appointment of the Depositary**

7.4.1 The appointment of the Depositary has been made under an agreement between the Company and the Depositary (the "Depositary Agreement") which may be terminated by six months' notice given by either the Company or the Depositary, provided that the Depositary may not voluntarily retire except on the appointment of a new Depositary.

7.4.2 Subject to the Regulations, the Depositary has full power under the Depositary Agreement to delegate (and to authorise its delegates to sub-delegate) all or any part of its duties as Depositary.

7.4.3 The Depositary is entitled to the fees, charges and expenses detailed in paragraph 8.

7.4.4 The Depositary Agreement provides indemnities to the Depositary to the extent allowed by the FCA Rules and except in respect of its failure to exercise due care and diligence or in the event of its negligence, fraud or wilful default.

7.5 **The Investment Manager**

7.5.1 The ACD has appointed Fulcrum Asset Management LLP as its

Investment Manager (“the Investment Manager”) The address, for the Investment Manager, is set out in the Directory at the front of this Prospectus. The Investment Manager has been appointed under an agreement dated 1 April 2016 (“the Investment Management Agreement”).

7.5.2 The principal activity of the Investment Manager is the provision of investment, management and advisory services and the provision of funds for non-retail and institutional investment. The Investment Manager is required to comply with its own execution policy. A copy of the Investment Manager's execution policy is available from the ACD or may be available on the Investment Manager's website, listed in the Directory.

7.5.3 Fulcrum Asset Management LLP is authorised and regulated by the FCA.

7.6 **Terms of appointment of the Investment Manager**

7.6.1 The Investment Management Agreement authorises the Investment Manager to manage and to act as Investment Manager for the investment and reinvestment of the assets of the Company. In the exercise of the ACD's investment functions it will be allowed complete discretion subject to compliance with the investment objective and policy of the Company, the Instrument of Incorporation, the Regulations and supervision by the ACD. It may also direct the exercise of rights (including voting rights) attaching to the ownership of the property of the Company.

7.6.2 The Agreement may be terminated after the expiry of an initial period of five years and on the expiry of each five year period thereafter, provided that the ACD may terminate the Investment Management Agreement with immediate effect in the interests of Shareholders.

7.7 **The Administrator, Registrar and Fund Accountant**

7.7.1 The ACD has appointed J.P. Morgan Europe Limited (the “Fund Accountant”) to provide fund accountancy services. FNZ TA Services Limited is appointed to provide registrar and transfer agency services (the “Administrator and Registrar”) to the ACD.

7.7.2 The Fund Accountant and the Administrator and Registrar were appointed by agreements entered into with the ACD (the “Fund Services Agreements”). The Fund Services Agreements may be terminated on 180 days' written notice by the Fund Accountant, the Administrator and the Registrar or the ACD (as applicable). The principal activity of the Administrator and Registrar is the provision of administration services. The principal activity of the Fund Accountant is the provision of investment banking, treasury, advisory and asset management services. The principal activity of the Administrator and Registrar is the provision of transfer agency services in the financial services sector.

7.7.3 J.P. Morgan Europe Limited is authorised by the Prudential Regulatory Authority (“PRA”) and regulated by the PRA and the FCA and FNZ TA Services Limited are authorised is regulated by the FCA.

7.7.4 The Register may be inspected at the offices of the Registrar during normal business hours by any Shareholder or any Shareholder's duly authorised agent. The address, for the Registrar, is set out in the Directory.

7.8 **The Auditor**

The auditor of the Company is Deloitte LLP whose address is set out in the Directory at the front of this Prospectus.

7.9 **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. If the change is regarded as fundamental, Shareholder approval will be required. 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 notice of the change.

7.10 **Conflicts of Interest**

The ACD, the Investment Manager and their associates may, from time to time, act as Investment Managers or advisers to other funds or sub-funds which follow similar investment objectives to those of the Company. It is therefore possible that the ACD and/or the Investment Manager may in the course of their business have potential conflicts of interest with the Company. Each of the ACD and the Investment Manager will, however, have regard in such event to its obligations under the ACD Agreement and the Investment Management Agreement respectively and, in particular, to its obligation to act in the best interests of the Company so far as practicable, having regard to its obligations to other clients, when undertaking any investment business where potential conflicts of interest may arise.

Where a conflict of interest cannot be avoided, the ACD will ensure that the Company and the other funds it manages are fairly treated. The ACD acknowledges that there may be some situations where the organisational or administrative arrangements in place for the management of conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the Company or its Shareholders will be prevented. Should any such situations arise the ACD will disclose these to Shareholders in an appropriate format.

The Depositary may, from time to time, act as the depositary of other open-ended investment companies with variable capital and as trustee or custodian of other collective investment schemes.

8. **CHARGES AND EXPENSES**

All charges or expenses payable by a Shareholder or out of Scheme Property are set out in paragraph 3 and this paragraph 8.

8.1 **Expenses**

8.1.1 In addition to the charges set out in paragraph 3 and in paragraphs 8.2 to 7.5 below, the following expenses may be paid out of the Scheme Property of the Company:

- 8.1.1.1 expenses incurred in producing, collecting, distributing and dispatching income and other payments to Shareholders;
- 8.1.1.2 any reasonable general disbursements relating to postage and communication costs incurred in the proper performance of the transfer agent's duties relating to the Company, which are currently carried on by the Registrar;

- 8.1.1.3 any fees or costs associated with any CASS related support activity incurred by the Registrar;
- 8.1.1.4 fees in respect of the publication and circulation of details of the Net Asset Value and prices;
- 8.1.1.5 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 country in which Shares are or may lawfully be marketed;
- 8.1.1.6 the fees and expenses of the Auditors and tax, legal and other professional advisers of the Company and preparing information and materials required by such advisers;
- 8.1.1.7 fees payable to and invoiced by the fund manager of a Second Scheme (as defined in section 17), where the Fund invests in a share/unit class that does not charge an annual management charge.
- 8.1.1.8 the costs and expenses of convening and holding Shareholder meetings and of preparing associated documentation (including meetings of Shareholders in any particular Class within the Company from time to time);
- 8.1.1.9 costs incurred in taking out and maintaining any insurance policy in relation to the Company and/or its Directors;
- 8.1.1.10 expenses incurred in company secretarial duties, including attending Shareholder meetings (if required), the cost of minute books, and other documentation required to be maintained by the Company;
- 8.1.1.11 the costs of printing and distributing reports, accounts, statements, contract notes and other like documentation, any prospectuses (including the preparation of the simplified prospectus (such preparation however, does not include the dissemination of the simplified prospectus)), any instrument of incorporation and any costs incurred as a result of periodic updates of or changes to any prospectus or instrument of incorporation and any other administrative expenses;
- 8.1.1.12 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;
- 8.1.1.13 any payments otherwise due by virtue of the FCA Rules.

VAT is payable on these charges where appropriate.

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.

The expenses listed above are allocated to income in accordance with the Regulations.

8.2 Charges payable to the ACD

- 8.2.1 In addition to the preliminary charge referred to in paragraph 3.4.1 and the other charges in this paragraph 8, the ACD is entitled to take an annual fee, known as the 'periodic charge'. For the purposes of this Prospectus the periodic charge will be referred to as the "ACD's Periodic Charge".
- 8.2.2 The ACD's Periodic Charge is payable out of the property of each Fund and received in payment for carrying out duties and responsibilities of the ACD.
- 8.2.3 The ACD's Periodic Charge shall be calculated and accrued on each Dealing Day at the relevant Valuation Point in arrears by reference to the Net Asset Value of the relevant Fund on a mid-market basis and is payable monthly within ten Business Days of the end of the month to which it relates.
- 8.2.4 The current rates of the ACD's Periodic Charge are:
- | | |
|------------------|--|
| 0.06% per annum | on the value of the Fund's Scheme Property up to £100 million |
| 0.02% per annum | on the value of the Fund's Scheme Property above £100 million up to £1 billion |
| 0.015% per annum | on the value of the Fund's Scheme Property thereafter |
- The ACD's Periodic Charge is subject to a minimum fee of £15,000 p.a. per Fund.
- 8.2.5 All charges are subject to an addition for any VAT that is or may become payable.
- 8.2.6 The ACD is responsible for the payment of the fees of the Investment Manager. Research costs will be paid for by the Investment Manager out of this fee and shall not be borne by the Company.

8.3 Depositary's fee, charges and expenses

- 8.3.1 The Depositary is entitled to receive for its own account a periodic fee payable from the Scheme Property by the Company.
- 8.3.2 The Depositary's fee is calculated on the value of the Scheme Property of each Fund in accordance with the Depositary Agreement and the FCA Rules, and payable out of the relevant Fund in accordance with the FCA Rules. For this purpose, the value of the Fund is inclusive of the issues and cancellations which take effect as at the relevant Valuation Point.
- 8.3.3 The Depositary's fee shall accrue daily, and shall be calculated by reference to the value of each Fund at the first Valuation Point on the first Business Day and shall end immediately before the next Valuation Point in each month. The Depositary's fee is payable on, or as soon as practicable after, the end of the month in which it accrued.

8.3.4 The current fees payable are:

0.0275% per annum	on the first £50,000,000 in value of the Fund's Scheme Property
0.025% per annum	on the next £50,000,000 in value of the Fund's Scheme Property
0.020% per annum	on the next £100,000,000 in value of the Fund's Scheme Property
0.015% per annum	on the remaining value of the Fund's Scheme Property thereafter

The annual fee is subject to a minimum fee of £7,500 per Fund.

8.3.5 In addition to the Depositary's periodic fee and expenses set out above, the Depositary shall also be entitled to be paid transaction charges and derivative and custody charges in relation to transaction and derivative transaction handling and safekeeping of Scheme Property. Transaction charges are between £7.50 and £180.00 per transaction depending on the markets and the type of transaction involved. Derivative Transaction Charges are £20 (if applicable). Custody charges are between 0.0025% and 0.4% of the value of the holding involved, subject to a minimum aggregate custody charge of £10,000 per annum per Fund.

8.3.6 These charges vary from country to country depending on the markets and the type of transaction involved. Transaction charges accrue at the time the transactions are effected and are payable as soon as is reasonably practicable, and in any event not later than the last business day of the month when such charges arose or as otherwise agreed between the Depositary and the ACD. Custody charges accrue and are payable as agreed from time to time by the ACD and the Depositary.

8.3.7 Where relevant, the Depositary may make a charge for (or otherwise benefit from) providing services in relation to: distributions, the provision of banking services, holding money on deposit, lending money, or engaging in stock lending or derivative transactions, in relation to the Company and may purchase or sell or deal in the purchase or sale of Scheme Property, provided always that the services concerned and any such dealing are in accordance with the provisions of the FCA Handbook.

8.3.8 The Depositary will also be entitled to payment and reimbursement of all costs, liabilities and expenses properly incurred in the performance of, or arranging the performance of, functions conferred on it by the Instrument of Incorporation, the FCA Handbook or by the general law.

8.3.9 On a winding up of the Company or the redemption of a Class of Shares (if applicable), the Depositary will be entitled to its pro rata fees, charges and expenses to the date of winding up, the termination, or the redemption (as appropriate) and any additional expenses necessarily realised in settling or receiving any outstanding obligations.

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

8.3.11 In each case such payments, expenses and disbursements may be

payable to any person (including the ACD or any associate or nominee of the Depositary or of the ACD) who has had the relevant duty delegated to it pursuant to the FCA Handbook by the Depositary.

8.4 **Investment Manager's Fees**

The Investment Manager shall be entitled to a fee (the "Investment Manager's Annual Charge") in relation to the management of the assets of each Fund. The charge is based on the Net Asset Value of the relevant Fund (plus any VAT that is or may become payable). The rate of the Investment Manager's Annual Charge is set out in Appendix I. The Investment Manager's Annual Charge shall be calculated and accrued on each Dealing Day at the relevant Valuation Point and shall be payable monthly in arrears.

8.5 **Administration, Registration and Fund Accounting Fees**

J.P. Morgan Europe Limited has been appointed to provide fund accounting services and FNZ TA Services Limited has been appointed to provide registrar and transfer agency services to the Company and will be entitled to a combination of tiered variable and fixed expenses from the Scheme Property of the Company with Fund level minimum fees being applicable. It is envisaged that aggregate fees for fund accounting, transfer agency and registrar services will not exceed 0.06% of each Fund's value per annum, with a minimum of USD\$40,000 per Fund.

8.6 **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 but 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 Net Asset Value of each Fund, although the ACD has discretion to allocate these fees and expenses in a manner which it considers fair to Shareholders generally.

Fees and expenses payable are allocated between income and capital, and in accordance with the Regulations. The applicable policy for each Fund is set out in Appendix I.

It should be noted that where fees are treated as a charge against income, if there is insufficient income to meet that part of the fees which would normally be charged to the income of the Company, then all, or part, of those fees may be treated, at the request of the ACD, as a charge against the capital of the Company.

This policy may result in capital erosion or constrain capital growth.

9. **INSTRUMENT OF INCORPORATION**

The Instrument of Incorporation contains provisions to the following effect:

9.1 **Share capital**

9.1.1 The Company may from time to time issue Shares of different Classes in respect of a Fund, and the Directors may by resolution from time to time create additional Classes in respect of a Fund (whether or not falling within one of the Classes in existence on incorporation).

9.1.2 The Directors may by resolution from time to time create additional Funds with such investment objectives and such restrictions as to geographic area, economic sector or category of transferable security,

and denominated in such currencies, as the Directors from time to time determine.

- 9.1.3 The special rights attaching to a Class are not (unless otherwise expressly provided by the conditions of issue of such Shares) deemed to be varied by:
- 9.1.3.1 the creation, allotment or issue of further Shares of any Class ranking *pari passu* with them;
 - 9.1.3.2 the switch of Shares of any Class into Shares of another Class;
 - 9.1.3.3 the creation, allotment, issue or redemption of Shares of another Class within the same Fund, provided that the interests of that other Class in the Fund represent fairly the financial contributions and benefits of Shareholders of that Class;
 - 9.1.3.4 the creation, allotment, issue or redemption of Shares of another Fund;
 - 9.1.3.5 the exercise by the Directors of their powers to re-allocate assets, liabilities, expenses, costs or charges not attributable to one Fund only or to terminate a Fund; or
 - 9.1.3.6 the passing of any resolution at a meeting of another Fund which does not relate to the Fund in which the Class is interested.

9.2 **Transfer of Shares**

- 9.2.1 All transfers of registered Shares must be effected by transfer in writing in any usual or common form or in any other form as may be approved by the Directors.
- 9.2.2 No single instrument of transfer is valid in respect of more than one Class or in respect of Shares in more than one Fund.
- 9.2.3 In the case of a transfer to joint Shareholders, the number of joint Shareholders to whom a Share is to be transferred may not exceed four.

9.3 **Income**

The following provisions apply in respect of Shares in issue in respect of the Funds available in the Company:

- 9.3.1 An allocation of income (whether annual or interim) to be made in respect of each Share issued by the Company or sold by the ACD during the accounting period in respect of which that income allocation is made shall be of the same amount as the allocation to be made in respect of the other Shares of the same Class issued in respect of the same Fund but may include a capital sum ("income equalisation") representing the ACD's best estimate of the amount of income included in the price of that Share, being either the actual amount of income included in the issue price of that Share or an amount arrived at by taking the aggregate of the amounts of income included in the price in respect of Shares of that Class issued or sold to Shareholders in the annual or interim accounting period in question and dividing that aggregate

amount by the number of such Shares and applying the resultant average to each of the Shares in question.

- 9.3.2 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 holders' proportionate interests in the Scheme Property of the Fund in question. These will be ascertained for each Class as follows:
- 9.3.2.1 A notional account will be maintained for each Class. Each account will be referred to as a "Proportion Account".
- 9.3.2.2 The word "proportion" in this context means the proportion which the balance on a Proportion Account at the relevant time bears to the balance on all the Proportion Accounts of a Fund at that time.
- 9.3.3 There will be credited to a Proportion Account:
- 9.3.3.1 the subscription money (excluding any preliminary charges or dilution adjustment) for the issue of Shares of the relevant Class;
- 9.3.3.2 that Class's proportion of the amount by which the Net Asset Value of the Fund exceeds the total subscription money for all Shares in the Fund;
- 9.3.3.3 that Class's proportion of the Fund's income received and receivable; and
- 9.3.3.4 any notional tax benefit.
- 9.3.4 There will be debited to a Proportion Account:
- 9.3.4.1 the redemption payment for the cancellation of Shares of the relevant Class;
- 9.3.4.2 the Class's proportion of the amount by which the Net Asset Value of the Fund falls short of the total subscription money for all Shares in the Fund;
- 9.3.4.3 all distributions of income (including equalisation) made to Shareholders of that Class;
- 9.3.4.4 all costs, charges and expenses incurred solely in respect of that Class;
- 9.3.4.5 that Class's share of the costs, charges and expenses incurred in respect of that Class and one or more other Classes in the Fund, but not in respect of the Fund as a whole;
- 9.3.4.6 that Class's proportion of the costs, charges and expenses incurred in respect of or attributable to the Fund as a whole; and
- 9.3.4.7 any notional tax liability under paragraph 9.3.5.

- 9.3.5 Any tax liability in respect of the Fund and any tax benefit received or receivable in respect of the Fund will be allocated between Classes in order to achieve, so far as possible, the same result as would have been achieved if each Class were itself a Fund so as not materially to prejudice any Class. The allocation will be carried out by the ACD after consultation with the Auditors.
- 9.3.6 Where a Class is denominated in a currency which is not the base currency, the balance on the Proportion Account shall be converted into the base currency in order to ascertain the proportions of all Classes. Conversions between currencies shall be at a rate of exchange decided by the ACD as being a rate that is not likely to result in any material prejudice to the interests of Shareholders.
- 9.3.7 The Proportion Accounts are memorandum accounts maintained for the purpose of calculating proportions. They do not represent debts from the Company to Shareholders or the other way round.
- 9.3.8 Each credit and debit to a Proportion Account shall be allocated to that account on the basis of that Class's proportion immediately before the allocation. All such adjustments shall be made as are necessary to ensure that on no occasion on which the proportions are ascertained is any amount counted more than once.
- 9.3.9 The proportionate interest of a Class in the assets and income of a Fund is its "proportion".
- 9.3.10 The Company may adopt a method of calculating the amount of income to be allocated between the Shares in issue (or the Shares in issue in respect of any Fund) which is different to that set out above provided that the ACD is satisfied that such method is fair to Shareholders and that it is reasonable to adopt such method in the given circumstances.

9.4 **Number of Directors**

Unless otherwise determined by an extraordinary resolution of Shareholders the Company shall have one Director.

9.5 **Removal of ACD**

The Company may by ordinary resolution remove the ACD before the expiration of its period of office, notwithstanding anything in the Instrument of Incorporation or in any agreement between the Company and the ACD, but the removal will not take effect until the FCA have approved it and a new ACD approved by the FCA has been appointed.

9.6 **Proceedings at General Meetings**

- 9.6.1 Prior to each general meeting the Depositary shall nominate an individual to act as chairman and if that person is not present within fifteen minutes after the time appointed for holding the meeting or is not willing to act the Shareholders present shall choose one of their number to be chairman of the meeting.
- 9.6.2 The chairman of any quorate meeting may with the consent of the meeting adjourn the meeting from time to time (or without date) and from place to place, and if he is directed by the meeting to adjourn he must do so. No business can be transacted at an adjourned meeting

which might not lawfully have been transacted at the meeting from which the adjournment took place.

- 9.6.3 At least two Shareholders have rights under the COLL Sourcebook to demand a poll. In addition to these, a poll may be demanded by the chairman of the meeting or by the ACD or the Depositary on any resolution put to the vote of a general meeting.
- 9.6.4 A demand for a poll may be withdrawn only with the approval of the chairman of the meeting. Unless a poll is required, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book or computer record of proceedings will be conclusive evidence of that fact. If a poll is required, it shall be taken in such manner (including the use of ballot papers or electronic or computer voting systems) as the chairman may direct and the result of the poll should be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.
- 9.6.5 The chairman may take any action he considers appropriate for, for example, the safety of people attending a general meeting, the proper and orderly conduct of the general meeting or in order to reflect the wishes of the majority.

9.7 **Corporations acting by representatives**

- 9.7.1 Any corporation which is a Shareholder may by resolution of its directors or other governing body and in respect of any Share or Shares of which it is the holder authorise such individual as it thinks fit to act as its representative at any general meeting of the Shareholders or of any Class meeting or Fund meeting. The individual so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise in respect of such Share or Shares if it were an individual Shareholder and such corporation shall for the purposes of the Instrument of Incorporation be deemed to be present in person at any such meeting if an individual so authorised is present.
- 9.7.2 Any corporation which is a Director of the Company may by resolution of its directors or other governing body authorise such individual as it thinks fit to act as its representative at any general meeting of the Shareholders, or of any Class meeting or Fund meeting or at any meeting of the Directors. The person so authorised shall be entitled to exercise the same powers at such meeting on behalf of such corporation as the corporation could exercise if it were an individual Director and such corporation shall for the purposes of the Instrument of Incorporation be deemed to be present in person at any such meeting if an individual so authorised is present.

9.8 **Class meetings and Fund meetings**

The provisions of the Instrument of Incorporation relating to meetings shall apply to Class meetings and Fund meetings in the same way as they apply to general meetings.

9.9 **Instrument of Incorporation**

9.9.1 The Instrument of Incorporation may be amended by resolution of the ACD to the extent permitted by the Regulations.

9.9.2 In the event of any conflict arising between any provision of the Instrument of Incorporation and the Regulations, the Regulations will prevail.

9.10 **Indemnity**

The Instrument of Incorporation contains provisions indemnifying every Director, other officer, auditor and Depositary against liability in certain circumstances otherwise than in respect of negligence, default, breach of duty or breach of trust, and indemnifying the Depositary against liability in certain circumstances otherwise than in respect of failure to exercise due care and diligence.

10. **SHAREHOLDER MEETINGS, VOTING RIGHTS AND SERVICE OF NOTICES OR DOCUMENTS**

10.1 **Annual General Meeting**

The Company does not hold annual general meetings.

10.2 **Class and Fund 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 prices of such Shares.

10.3 **Requisitions of Meetings**

The ACD may requisition a 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 of the Company no later than eight weeks after receipt of such requisition.

The Depositary also has the power to convene a meeting using a procedure similar to that used by Shareholders requisitioning a meeting, as set out above.

10.4 **Notice and Quorum**

Shareholders will receive at least 14 days' notice of a Shareholders' 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 Shareholder present in person or by proxy. Notices of meetings and adjourned meetings will be sent to Shareholders at their registered addresses.

10.5 **Voting Rights**

At a meeting of Shareholders, 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(s) of all the Shares in issue at the date before the notice of meeting is sent out determined by the ACD as a reasonable time.

In the case of joint Shareholders, only the vote of the most senior Shareholder can be taken (seniority being decided by the order of names on the Register).

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

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

No Director may be counted in the quorum for a meeting but associates of the Director (as defined in the Regulations) may be so counted. Neither the Director nor its associates (as defined in the Regulations) are entitled to vote at any meeting of the Company except in respect of Shares which the Director or its associates hold on behalf of or jointly with a person who, if the registered Shareholder, would be entitled to vote and from whom the Director or its associates have received voting instructions.

"Shareholders" in this context means and person on the Register on a date before the notice of the relevant meeting was sent out determined by the ACD as reasonable but excludes holders who are known to the ACD not to be Shareholders at the time of the meeting.

10.6 **Service of Notice or Documents**

10.6.1 Any notice or document to be served upon a Shareholder will be duly served if it is:

10.6.1.1 delivered to the Shareholder's address as appearing in the Register; or

10.6.1.2 delivered by using an electronic medium in accordance with paragraph 3.5.10 above.

10.6.2 Any notice or document served by post is deemed to have been served on the second Business Day following the day on which it is posted.

10.6.3 Any document left at a registered address or delivered other than by post is deemed to have been served on that day.

10.6.4 Any document or notice to be served on or information to be given to a Shareholder must be in legible form.

For this purpose, any form is legible form which:

10.6.4.1 is consistent with the ACD's knowledge of how the recipient of the document wishes or expects to receive the document;

- 10.6.4.2 is capable of being provided in hard copy by the ACD;
- 10.6.4.3 enables the recipient to know or record the time of receipt;
and
- 10.6.4.4 is reasonable in the context.

11. TAXATION

11.1 General

The following summary is based on current UK law and HM Revenue & Customs practice. It is intended to offer guidance to persons (other than dealers in securities) on the UK taxation of Investment Companies with Variable Capital ("ICVC"). However, it should not be regarded as definitive nor as removing the desirability of taking separate professional advice. If investors are in any doubt as to their taxation position they should consult their professional adviser. Levels, and bases of, and reliefs from, taxation are subject to change in the future.

11.2 Taxation of the Company and the Funds

The Company is an ICVC and each Fund is treated as a separate Authorised Investment Fund for tax purposes.

Each Fund will make dividend distributions except where over 60% of the Fund's property has been invested throughout the distribution period in interest paying and related investments, in which case it will make interest distributions. A fund that makes interest distributions is referred to as a Bond Fund and a fund that makes dividend distributions is referred to as an Equity Fund.

(A) Income

Each Fund is liable to corporation tax on its income after relief for management expenses (which include fees payable to the ACD and to the Depositary) at the basic rate of income tax, currently 20%.

Where the Company is a Bond Fund the gross amount of any interest distributions is an allowable expense for corporation tax purposes and no tax will actually be paid on that part of the income funding the income distributions.

Dividend income received by each Fund from investments in UK resident and overseas companies should fall within an exemption from corporation tax. Dividend income received from foreign companies may be subject to withholding tax or other taxation in the foreign jurisdiction. The foreign tax suffered by a Fund may normally be deducted from the UK tax due on that income or treated as an expense in calculating the amount of that income subject to corporation tax.

(B) Capital gains

Capital gains realised by each Fund on a disposal of its investments are exempt from corporation tax on chargeable gains. In the unlikely event that a Fund should be considered to be trading in securities for tax purposes, any gains made by it would be treated as income and taxed accordingly.

(C) Stamp Duty Reserve Tax

Stamp duty reserve tax ("SDRT") is generally charged on any agreements to transfer Shares of ICVCs (other than transactions handled by the fund manager)

to third parties at a rate of 0.5% of the consideration.

No SDRT charge arises on the issue or surrender of Shares of ICVCs. However, investors may be subject to a SDRT charge where Shares are surrendered and the investors receive assets from the Company (rather than cash) which are not in proportion to each investor's share of the total assets held by the relevant Fund.

11.3 **Taxation of Shareholders**

(A) Income

For tax purposes, an ICVC is treated as distributing the whole of the income available for distribution in each of its distribution periods, whether actually distributed or accumulated by the Fund. Distributions may be made as interest distributions or dividend distributions as set out below.

The distribution accounts of the Company for any of its distribution periods may show income available for distribution as either (a) an interest distribution or (b) a dividend distribution. The type of distribution that either actually takes or is deemed to take place depends on the source and composition of the income within the relevant Fund.

Where more than 60% of a Fund is invested in "qualifying investments" (broadly speaking interest paying investments) distributions made by the Company in respect of such Fund will make an interest distribution. Where this is not the case, distributions made by the Company will be dividend distributions.

All Shareholders will be sent tax vouchers stating the make-up of their distributions showing their taxable income.

(B) Interest distributions

UK resident individuals

Interest distributions paid by the Company (save in respect of distributions to certain qualifying Shareholders) are treated as yearly interest and, as such, are subject to income tax.

No income tax is required to be deducted at source from interest distributions, with the result that Shareholders will receive interest distributions gross of any tax.

Basic rate taxpayers are entitled to a personal savings allowance of £1,000. Higher rate taxpayers are entitled to a reduced personal savings allowance of £500.

Basic rate, higher rate and additional rate taxpayers will pay income tax (in the case of basic rate and higher rate taxpayers, the amount in excess of the applicable personal savings allowance) on any income distributions at the basic rate of 20%, the higher rate of 40% or the additional rate of 45% (as applicable).

UK corporate Shareholders

If a Fund at any point in an accounting period of a UK corporate Shareholder fails to satisfy the "qualifying investment" test, Shares held by UK corporate Shareholders in respect of such Fund are treated as if they were a holding of rights under a creditor loan relationship of the corporate Shareholder, with the result that all returns on the Shares in respect of such a corporate's accounting period (including gains, profits and losses) will be taxed or relieved as an income receipt or expense on a "fair value accounting" basis. Accordingly, such a corporate

Shareholder may, depending on its own circumstances, incur a charge to corporation tax on an unrealised increase in the value of its holding of Shares (and, likewise, obtain relief against corporation tax for an unrealised reduction in the value of its holding of Shares).

A Fund will fail to satisfy the "qualifying investments" test at any time when more than 60% of its assets by market value comprise government and corporate debt securities or cash on deposit or certain derivative contracts or holdings in other collective investment schemes which at any time in the relevant accounting period do not themselves satisfy the "qualifying investments" test, or other interest bearing securities.

Interest distributions paid to UK corporate Shareholders may be paid without deduction of income tax at source.

(C) Dividend distributions

Dividend distributions paid by the Fund are treated as if they are dividends.

UK resident individuals

Dividend distributions are taxed at the following rates:

- 0% for the first £2,000;
- 7.5% for dividends falling within the basic rate band;
- 32.5% for dividends falling within the higher rate band; and
- 38.1% for dividends falling within the additional rate band.

UK corporate shareholders

UK resident corporate Shareholders must split their dividend distributions into franked and unfranked income portions according to the percentage split given on the tax certificate. The unfranked portion is generally treated as an annual payment received after deduction of income tax at the basic rate, whereas the balance is treated as franked income – i.e. a dividend. Both annual payments and dividends are liable to corporation tax in the hands of UK corporate Shareholders although the franked dividend portion should fall within an exemption from corporation tax.

(D) Chargeable gains

UK resident individuals

Shareholders who are resident in the UK may be liable to UK taxation on capital gains arising from the sale or other disposal, including a redemption of Shares. A switch of Funds is treated as a disposal for capital gains tax purposes. Gains will be tax-free if after deduction of allowable losses they fall within an individual's annual capital gains exemption. For the tax year 2020/2021 the annual exemption is £12,300.

Gains in excess of the annual exemption amount are taxed at 10% to the extent that together with an individual's taxable income they do not exceed the upper limit of the basic rate income tax band (£37,500 for 2020/2021) and at 20% to the extent that they exceed that limit.

UK corporate Shareholders

UK Corporate Shareholders (whose Shares are not treated as creditor loan relationships) will be charged to corporation tax on any gains realised after the deduction of allowable losses (if any). The indexation figure that corporate shareholders can deduct will cover only the movement in the Retail Price Index from the date of acquisition of the asset up to 31 December 2017.

The above statements are only intended as a general summary of UK tax law and practice as at the date of this Prospectus (which may change in the future) applicable to individual and corporate investors who are resident for tax purposes in the UK, and who are the absolute beneficial owners of a holding in the Company. Each investor's tax treatment will depend upon the particular circumstances of each investor. In particular, the summary may not apply to certain classes of investors (such as dealers in securities and persons who acquired their shares by reason of employment). Any investor who is in any doubt as to his or her UK tax position in relation to the holding of Shares in the Company should consult his or her UK independent professional adviser.

11.4 **US Taxation Issues/FATCA Tax Reporting**

The information which follows is intended as a general guide only and represents the ACD's understanding of certain US taxation issues. It is provided for information purposes only and should not be relied on. Shareholders and prospective Shareholders are recommended to seek their own professional advice.

The provisions of the Foreign Account Tax Compliance Act (FATCA) were enacted on 18 March 2010 as part of the Hiring Incentive to Restore Employment Act. FATCA includes provision under which the ACD as a Foreign Financial Institution (FFI) may be required to report directly to the US Internal Revenue Service (IRS) certain information about Shares in a Fund held by US Persons for the purposes of FATCA or other foreign entities subject to FATCA and to collect additional identification information for this purpose. Financial institutions that do not enter into an agreement with the IRS and comply with the FATCA regime could be subject to 30% withholding tax on any payment of US source income as well as on the gross proceeds deriving from the sale of securities generating US income.

The ACD is obliged to comply with the provisions of FATCA under the terms of the inter-governmental agreement (IGA) Model I and under the terms of United Kingdom legislation implementing the IGA rather than under the US Treasury Regulations implementing FATCA. The ACD has registered with the IRS as the sponsoring entity for the Company to report certain information to HMRC.

In order to comply with its FATCA obligations, the ACD may be required to obtain certain information from Shareholders so as to ascertain their US tax status. If the Shareholder is a specified US Person, US owned non-US entity, non-participating FFI or does not provide the requisite documentation, the ACD will need to report information on these Shareholders to HMRC, in accordance with applicable laws and regulations, which will in turn report this to the US Internal Revenue Service. Provided that the ACD acts in accordance with these provisions the Company should not be subject to withholding tax under FATCA.

Shareholders, and intermediaries acting for Shareholders, should note that it is the existing policy of the ACD that Shares in the Company are not being offered or sold for the account of US Persons for the purposes of FATCA and that subsequent transfers of Shares to such US Persons are prohibited. If Shares in the Company are beneficially owned by any such US Person, the ACD may in its

discretion compulsorily redeem such Shares. Shareholders should moreover note that under the FATCA legislation, the definition of "Specified US Persons" will include a wider range of investors than the current US Person definition.

The ACD reserves the right to redeem the Shares of any Shareholder who jeopardises the tax status of the Company.

(A) Income equalisation – tax implications

The price of a Share of a particular Class is based on the value of that Class' entitlement in the relevant Fund, including the income of the relevant Fund since the previous distribution or, in the case of accumulation Shares, deemed distribution. In the case of the first distribution received or accumulation made in respect of a Share, part of the amount, namely the equalisation payment, is treated as a return of capital and is not taxable as income in the hands of the Shareholder. This amount is, however, in the case of income Shares, deducted from the cost of the share in computing any capital gains. 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 relevant Class issued during the period.

(B) UK information reporting regime

Distributions paid to UK, and many non-UK investors. Dividend distributions and payments made to ISA investors are not within the scope of these rules but see the paragraphs dealing with the "Automatic Exchange of Information" below.

(C) Tax Elected Fund ("TEF") regime

The ACD may, in the future, seek to elect some or all of the Funds into the TEF regime if it considers that it would be advantageous for the majority of investors in the Company to do so. If the Funds are elected into the TEF regime, the UK tax treatment of the relevant Fund and its investors would be different to that set out above.

(D) Automatic Exchange of Information

Following the repeal of the EU Savings Directive a new automatic exchange of information regime has been implemented under Council Directive 2011/16/EU on administrative co-operation in the field of taxation, as amended by Council Directive 2014/107/EU ("Directive on Administrative Co-operation"). The Directive on Administrative Co-operation, which effectively implements the Organisation for Economic Co-operation and Development's common reporting standard on automatic exchange of financial account information in tax matters, requires governments to obtain detailed account information from financial institutions and exchange that information automatically with other jurisdictions annually. The Directive on Administrative Co-operation is, generally, broader in scope than the EU Savings Directive and is likely to apply to the Company regardless of the composition or asset class of its investments and whether or not the Company is a UCITS.

12. WINDING UP OF THE COMPANY OR TERMINATION OF A FUND

- 12.1 The Company or a Fund will not be wound up except as an unregistered company under Part V of the Insolvency Act 1986 or under the Regulations. A Fund may otherwise only be wound up under the Regulations, provided steps required under regulation 21 are complied with.

- 12.2 The Company may not be wound up or a Fund terminated under the Regulations if there is a vacancy in the position of ACD at the relevant time.
- 12.3 Where the Company is to be wound up (or a Fund terminated under the Regulations) such winding up or termination may only be commenced provided (a) effect has been given, under regulation 21 of the Regulations to proposals to wind up the affairs of the Company, or proposals to make alterations to the Company's Instrument of Incorporation and this Prospectus and (b) a statement has been prepared and delivered, and received by the FCA under COLL 7.3.5 (solvency statement) prior to the satisfaction of the condition in (a).
- 12.4 To 12.1 the following steps to wind up the Company, or terminate a Fund, must be taken:
- 12.4.1 an extraordinary resolution to that effect is passed by Shareholders; or
 - 12.4.2 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 which the Instrument of Incorporation provides that the Company or a particular Fund is to be wound up (for example, if the share capital of the Company or (in relation to any Fund) the Net Asset Value of the Fund is below its prescribed minimum, or if a change in the laws or regulations of any country means that, in the ACD's opinion, it is desirable to terminate the Fund). The Instrument of Incorporation provides that the Directors in their absolute discretion may wind up a Fund if one year from the date of the first issue of Shares relating to that Fund or any date thereafter the Net Asset Value of a Fund is less than £5,000,000; or
 - 12.4.3 on the date stated in any agreement by the FCA in response to a request by the Directors or the ACD for the winding up of the Company, or a request to terminate a Fund; or
 - 12.4.4 on the effective date of a duly approved scheme of arrangements which results in the Company, or a Fund, ceasing to hold any Scheme Property; or
 - 12.4.5 in the case that the Company is an umbrella, on the date on which all its Funds fall within 12.4.4 or have otherwise ceased to hold any Scheme Property, notwithstanding that the Company may have assets or liabilities that are not attributable to any particular Fund.
- 12.5 On the occurrence of any of the above:
- 12.5.1 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 particular Fund;
 - 12.5.2 the Company will cease to issue and cancel Shares in the Company or the particular 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 particular Fund;
 - 12.5.3 no transfer of a Share shall be registered and no other change to the Register shall be made without the sanction of the ACD;
 - 12.5.4 where the Company is being wound-up or a Fund terminated, the Company or the Fund shall cease to carry on its business except in so

far as it is beneficial for the winding up of the Company or the termination of the Fund;

- 12.5.5 the corporate status and powers of the Company and subject to the preceding provisions of paragraphs 12.5.1 and 12.5.4 above the powers of the ACD shall remain until the Company is dissolved.

The ACD shall, as soon as practicable after the Company or a Fund falls to be wound up or terminated, realise the assets and meet the liabilities of the Company or the Fund and, after paying out or retaining adequate provision for all liabilities properly payable and retaining provision for the costs of winding up or the termination, arrange for the Depositary to make one or more interim distributions out of the proceeds to Shareholders proportionately to their rights to participate in the Scheme Property of the Company or a Fund. When the ACD has caused all of the Scheme 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 ACD shall notify the FCA that the winding up or termination has been completed.

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

Following the completion of a winding up of the Company or termination of a Fund, the ACD must prepare a final account showing how the winding up or termination took place and how the Scheme 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 within two months of the completion of the winding up/termination.

13. **GENERAL INFORMATION**

13.1 **Accounting Periods**

The annual accounting period of the Company ends each year on 31 March (the accounting reference date). The interim accounting period ends each year on the dates set out in the information for each Fund in Appendix I.

13.2 **Income Allocations**

Allocations of income are made in respect of the income available for allocation in each annual accounting period and where applicable, at the additional income allocation date(s) for a Fund are set out in Appendix I.

Distributions of income for each Fund are paid on or before the relevant income allocation date(s) for a Fund are set out in Appendix I.

If a distribution remains unclaimed for a period of six years after it has become due, it will be allocated and will revert to the relevant Class (or, if that no longer exists, to the relevant Fund or 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 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.

For an interim income distribution, the amount distributed may be less than (but may not exceed) the amount calculated as available for distribution.

13.3 **Annual Reports**

Annual reports of the Company will be published within four months of each annual accounting period and half-yearly reports will be published within two months of each interim accounting period. A report containing the full accounts will be available free of charge to Shareholders on request.

13.4 **Documents of the Company**

The following documents may be inspected (free of charge) during normal business hours on any Business Day at the offices of the ACD. The ACD's offices are located at Exchange Building, St. John's Street, Chichester, West Sussex, PO19 1UP:

- (a) the most recent annual and half-yearly reports of the Company;
- (b) the Prospectus;
- (c) the Instrument of Incorporation (and any amending instrument of incorporation); and
- (d) the ACD Agreement dated 1 April 2016.

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

13.5 **Recordings**

Telephone calls may be recorded for regulatory, training or monitoring purposes.

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 the ACD can identify the call. If you ask the ACD to send you a recording of a particular call, the ACD may ask for further information to help identify the exact call to which your request relates.

13.6 **Complaints**

Any complaint regarding the operation or marketing of the Company should be made to the ACD, TUTMAN LLP, Exchange Building, St. John's Street, Chichester, West Sussex, PO19 1UP.

If a complaint cannot be resolved satisfactorily with the ACD, it may be referred to the Financial Ombudsman Service at Exchange Tower, London E14 9SR.

A copy of the complaints handling procedure is available from the ACD on request.

13.7 **Investors Compensation Scheme**

Rights to compensation for Shareholders in the Company are those outlined in the Financial Services Compensation Scheme.

13.8 **Property**

There is no intention for the Funds to have an interest in any immovable property or tangible moveable property.

13.9 **Data Protection**

The personal details of each applicant for Shares and each Shareholder will be held by the ACD and/or the Administrator as its agent in accordance with Data Protection Laws for the purposes of carrying out the ACD's agreement with each Shareholder. This may include the transfer of such data to other members of the ACD's group and to other businesses providing services to the ACD (including their offices outside the UK, where the transfer is necessary for the provision of services in relation to the ACD's role as operator of the Company. The data protection laws and other laws of these countries may not be as comprehensive as those that apply within the UK. In these instances the ACD will take steps to ensure that your privacy rights are respected. Shareholders have the right to access their personal data processed by the ACD together with (in certain circumstances) the right to object to the processing of such data for legitimate reasons.

A copy of the ACD's Privacy Notice relating to investors is available at www.tutman.co.uk or on request from compliance@thesisam.com.

13.10 **Electronic Verification**

The Money Laundering Regulations 2007, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, The Proceeds of Crime Act 2002, the Senior Management Arrangements Systems & Controls Source book and Joint Money Laundering Steering Group guidance notes (which are updated from time to time) state that the ACD must check your identity and the source of the money invested. The ACD may also request verification documents from parties associated with you. In some cases, documentation may be required for officers performing duties on behalf of bodies corporate. The checks may include an electronic search of information held about you (or your associated party) on the electoral roll and using credit reference agencies. The credit reference agency may check the details you (or your associated party) supply against any particulars on any database (public or otherwise) to which they have access and may retain a record of that information although this is only to verify identity and will not affect your (or your associated party's) credit rating. They may also use your (or your associated party's) details in the future to assist other companies for verification purposes. If you apply for Shares you are giving the ACD permission to ask for this information in line with the Data Protection Laws. If you invest through a financial adviser they must fill an identity verification certificate on your behalf and send it to the ACD with your application.

13.11 **Summary of the ACD's Haircut Policy**

The ACD may have to provide, or receive, collateral in entering into certain derivative transactions for the Company. In doing so, the ACD may apply a haircut

to that collateral. A "haircut" is a percentage that is subtracted from the market value of an asset that is being used as collateral.

The ACD will judge, on a case-by-case basis, the extent and type of collateral to use when negotiating with counterparties and clearing houses and the haircut policy which it will apply taking in account criteria including the asset types, liquidity, valuation, issuer credit quality, correlation and risks linked to the management of collateral and enforceability.

In agreeing this, the ACD will consider, among other things, the guidance provided by the European Central Bank in this document: <http://www.ecb.int/pub/pdf/other/riskcontrolframeworken.pdf> (the "ECB Document"). Where cash is received as collateral it will not be invested in anything other than cash or short-term deposit accounts.

Cash, and the types of collateral referred to in the ECB Document, will be deemed to be permitted for the purposes of the Company's collateral policy (see paragraph 6 (Securities Financing Transactions) above).

13.12 **Remuneration**

The ACD has established and applies a remuneration policy, procedure and practice (together, the "Remuneration Policy") which is consistent with, and promotes, sound and effective risk management, and does not encourage risk-taking that is inconsistent with the risk profile or the Instrument of Incorporation. The Remuneration Policy applies to staff whose professional activities have a material impact on the risk profile of the ACD or the Company. The Remuneration Policy does not impair compliance with the ACD's duty to act in the best interests of the Company.

Details of the up-to-date Remuneration Policy including, but not limited to, a description of how remuneration and benefits are calculated and the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee, are available on www.tutman.co.uk and a copy of such information can be obtained, free of charge, upon request at the offices of the ACD.

13.13 **Benchmark Regulation**

The Reference Benchmark is provided by a benchmark administrator included in the register maintained by the FCA under the Benchmark Regulation. The ACD has in place and maintains robust written plans setting out the actions that it would take in the event that a benchmark is materially changed or ceases to be provided.

APPENDIX I
INVESTMENT OBJECTIVES, POLICIES AND OTHER DETAILS OF THE FUNDS

TM FULCRUM DIVERSIFIED ABSOLUTE RETURN FUND

INVESTMENT OBJECTIVE:	<p>The investment objective of the Fund is to aim to achieve long-term absolute returns of inflation + 3% to 5% in all market conditions over rolling five year annualised periods, with lower volatility than equity markets. In doing so the Fund aims to achieve a positive return on a rolling three year basis. However, a positive return is not guaranteed and a capital loss may occur.</p> <p>Investors should be aware that the investors' capital is, in fact at risk, and there is no guarantee that these returns will be achieved, whether over rolling five year periods, or any time period.</p>
INVESTMENT POLICY:	<p>In seeking to achieve its investment goal, the Fund will hold a diversified portfolio, typically consisting of equities, fixed income, commodity related instruments and cash. Investments may be made through collective investment schemes (including absolute return funds, index funds such as exchange traded funds (ETFs) and actively managed funds). Indirect exposure to commodities may be sought through investment in transferable securities, eligible index derivatives and collective investment schemes.</p> <p>The Fund may use derivatives for investment purposes and for efficient portfolio management. The Fund will use hedging strategies to reduce risk over the short term without materially altering its risk profile.</p> <p>The Fund will be managed without reference to a benchmark.</p> <p>The Fund will be managed with a forward looking volatility cap of 12%.*</p> <p>Inflation will be measured by reference to the Retail Prices Index.</p> <p>The ACD reserves the right to change the Reference Benchmark following consultation with the Depositary and in accordance with the rules in COLL. A change could arise, for example, where the ACD determines that an alternative may be more appropriate or a benchmark administrator has given notification of discontinuance of the benchmark. Shareholders will be notified of such a</p>

		change, FCA approval will be applied for and the Prospectus updated and the change noted in the subsequent annual and half-yearly reports.					
PERFORMANCE COMPARATOR		<p>The Company uses the UK Retail Price Index (RPI) for performance comparison purposes only and the benchmark is not a target benchmark and the Company is not constrained by it.</p> <p>The index has been selected as a benchmark for performance because the constituents are representative of the areas in which the Company itself is likely to invest, and it is therefore an appropriate comparator for the Company's performance.</p> <p>The ACD reserves the right to change the benchmark following consultation with the Depositary and in accordance with the rules of COLL. A change could arise, for example, where the ACD determines that an alternative may be more appropriate. Shareholders will be notified of such a change through an update to the Prospectus and the change noted in the subsequent annual and half yearly reports.</p>					
FUND TYPE:		UK UCITS					
Classes of Shares		Class A Accumulation Shares	Class B Income Shares	Class B Accumulation Shares	Class C Income Shares	Class C Accumulation Shares	Class D Accumulation Shares****
Minimum Investment **	Sterling	£500,000	£10,000	£10,000	£5,000,000	£5,000,000	£10,000
	Euro	the Euro equivalent of £500,000	the Euro equivalent of £10,000	the Euro equivalent of £10,000	the Euro equivalent of £5,000,000	the Euro equivalent of £5,000,000	the Euro equivalent of £10,000
	US Dollar	the US Dollar equivalent of £500,000	the US Dollar equivalent of £10,000	the US Dollar equivalent of £10,000	the US Dollar equivalent of £5,000,000	the US Dollar equivalent of £5,000,000	the US Dollar equivalent of £10,000

	Swiss Franc	the Swiss Franc equivalent of £500,000	the Swiss Franc equivalent of £10,000	the Swiss Franc equivalent of £10,000	the Swiss Franc equivalent of £5,000,000	the Swiss Franc equivalent of £5,000,000	the Swiss Franc equivalent of £10,000
	Australian Dollar	the Australian Dollar equivalent of £500,000	the Australian Dollar equivalent of £10,000	the Australian Dollar equivalent of £10,000	the Australian Dollar equivalent of £5,000,000	the Australian Dollar equivalent of £5,000,000	the Australian Dollar equivalent of £10,000
Minimum Subsequent Investment	Sterling	Nil	Nil	Nil	Nil	Nil	Nil
	Euro	Nil	Nil	Nil	Nil	Nil	Nil
	US Dollar	Nil	Nil	Nil	Nil	Nil	Nil
	Swiss Franc	Nil	Nil	Nil	Nil	Nil	Nil
	Australian Dollar	Nil	Nil	Nil	Nil	Nil	Nil
Minimum Redemption	Sterling	£10,000	£10,000	£10,000	£10,000	£10,000	£10,000

	Euro	the Euro equivalent of £10,000					
	US Dollar	the US Dollar equivalent of £10,000					
	Swiss Franc	the Swiss Franc equivalent of £10,000					
	Australian Dollar	the Australian Dollar equivalent of £10,000					
Minimum Holding	Sterling	£250,000	£10,000	£10,000	£2,500,000	£2,500,000	£10,000
	Euro	the Euro equivalent of £250,000	the Euro equivalent of £10,000	the Euro equivalent of £10,000	the Euro equivalent of £2,500,000	the Euro equivalent of £2,500,000	the Euro equivalent of £10,000
	US Dollar	the US Dollar equivalent of £250,000	the US Dollar equivalent of £10,000	the US Dollar equivalent of £10,000	the US Dollar equivalent of £2,500,000	the US Dollar equivalent of £2,500,000	the US Dollar equivalent of £10,000
	Swiss Franc	the Swiss Franc equivalent of £250,000	the Swiss Franc equivalent of £10,000	the Swiss Franc equivalent of £10,000	the Swiss Franc equivalent of £2,500,000	the Swiss Franc equivalent of £2,500,000	the Swiss Franc equivalent of £10,000

	Australian Dollar	the Australian Dollar equivalent of £250,000	the Australian Dollar equivalent of £10,000	the Australian Dollar equivalent of £10,000	the Australian Dollar equivalent of £2,500,000	the Australian Dollar equivalent of £2,500,000	the Australian Dollar equivalent of £10,000
Preliminary Charge**		5%	5%	5%	5%	5%	5%
ACD's Periodic Charge		0.015-0.06%	0.015-0.06%	0.015-0.06%	0.015-0.06%	0.015-0.06%	0.015-0.06%
Charged to		Income	Income	Income	Income	Income	Income
Investment Manager's Annual Charge		1.0%	1.5%	1.5%	0.75%	0.75%	0.0%
Charged to		Income	Income	Income	Income	Income	Income
Performance Fee		None	None	None	None	None	None
Redemption Charge ***		3%	3%	3%	3%	3%	3%
Charge for Investment Research		Not applicable					
Accounting Period Ends		31 March	31 March	31 March	31 March	31 March	31 March
Interim Accounting Period Ends		30 September	30 September	30 September	30 September	30 September	30 September
Income Allocated		31 July	31 July	31 July	31 July	31 July	31 July
Typical Investor Profile		The Fund invests in a diversified pool of assets and for this reason the Fund is suitable for investment either for a large or small percentage of an investor's assets. It is a long term investment and should be viewed over a five year time frame.					

Past Performance Information	Please see Appendix V.
Principal Investment Risks	Refer to paragraph 5.2 ('Specific Risks')
Eligible Markets	Please see Appendix III
Launched	26 March 2012

- * **Forward looking volatility refers to the estimated volatility that a portfolio is taking based on short term volatility forecasts, such as those implied from option prices. When assessing a portfolio's risk, it is more insightful to examine the volatility that was taken at each point in time to achieve a return rather than the volatility that was realised, thus eliminating the role of luck. By limiting forward looking volatility to 12%, exposure to equities, commodities and credit, for example, are automatically limited at times of market stress when volatility typically spikes and the probability of losses is especially high. Further information is available on request.**
- ** The ACD (in consultation with the Investment Manager) may increase, reduce or waive the minimum initial and subsequent investment amounts, the minimum withdrawal and holding amounts and the preliminary and redemption charges at its absolute discretion in any particular case or cases and in accordance with FCA Rules.
- *** The redemption charge of 3% of redemption proceeds will be payable on Shares redeemed within twelve months of subscription. No redemption charge will be payable on Shares held for more than twelve months. However, the ACD may impose the payment of a redemption charge in whole or in part at its discretion and in accordance with FCA Rules.
- **** Class D Accumulation Shares are only available for subscription by (i) the Investment Manager or any of its respective members or directors (as relevant), partners or employees, (ii) any person connected with any such person (including, without limitation, a trustee of a trust established by or for such a person), (iii) any company, partnership or other person or entity controlled by or which is the controller of such persons, or (iv) any other person or persons as the ACD may determine. It is currently intended that applicants for Class D Accumulation Shares whose investment in the Fund will be subject to separate discretionary management by the Investment Manager will be permitted to subscribe for Class D Accumulation Shares.

TM FULCRUM DIVERSIFIED CORE ABSOLUTE RETURN FUND

<p>INVESTMENT OBJECTIVE:</p>	<p>The investment objective of the Fund is to aim to achieve long-term absolute returns of inflation + 3% to 5% in all market conditions over rolling five year annualised periods, with lower volatility than equity markets. In doing so the Fund aims to achieve a positive return on a rolling three year basis. However, a positive return is not guaranteed and a capital loss may occur.</p> <p>Investors should be aware that the investors' capital is, in fact at risk, and there is no guarantee that these returns will be achieved, whether over rolling five year periods, or any time period.</p>
<p>INVESTMENT POLICY:</p>	<p>In seeking to achieve its investment goal, the Fund will hold a diversified portfolio, typically consisting of equities, commodity related instruments, fixed income and cash either directly or indirectly through the use of derivatives. Investments may be made through collective investment schemes (including index funds such as exchange traded funds (ETFs) and actively managed funds managed by the Investment Manager). Indirect exposure to commodities may be sought through investment in transferable securities, eligible index derivatives and collective investment schemes.</p> <p>The Fund will use derivatives for investment purposes and for efficient portfolio management. Such use of derivatives may therefore, at times, increase the volatility of the Fund's NAV and change the risk profile of the Fund. The Fund will use hedging strategies to reduce risk over the short time without materially altering its risk profile.</p> <p>The Fund will be managed without reference to a benchmark.</p> <p>The Fund will be managed with a forward looking volatility cap of 12%.*</p> <p>Inflation will be measured by reference to the Retail Prices Index.</p> <p>Investments in collective investment schemes will not exceed 10% of the Fund's assets in aggregate.</p> <p>The ACD reserves the right to change the Reference Benchmark following consultation with the Depositary and in accordance with the rules in COLL. A change could arise, for example, where the ACD determines that an alternative may be more appropriate or a benchmark administrator has given notification of discontinuance of the benchmark. Shareholders will be notified of such a</p>

		change, FCA approval will be applied for and the Prospectus updated and the change noted in the subsequent annual and half-yearly reports.					
PERFORMANCE COMPARATOR		<p>The Company uses the UK Retail Price Index (RPI) for performance comparison purposes only and the benchmark is not a target benchmark and the Company is not constrained by it.</p> <p>The index has been selected as a benchmark for performance because the constituents are representative of the areas in which the Company itself is likely to invest, and it is therefore an appropriate comparator for the Company's performance.</p> <p>The ACD reserves the right to change the benchmark following consultation with the Depositary and in accordance with the rules of COLL. A change could arise, for example, where the ACD determines that an alternative may be more appropriate. Shareholders will be notified of such a change through an update to the Prospectus and the change noted in the subsequent annual and half yearly reports.</p>					
FUND TYPE:		UK UCITS					
Classes of Shares		Class A Accumulation Shares	Class B Income Shares	Class B Accumulation Shares	Class C Income Shares	Class C Accumulation Shares	Class D Accumulation Shares****
Minimum Investment **	Sterling	£500,000	£10,000	£10,000	£5,000,000	£5,000,000	£10,000
	Euro	the Euro equivalent of £500,000	the Euro equivalent of £10,000	the Euro equivalent of £10,000	the Euro equivalent of £5,000,000	the Euro equivalent of £5,000,000	the Euro equivalent of £10,000
	US Dollar	the US Dollar equivalent of £500,000	the US Dollar equivalent of £10,000	the US Dollar equivalent of £10,000	the US Dollar equivalent of £5,000,000	the US Dollar equivalent of £5,000,000	the US Dollar equivalent of £10,000

	Swiss Franc	the Swiss Franc equivalent of £500,000	the Swiss Franc equivalent of £10,000	the Swiss Franc equivalent of £10,000	the Swiss Franc equivalent of £5,000,000	the Swiss Franc equivalent of £5,000,000	the Swiss Franc equivalent of £10,000
	Australian Dollar	the Australian Dollar equivalent of £500,000	the Australian Dollar equivalent of £10,000	the Australian Dollar equivalent of £10,000	the Australian Dollar equivalent of £5,000,000	the Australian Dollar equivalent of £5,000,000	the Australian Dollar equivalent of £10,000
Minimum Subsequent Investment	Sterling	Nil	Nil	Nil	Nil	Nil	Nil
	Euro	Nil	Nil	Nil	Nil	Nil	Nil
	US Dollar	Nil	Nil	Nil	Nil	Nil	Nil
	Swiss Franc	Nil	Nil	Nil	Nil	Nil	Nil
	Australian Dollar	Nil	Nil	Nil	Nil	Nil	Nil
Minimum Redemption	Sterling	£10,000	£10,000	£10,000	£10,000	£10,000	£10,000

	Euro	the Euro equivalent of £10,000					
	US Dollar	the US Dollar equivalent of £10,000					
	Swiss Franc	the Swiss Franc equivalent of £10,000					
	Australian Dollar	the Australian Dollar equivalent of £10,000					
Minimum Holding	Sterling	£250,000	£10,000	£10,000	£2,500,000	£2,500,000	£10,000
	Euro	the Euro equivalent of £250,000	the Euro equivalent of £10,000	the Euro equivalent of £10,000	the Euro equivalent of £2,500,000	the Euro equivalent of £2,500,000	the Euro equivalent of £10,000
	US Dollar	the US Dollar equivalent of £250,000	the US Dollar equivalent of £10,000	the US Dollar equivalent of £10,000	the US Dollar equivalent of £2,500,000	the US Dollar equivalent of £2,500,000	the US Dollar equivalent of £10,000
	Swiss Franc	the Swiss Franc equivalent of £250,000	the Swiss Franc equivalent of £10,000	the Swiss Franc equivalent of £10,000	the Swiss Franc equivalent of £2,500,000	the Swiss Franc equivalent of £2,500,000	the Swiss Franc equivalent of £10,000

	Australian Dollar	the Australian Dollar equivalent of £250,000	the Australian Dollar equivalent of £10,000	the Australian Dollar equivalent of £10,000	the Australian Dollar equivalent of £2,500,000	the Australian Dollar equivalent of £2,500,000	the Australian Dollar equivalent of £10,000
Preliminary Charge**		5%	5%	5%	5%	5%	5%
ACD's Periodic Charge		0.015-0.06%	0.015-0.06%	0.015-0.06%	0.015-0.06%	0.015-0.06%	0.015-0.06%
Charged to		Income	Income	Income	Income	Income	N/A
Investment Manager's Annual Charge		1.0%	1.5%	1.5%	0.75%	0.75%	0.0%
Charged to		Income	Income	Income	Income	Income	N/A
Performance Fee		None	None	None	None	None	None
Redemption Charge ***		3%	3%	3%	3%	3%	3%
Charge for Investment Research		Not applicable					
Accounting Period Ends		31 March	31 March	31 March	31 March	31 March	31 March
Interim Accounting Period Ends		30 September	30 September	30 September	30 September	30 September	30 September
Income Allocated		31 July	31 July	31 July	31 July	31 July	31 July
Typical Investor Profile		The Fund invests in a diversified pool of assets and for this reason the Fund is suitable for investment either for a large or small percentage of an investor's assets. It is a long term investment and should be viewed over a five year time frame.					

Past Performance Information	Please see Appendix V.
Principal Investment Risks	Refer to paragraph 5.2 ('Specific Risks')
Eligible Markets	Please see Appendix III
Launched	27 November 2014

- * **Forward looking volatility refers to the estimated volatility that a portfolio is taking based on short term volatility forecasts, such as those implied from option prices. When assessing a portfolio's risk, it is more insightful to examine the volatility that was taken at each point in time to achieve a return rather than the volatility that was realised, thus eliminating the role of luck. By limiting forward looking volatility to 12%, exposure to equities, commodities and credit, for example, are automatically limited at times of market stress when volatility typically spikes and the probability of losses is especially high. Further information is available on request.**
- ** The ACD (in consultation with the Investment Manager) may increase, reduce or waive the minimum initial and subsequent investment amounts, the minimum withdrawal and holding amounts and the preliminary and redemption charges at its absolute discretion in any particular case or cases and in accordance with FCA Rules.
- *** The redemption charge of 3% of redemption proceeds will be payable on Shares redeemed within twelve months of subscription. No redemption charge will be payable on Shares held for more than twelve months. However, the ACD may impose the payment of a redemption charge, in whole or in part at its discretion and in accordance with FCA Rules.
- **** Class D Accumulation Shares are only available for subscription by (i) the Investment Manager or any of its respective members or directors (as relevant), partners or employees, (ii) any person connected with any such person (including, without limitation, a trustee of a trust established by or for such a person), (iii) any company, partnership or other person or entity controlled by or which is the controller of such persons, or (iv) any other person or persons as the ACD may determine. It is currently intended that applicants for Class D Accumulation Shares whose investment in the Fund will be subject to separate discretionary management by the Investment Manager will be permitted to subscribe for Class D Accumulation Shares.

TM FULCRUM INCOME FUND

INVESTMENT OBJECTIVE:	<p>The Fund aims to generate an annual income of 4.5% above the Bank of England Base Rate (before tax payable by the Fund) regardless of market conditions. In addition the Fund aims to preserve capital through aiming to control volatility to be less than half the volatility of the equity markets (as measured by the MSCI World Total Return Index hedged to GBP) over rolling three year periods.</p> <p>Investors should be aware that the investors' capital is, in fact at risk, and there is no guarantee that these returns will be achieved, whether over rolling three year periods, or any time period.</p>
INVESTMENT POLICY:	<p>The Fund seeks to achieve its objective by using a range of investment strategies and techniques to invest actively in a broad selection of asset classes across all economic sectors worldwide. These asset classes may include equities, equity related securities, debt securities (including those issued by corporate bodies, governments and/or supranational institutions), warrants, cash, near cash and money market instruments. Exposure to these asset classes may be gained directly or indirectly through derivatives or collective investment schemes (including but not limited to exchange traded funds) and any other UCITS eligible instrument.</p> <p>The Fund may gain exposure to commodities through swaps on eligible commodity indices and investing in transferable securities in the commodities sector, such as exchange traded commodities.</p> <p>The Fund's investment strategies and techniques will make significant use of financial derivative instruments. The Fund's use of derivatives may include eligible derivatives on currencies, interest rates, credit, commodity indices and equities, which, may be either exchange traded or off exchange. Such derivative usage can be for the purposes of efficient portfolio management and/or meeting the investment objective of the Fund. Such derivatives have the potential to increase significantly the Fund's risk profile.</p> <p>The use of derivatives will be for purposes of efficient portfolio management and/or meeting the Fund's investment objective. Such derivatives have the potential to increase significantly the Fund's risk profile. The use of derivative instruments as part of the investment policy may mean that the Fund may, from time to time, have substantial holdings in liquid assets including deposits and money market instruments. These can be converted into cash in a short period of time.</p> <p>The target income yield referred to in the investment objective will be measured from 1st April to 31st March each year, and will be measured daily using the prevailing Bank of England base rate and the daily net asset value of the Fund.</p> <p>Income will be distributed monthly.</p>

	<p>The ACD reserves the right to change the Reference Benchmark following consultation with the Depositary and in accordance with the rules in COLL. A change could arise, for example, where the ACD determines that an alternative may be more appropriate or a benchmark administrator has given notification of discontinuance of the benchmark. Shareholders will be notified of such a change, FCA approval will be applied for and the Prospectus updated and the change noted in the subsequent annual and half-yearly reports.</p>
PERFORMANCE COMPARATOR	<p>The Company uses the UK Retail Price Index (RPI) for performance comparison purposes only and the benchmark is not a target benchmark and the Company is not constrained by it.</p> <p>The index has been selected as a benchmark for performance because the constituents are representative of the areas in which the Company itself is likely to invest, and it is therefore an appropriate comparator for the Company's performance.</p> <p>The ACD reserves the right to change the benchmark following consultation with the Depositary and in accordance with the rules of COLL. A change could arise, for example, where the ACD determines that an alternative may be more appropriate. Shareholders will be notified of such a change through an update to the Prospectus and the change noted in the subsequent annual and half yearly reports.</p>
FUND TYPE:	UK UCITS

Classes of Shares		Class B Income Shares	Class B Accumulation Shares	Class C Income Shares	Class C Accumulation Shares	Class D Income Shares****	Class D Accumulation Shares	Class F Income Shares****	Class F Accumulation Shares
Minimum Investment **	Sterling	£10,000	£10,000	£5,000,000	£5,000,000	£10,000,000	£10,000,000	£50,000,000	£50,000,000
	Euro	the Euro equivalent of £10,000	the Euro equivalent of £10,000	the Euro equivalent of £5,000,000	the Euro equivalent of £5,000,000	the Euro equivalent of £10,000,000	the Euro equivalent of £10,000,000	the Euro equivalent of £50,000,000	the Euro equivalent of £50,000,000

	Australian Dollar	Nil							
Minimum Redemption	Sterling	£10,000	£10,000	£10,000	£10,000	£10,000	£10,000	£10,000	£10,000
	Euro	the Euro equivalent of £10,000							
	US Dollar	the US Dollar equivalent of £10,000							
	Swiss Franc	the Swiss Franc equivalent of £10,000							
	Australian Dollar	the Australian Dollar equivalent of £10,000							
Minimum Holding	Sterling	£5,000	£5,000	£2,500,000	£2,500,000	£5,000,000	£5,000,000	£25,000,000	£25,000,000
	Euro	the Euro equivalent of £5,000	the Euro equivalent of £5,000	the Euro equivalent of £2,500,000	the Euro equivalent of £2,500,000	the Euro equivalent of £5,000,000	the Euro equivalent of £5,000,000	the Euro equivalent of £25,000,000	the Euro equivalent of £25,000,000

	US Dollar	the US Dollar equivalent of £5,000	the US Dollar equivalent of £5,000	the US Dollar equivalent of £2,500,000	the US Dollar equivalent of £2,500,000	the US Dollar equivalent of £5,000,000	the US Dollar equivalent of £5,000,000	the US Dollar equivalent of £25,000,000	the US Dollar equivalent of £25,000,000
	Swiss Franc	the Swiss Franc equivalent of £5,000	the Swiss Franc equivalent of £5,000	the Swiss Franc equivalent of £2,500,000	the Swiss Franc equivalent of £2,500,000	the Swiss Franc equivalent of £5,000,000	the Swiss Franc equivalent of £5,000,000	the Swiss Franc equivalent of £25,000,000	the Swiss Franc equivalent of £25,000,000
	Australian Dollar	the Australian Dollar equivalent of £5,000	the Australian Dollar equivalent of £5,000	the Australian Dollar equivalent of £2,500,000	the Australian Dollar equivalent of £2,500,000	the Australian Dollar equivalent of £5,000,000	the Australian Dollar equivalent of £5,000,000	the Australian Dollar equivalent of £25,000,000	the Australian Dollar equivalent of £25,000,000
Preliminary Charge**		5%	5%	5%	5%	5%	5%	5%	5%
ACD's Periodic Charge		0.015-0.06%	0.015-0.06%	0.015-0.06%	0.015-0.06%	0.015-0.06%	0.015-0.06%	0.015-0.06%	0.015-0.06%
Charged to		Capital***** *	Capital***** *	Capital***** *	Capital***** *	N/A	N/A	Capital***** *	Capital***** *
Investment Manager's Annual Charge		1.50%	1.50%	0.75%	0.75%	0%	0%	0.325%	0.325%
Charged to		Capital***** *	Capital***** *	Capital***** *	Capital***** *	N/A	N/A	Capital***** *	Capital***** *
Performance Fee		None	None	None	None	None	None	None	None
Redemption Charge ***		3%	3%	3%	3%	3%	3%	3%	3%
Charge for Investment Research		Not applicable							

Accounting Period Ends	31 March	31 March	31 March	31 March	31 March	31 March	31 March	31 March
Interim Accounting Period Ends	30 September	30 September	30 September	30 September	30 September	30 September	30 September	30 September
Distribution Periods	The last calendar day of each month	The last calendar day of each month	The last calendar day of each month	The last calendar day of each month	The last calendar day of each month	The last calendar day of each month	The last calendar day of each month	The last calendar day of each month
Income Allocated*****	The last calendar day of the month that follows each Distribution Period end date	The last calendar day of the month that follows each Distribution Period end date	The last calendar day of the month that follows each Distribution Period end date	The last calendar day of the month that follows each Distribution Period end date	The last calendar day of the month that follows each Distribution Period end date	The last calendar day of the month that follows each Distribution Period end date	The last calendar day of the month that follows each Distribution Period end date	The last calendar day of the month that follows each Distribution Period end date
Typical Investor Profile	The Fund invests in a diversified pool of assets and for this reason the Fund is suitable for investment either for a large or small percentage of an investor's assets. It is a long term investment and should be viewed over a three year time frame.							
Past Performance Information	Please see Appendix V							
Principal Investment Risks	Refer to paragraph 5.2 ('Specific Risks')							
Eligible Markets	Please see Appendix III							
Launched	31 January 2018							

* Forward looking volatility refers to the estimated volatility that a portfolio is taking based on short term volatility forecasts, such as those implied from option prices. When assessing a portfolio's risk, it is more insightful to examine the volatility that was taken at each point in time to achieve a return rather than the volatility that was realised, thus eliminating the role of luck. By limiting forward looking

volatility to 12%, exposure to equities, commodities and credit, for example, are automatically limited at times of market stress when volatility typically spikes and the probability of losses is especially high. Further information is available on request.

- (a) ** The ACD (in consultation with the Investment Manager) may increase, reduce or waive the minimum initial and subsequent investment amounts, the minimum withdrawal and holding amounts and the Initial and Redemption Charges at its absolute discretion in any particular case or cases and in accordance with FCA Rules.
- (b) *** The redemption charge of 3% of redemption proceeds will be payable on Shares redeemed within twelve months of subscription. No redemption charge will be payable on Shares held for more than twelve months. However, the ACD may impose the payment of a redemption fee, in whole or in part at its discretion and in accordance with FCA Rules.
- (c) **** Class D Shares are only available for subscription by (i) the Investment Manager or any of its respective members or directors (as relevant), partners or employees, (ii) any person connected with any such person (including, without limitation, a trustee of a trust established by or for such a person), (iii) any company, partnership or other person or entity controlled by or which is the controller of such persons, or (iv) any other person or persons as the ACD may determine. It is currently intended that applicants for Class D Shares whose investment in the Fund will be subject to separate discretionary management by the Investment Manager will be permitted to subscribe for Class D Shares.

***** Class F Shares may only be purchased by institutional investors who make their initial subscription in the Fund during a limited period of time as determined by the ACD.

*****The charging of fees and expenses to capital may result in capital erosion or constrain capital growth.

*****Income will be allocated on each income allocation date by reference to the amount available for income allocation for the distribution period to the end of the preceding calendar month. Income equalisation may be applied: see paragraph 9.3.

Hedged Share Classes

Class C and Class D US Dollar Accumulation Shares and Class B, Class C, Class D and Class F US Dollar Income Shares, Class C and Class D Euro Accumulation Shares and Class B, Class C, Class D and Class F Euro Income Shares, Class C and Class D Swiss Franc Accumulation Shares and Class B, Class C, Class D and Class F Swiss Franc Income Shares and Class C and Class D Australian Dollar Accumulation Shares and Class B, Class C, Class D and Class F Australian Dollar Income Shares, are currency hedged share classes. Hedged share classes allow the ACD to use currency hedging transactions to reduce the effect of fluctuations in the rate of exchange between the currency of shares in those classes (the "**Reference Currency**") and Sterling which is the base currency of the Company (the "**Base Currency**").

The ACD may utilise currency forwards, currency futures, currency option transactions, currency swaps, currency hedging with interest rate or equity swap transactions (or such other instruments as are permitted under Appendix 1 (Investment and Borrowing Powers and Restrictions)) to preserve the Reference Currency against the Base Currency, or the currency in which the Company's assets are denominated.

Currency class hedging transactions will be entered into by the Company for the purpose of reducing risk by limiting the effect of movements in exchange rates on the value of a Class. The ACD will ensure that the total value of the hedged position does not exceed the value of the Class concerned unless there is adequate cover and it is reasonable to do so on a temporary basis for reasons of efficiency. In such cases, the difference between the value of the hedged position and the value of the Class will not be so large as to be speculative or to constitute an investment strategy.

The costs and benefits of such currency hedging transactions will accrue solely to the investors in the relevant Class with reference to the value of the respective shareholdings in those Classes. This includes the costs of hedging and the allocation of any gains and losses resulting from the hedged transactions. The currency transaction will not cause the affected Class to be leveraged. The value of each Class to be hedged will be made up of both capital and income, and the ACD intends to hedge between 95-100% of the value of each Class. As such the hedged Classes will not be completely protected from all currency fluctuations.

The ACD will review the hedging position on each day that there is a Valuation Point or Dealing Day and will adjust any hedging to the extent there is a material change in the value of the assets of that Class and to the dealing volume.

APPENDIX II INVESTMENT AND BORROWING POWERS OF THE COMPANY

1. General rules of investment

1.1 The Instrument of Incorporation permits the ACD to utilise the investment and borrowing powers permitted by a UK UCITS which complies with Chapter 5 of COLL Sourcebook. The ACD manages the Funds in accordance with the investment and borrowing powers set out below.

1.2 Treatment of obligations

1.2.1 Where the COLL Sourcebook 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 Funds under any other of those rules has also to be provided for.

1.2.2 Where a rule in the COLL Sourcebook 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, each 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 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 Chapter 5 of COLL Sourcebook. These limits apply to each Fund as summarised below.

2. Prudent spread of risk

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

The requirements on spread do not apply until the expiry of a period of six months after the date of effect of the authorisation order in respect of the Funds (or on which the initial offer commenced if later) provided that the requirement to maintain prudent spread of risk is complied with.

3. UK UCITS schemes - general

3.1 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:

3.1.1 transferable securities;

3.1.2 approved money market instruments;

3.1.3 units or shares in permitted collective investment schemes;

3.1.4 derivatives and forward transactions;

- 3.1.5 deposits; and
- 3.1.6 movable and immovable property that is essential for the direct pursuit of the Company's business

in accordance with the rules in this Appendix III.

- 3.2 The Funds will not hold movable or immovable property.
- 3.3 The TM Fulcrum Diversified Core Absolute Return Fund will not invest in: (i) unrated debt securities; (ii) debt securities that are rated B- and below by Standard & Poor's Corporation and/or Fitch Ratings Limited, or B3 and below by Moody's Investors Service, Inc and/or (iii) asset backed securities and similar securitised debt without investment grade rating. If at any time assets of the TM Fulcrum Diversified Core Absolute Return Fund are no longer compliant with the aforementioned rating requirements due to downgrade, such assets shall be sold, at the best interest of the investors, within six months' time.

4. **Transferable Securities**

- 4.1 A transferable security is an investment which is any of the following:
 - 4.1.1 a share;
 - 4.1.2 a debenture;
 - 4.1.3 an alternative debenture;
 - 4.1.4 a government and public security;
 - 4.1.5 a warrant; or
 - 4.1.6 a certificate representing certain securities.
- 4.2 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.
- 4.3 In applying paragraph 4.2 to an investment which is issued by a body corporate, and which is a share or a debenture (as such terms are defined in the FCA Glossary), the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored.
- 4.4 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.
- 4.5 No more than 5% of the Scheme Property of a Fund may be invested in warrants.

5. **Investment in transferable securities**

- 5.1 A Fund may invest in a transferable security only to the extent that the transferable security fulfils the following criteria:
 - 5.1.1 the potential loss which the Fund may incur with respect to holding the transferable security is limited to the amount paid for it;
 - 5.1.2 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 COLL 6.2.16R(3);

- 5.1.3 reliable valuation is available for it as follows:
 - 5.1.3.1 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;
 - 5.1.3.2 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;
 - 5.1.4 appropriate information is available for it as follows:
 - 5.1.4.1 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;
 - 5.1.4.2 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;
 - 5.1.5 it is negotiable; and
 - 5.1.6 its risks are adequately captured by the risk management process of the ACD.
- 5.2 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:
- 5.2.1 not to compromise the ability of the ACD to comply with its obligation to redeem Shares at the request of any qualifying Shareholder; and
 - 5.2.2 to be negotiable.

6. **Closed end funds constituting transferable securities**

- 6.1 A unit or share in a closed end fund shall be taken to be a transferable security for the purposes of investment by a Fund, provided it fulfils the criteria for transferable securities set out in paragraph 5 (Investment in transferable securities) above and either:
 - 6.1.1 where the closed end fund is constituted as an investment company or a unit trust:
 - 6.1.1.1 it is subject to corporate governance mechanisms applied to companies; and
 - 6.1.1.2 where another person carries out asset management activity on its behalf, that person is subject to national regulation for the purpose of investor protection; or

6.1.2 where the closed end fund is constituted under the law of contract:

6.1.2.1 it is subject to corporate governance mechanisms equivalent to those applied to companies; and

6.1.2.2 it is managed by a person who is subject to national regulation for the purpose of investor protection.

7. **Transferable securities linked to other assets**

7.1 A Fund may invest in any other investment which shall be taken to be a transferable security for the purposes of investment by a Fund provided the investment:

7.1.1 fulfils the criteria for transferable securities set out in COLL 5.2.7A R; and

7.1.2 is backed by or linked to the performance of other assets, which may differ from those in which a Fund can invest.

7.2 Where an investment in 7.1 contains an embedded derivative component (as described in 19 **Derivatives: general** below) the requirements of the COLL Sourcebook with respect to derivatives and forwards will apply to that component.

8. **Approved money market instruments**

8.1 A Fund may invest in approved money market instruments which are money market instruments normally dealt in on the money market, are liquid and whose value can be accurately determined at any time.

8.2 A money-market instrument shall be regarded as normally dealt in on the money market if it:

8.2.1 has a maturity at issuance of up to and including 397 days;

8.2.2 has a residual maturity of up to and including 397 days;

8.2.3 undergoes regular yield adjustments in line with money market conditions at least every 397 days; or

8.2.4 has a risk profile, including credit and interest rate risks, corresponding to that of an instrument which has a maturity as set out in 8.2.1 or 8.2.2 or is subject to yield adjustments as set out in 8.2.3.

8.3 A money-market instrument shall be regarded as liquid if it can be sold at limited cost in an adequately short time frame, taking into account the obligation of the ACD to redeem Shares at the request of any qualifying Shareholder.

8.4 A money-market instrument shall be regarded as having a value which can be accurately determined at any time if accurate and reliable valuations systems, which fulfil the following criteria, are available:

8.4.1 enabling the ACD to calculate a net asset value in accordance with the value at which the instrument held in the Fund could be exchanged between knowledgeable willing parties in an arm's length transaction; and

8.4.2 based either on market data or on valuation models including systems based on amortised costs.

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

9. **Transferable securities and money market instruments generally to be admitted to or dealt in on an eligible market**

9.1 Transferable securities and approved money market instruments held within a Fund must (subject to paragraph 9.2 of this Appendix) be:

9.1.1 admitted to or dealt on an eligible market as described in paragraph 10.1.1 below; or

9.1.2 dealt in on a market in the UK or an EEA State which is regulated, operates regularly and is open to the public; or

9.1.3 admitted to or dealt in on an eligible market which has been designated an eligible market by the ACD in consultation with the Depositary (as described below); or

9.1.4 a money-market instrument within COLL 5.2.10 A R(1) (is as described in paragraph 8 below); or

9.1.5 recently issued transferable securities provided that:

9.1.5.1 the terms of issue include an undertaking that application will be made to be admitted to an eligible market; and

9.1.5.2 such admission is secured within a year of issue.

9.2 Not more than 10% in value of the Scheme Property of a Fund may consist of transferable securities or approved money market instruments, which do not fall within paragraph 9.1.

10. **Eligible Markets: requirements**

10.1 A market is eligible for the purposes of the rules if it is:

10.1.1 a regulated market as defined in the FCA Glossary; or

10.1.2 a market in the UK or an EEA State which is regulated, operates regularly and is open to the public.

10.1.3 a market within paragraph 10.2

10.2 A market not falling within paragraphs 10.1.1 and 10.1.2 of this Appendix is eligible for the purposes of COLL 5 if:

10.2.1 the ACD, after consultation and notification with the Depositary, decides that market is appropriate for investment of, or dealing in, the Scheme Property of a Fund;

10.2.2 the market is included in a list in this prospectus; and

10.2.3 the Depositary has taken reasonable care to determine that:

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

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

10.3 In paragraph 10.2.1, a market must not be considered appropriate unless it is: regulated; operates regularly; is recognised as a market or exchange or as a self-regulating organisation by an overseas regulator; is open to the public; is adequately liquid; and has adequate arrangements for unimpeded transmission of income and capital to or for the order of investors.

11. **Money-market instruments with a regulated issuer**

11.1 In addition to instruments admitted to or dealt in on an eligible market, a Fund may invest in an approved money-market instrument provided it fulfils the following requirements:

11.1.1 the issue or the issuer is regulated for the purpose of protecting investors and savings; and

11.1.2 the instrument is issued or guaranteed in accordance with paragraph 12 below.

11.2 The issue or the issuer of a money-market instrument, other than one dealt in on an eligible market, shall be regarded as regulated for the purpose of protecting investors and savings if:

11.2.1 the instrument is an approved money-market instrument;

11.2.2 appropriate information is available for the instrument (including information which allows an appropriate assessment of the credit risks related to investment in it), in accordance with paragraph 13; and

11.2.3 the instrument is freely transferable.

12. **Issuers and guarantors of money-market instruments**

12.1 A Fund may invest in an approved money-market instrument if it is:

12.1.1 issued or guaranteed by any one of the following:

12.1.1.1 a central authority of the UK or an EEA State or, if the EEA State is a federal state, one of the members making up the federation;

12.1.1.2 a regional or local authority of the UK or an EEA State;

12.1.1.3 the Bank of England, the European Central Bank or a central bank of an EEA State;

12.1.1.4 the European Union or the European Investment Bank;

12.1.1.5 a non-EEA State or, in the case of a federal state, one of the members making up the federation;

12.1.1.6 a public international body to which the UK or one or more EEA States belong; or

12.1.2 issued by a body, any securities of which are dealt in on an eligible market; or

- 12.1.3 issued or guaranteed by an establishment which is:
 - 12.1.3.1 subject to prudential supervision in accordance with criteria defined by UK or European Union law; or
 - 12.1.3.2 subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by UK or European Union law.
- 12.2 An establishment shall be considered to satisfy the requirement in paragraph 12.1.3.2 if it is subject to and complies with prudential rules, and fulfils one or more of the following criteria:
 - 12.2.1 it is located in the European Economic Area;
 - 12.2.2 it is located in an OECD country belonging to the Group of Ten;
 - 12.2.3 it has at least investment grade rating;
 - 12.2.4 on the basis of an in-depth analysis of the issuer, it can be demonstrated that the prudential rules applicable to that issuer are at least as stringent as those laid down by European Community law.
- 13. **Appropriate information for money-market instruments**
 - 13.1 In the case of an approved money-market instrument within paragraph 12.1.2 or issued by a body of the type referred to in COLL 5.2.10E G, or which is issued by an authority within paragraph 12.1.1.2 or a public international body within paragraph 12.1.1.4 but is not guaranteed by a central authority within 12.1.1.1 the following information must be available:
 - 13.1.1 information on both the issue or the issuance programme, and the legal and financial situation of the issuer prior to the issue of the instrument, verified by appropriately qualified third parties not subject to instructions from the issuer;
 - 13.1.2 updates of that information on a regular basis and whenever a significant event occurs; and
 - 13.1.3 available and reliable statistics on the issue or the issuance programme.
 - 13.2 In the case of an approved money-market instrument issued or guaranteed by an establishment within paragraph 12.1.3 the following information must be available:
 - 13.2.1 information on the issue or the issuance programme or on the legal and financial situation of the issuer prior to the issue of the instrument;
 - 13.2.2 updates of that information on a regular basis and whenever a significant event occurs; and
 - 13.2.3 available and reliable statistics on the issue or the issuance programme, or other data enabling an appropriate assessment of the credit risks related to investment in those instruments.
 - 13.3 In the case of an approved money-market instrument:
 - 13.3.1 within paragraphs 12.1.1.2, 12.1.1.4 or 12.1.1.5; or

- 13.3.2 which is issued by an authority within paragraph 12.1.1.2 or a public international body within paragraph 12.1.1.4 and is guaranteed by a central authority within paragraph 12.1.1.1;

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

14. **Spread: general**

- 14.1 This paragraph 14 does not apply in respect of a transferable security or an approved money-market instrument to which paragraph 16 applies.
- 14.2 For the purposes of this paragraph 14 companies included in the same group for the purposes of consolidated accounts as defined in accordance with s.399 of the Companies Act 2006, Directive 2013/34/EU or in the same group in accordance with international accounting standards are regarded as a single body.
- 14.3 Not more than 20% in value of the Scheme Property of a Fund is to consist of deposits with a single body.
- 14.4 Not more than 5% in value of the Scheme Property of a Fund is to consist of transferable securities or approved money-market instruments issued by any single body.
- 14.5 The limit of 5% in paragraph 14.4 is raised to 10% in respect of up to 40% in value of the Scheme Property of a Fund (covered bonds need not be taken into account for the purposes of applying the limit of 40%).
- 14.6 The limit of 5% in paragraph 14.4 is raised to 25% in value of the Scheme Property of a Fund in respect of covered bonds provided that when a Fund invests more than 5% in covered bonds issued by a single body, the total value of covered bonds held must not exceed 80% in value of the Scheme Property.
- 14.7 In applying paragraphs 14.4 and 14.5, certificates representing certain securities are to be treated as equivalent to the underlying security.
- 14.8 The exposure to any one counterparty in an OTC derivative transaction must not exceed 5% in value of the Scheme Property of a Fund. This limit is raised to 10% where the counterparty is an Approved Bank.
- 14.9 Not more than 20% in value of the Scheme Property may consist of transferable securities and approved money market instruments issued by the same group.
- 14.10 Not more than 20% in value of the Scheme Property is to consist of the units or shares of any one collective investment scheme.
- 14.11 In applying the limits in paragraphs 14.3, 14.4, 14.5, 14.7 and 14.8 in relation to a single body and subject to paragraph 14.6, not more than 20% in value of the Scheme Property is to consist of any combination of two or more of the following:
- 14.11.1 transferable securities (including covered bonds) or approved money-market instruments issued by that body; or
 - 14.11.2 deposits made with that body; or
 - 14.11.3 exposures from OTC derivatives transactions made with that body.

15. **Counterparty risk and issuer concentration**

- 15.1 The ACD must ensure that counterparty risk arising from an OTC derivative is subject to the limits set out in paragraphs 14.8 and 14.11 above.
- 15.2 When calculating the exposure of a Fund to a counterparty in accordance with the limits in paragraph 14.8 the ACD must use the positive mark-to-market value of the OTC derivative contract with that counterparty.
- 15.3 The ACD may net the OTC derivative positions of a Fund with the same counterparty, provided:
 - 15.3.1 It is able legally to enforce netting agreements with the counterparty on behalf of the Fund; and
 - 15.3.2 the netting agreements in paragraph 15.3.1 do not apply to any other exposures the Fund may have with that same counterparty.
- 15.4 The ACD may reduce the exposure of Scheme Property to a counterparty of an OTC derivative through the receipt of collateral. Collateral received must be sufficiently liquid so that it can be sold quickly at a price that is close to its pre-sale valuation.
- 15.5 The ACD must take collateral into account in calculating exposure to counterparty risk in accordance with the limits in paragraph 14.8 when it passes collateral to an OTC counterparty on behalf of a Fund.
- 15.6 COLL sourcebook permits 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 with respect to 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. COLL Sourcebook also permits a Fund to use derivatives to effectively short sell (agree to deliver the relevant asset without holding it in a Fund) under certain conditions.
- 15.7 Collateral passed in accordance with paragraph 15.5 may be taken into account on a net basis only if the ACD is able legally to enforce netting arrangements with this counterparty on behalf of that Fund.
- 15.8 The ACD must calculate the issuer concentration limits referred to in paragraph 14.8 on the basis of the underlying exposure created through the use of OTC derivatives pursuant to the commitment approach, in accordance with the COLL Sourcebook.
- 15.9 In relation to the exposure arising from OTC derivative transactions as referred to in paragraph 14.8 the ACD must include any exposure to OTC derivative transactions counterparty risk in the calculation.
16. **Spread: government and public securities**
 - 16.1 The following paragraph applies in respect of transferable securities or approved money-market instruments ("such securities") that are issued or guaranteed by:
 - 16.2
 - 16.2.1 The UK or an EEA State;
 - 16.2.2 a local authority of the UK or an EEA State;

- 16.2.3 a non-EEA State; or
 - 16.2.4 a public international body to which the UK or one or more EEA States belong.
- 16.3 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.
- 16.4 **A Fund may invest more than 35% in value of the Scheme Property in such securities issued by any one body provided that:**
- 16.4.1 **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;**
 - 16.4.2 **no more than 30% in value of the Scheme Property of a Fund consists of such securities of any one issue; and**
 - 16.4.3 **the Scheme Property includes such securities issued by that or another issuer, of at least six different issues.**
- 16.5 In relation to such securities:
- 16.5.1 issue, issued and issuer include guarantee, guaranteed and guarantor; and
 - 16.5.2 an issue differs from another if there is a difference as to repayment date, rate of interest, guarantor or other material terms of the issue.
- 16.6 Notwithstanding paragraph 14.1 and subject to paragraphs 14.3 and 14.2 above, in applying the 20% limit in paragraph 14.3 with respect to a single body, such securities issued by that body shall be taken into account.
- 16.7 **More than 35% in value of the Scheme Property may be invested in such securities issued or guaranteed by:**
- 16.7.1 **the Government of the United Kingdom, or the government of any of the following countries, or territories, outside the United Kingdom:**
 - 16.7.1.1 **Germany;**
 - 16.7.1.2 **the United States of America;**
 - 16.7.1.3 **France;**
 - 16.7.1.4 **Japan.**

17. **Investment in collective investment schemes**

In relation to TM Fulcrum Diversified Absolute Return Fund and TM Fulcrum Income Fund up to 100% of the value of the Scheme Property, and up to 10% of the value of the Scheme Property, may be invested in units or shares in other collective investment schemes ("**Second Scheme**") in each case provided that Second Scheme satisfies all of the conditions and provided, in respect of TM Fulcrum Diversified Absolute Return Fund only, that not more than 30% of the

value of the Fund is invested in Second Schemes within paragraphs 17.1.2 to 17.1.5.

- 17.1 The Second Scheme must:
- 17.1.1 satisfy the conditions necessary for it to enjoy the rights conferred by the UCITS Directive as implemented in the EEA; or
 - 17.1.2 be a recognised scheme that is authorised by the supervisory authorities of Guernsey, Jersey or the Isle of Man (provided the requirements of COLL 5.2.13AR, as set out in paragraph **Error! Reference source not found.**, are met); or
 - 17.1.3 be authorised as a Non-UCITS retail scheme (provided that the requirements of COLL 5.2.13AR(1)(a), (3) and (4) are met); or
 - 17.1.4 be authorised in an EEA State (provided the requirements of COLL 5.2.13AR are met); or
 - 17.1.5 be authorised by the competent authority of an OECD member country (other than an EEA State) which has:
 - 17.1.5.1 signed the IOSCO Multilateral Memorandum of Understanding; and
 - 17.1.5.2 approved the scheme's management company, rules and depositary and custody arrangements.

(provided the requirements of COLL 5.2.13AR are met);
- 17.2 The Second Scheme must comply, where relevant, with COLL 5.2.15 R (Investment in associated collective investment schemes) and COLL 5.2.16 R (Investment in other group schemes).
- 17.3 The Second Scheme has terms which prohibit more than 10% in value of the Scheme Property consisting of units or shares in collective investment schemes.
- 17.4 Where the Second Scheme is an umbrella, the provisions in paragraphs 14, 17.2 and 17.3 apply to each Fund as if it were a separate scheme.
- 17.5 Investment may be made in other collective investment schemes managed by the ACD or an associate of the ACD in accordance with COLL 5.2.15 R and COLL 5.2.16 R.
- 17.6 The Scheme Property attributable to a Fund may include Shares in another Fund of the Company (the "Second Fund") subject to the requirements of paragraphs 17.8 below.
- 17.7 A Fund may invest in or dispose of Shares in a Second Fund provided that:
- 17.7.1 the Second Fund does not hold Shares in any other Fund of the Company;
 - 17.7.2 the requirements set out at paragraph 17.9 below are complied with; and
 - 17.7.3 not more than 35% in value of the Scheme Property of the investing or disposing Fund is to consist of Shares in the Second Fund.

- 17.8 Investment may only be made in a Second Fund or other collective investment scheme managed by the ACD or an Associate of the ACD if the rules on double charging contained in the COLL Sourcebook are complied with.
- 17.9 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.
- 17.10 Where a substantial proportion of the Fund's assets are invested in other collective investment schemes the maximum level of management fees that may be charged to the Company, and to the other collective investment schemes in which it invests, should not exceed 2.5% per annum plus VAT (if applicable).
- 17.11 Where TM Fulcrum Diversified Core Absolute Return Fund invests in shares or units of other collective investment schemes, the management company of the respective scheme must have its registered seat within the UK and must be authorised and supervised by a public authority for the protection of investors.
18. **Investment in nil and partly paid securities**
- 18.1 A transferable security or an approved money market instrument on which any sum is unpaid falls within a power of investment only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Fund, at the time when payment is required, without contravening the rules in COLL 5.
19. **Derivatives: general**
- 19.1 **The Funds may use Scheme Property to enter into transactions for the purposes of Efficient Portfolio Management and for investment purposes. In the opinion of the ACD, the use of derivatives may increase the risk profile or volatility of the Funds.**
- 19.2 The ACD may make use of a variety of derivative instruments in accordance with COLL Sourcebook and specifically COLL 5.3.11(G).
- 19.3 A transaction in derivatives or a forward transaction must not be effected for the Fund unless:
- 19.3.1 the transaction is of a kind specified in paragraph 20 (Permitted transactions (derivatives and forwards)); and
 - 19.3.2 the transaction is covered, as required by paragraph 29 (Cover for investment in derivatives and forward transactions).
- 19.4 Where a Fund invests in derivatives, the exposure to the underlying assets must not exceed the limits set out in the COLL Sourcebook 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.
- 19.5 Where a transferable security or an approved money market instrument embeds a derivative, this must be taken into account for the purposes of complying with this paragraph.
- 19.6 A transferable security or an approved money-market instrument will embed a derivative if it contains a component which fulfils the following criteria:

- 19.6.1 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;
 - 19.6.2 its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and
 - 19.6.3 it has a significant impact on the risk profile and pricing of the transferable security or approved money-market instrument.
- 19.7 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.
- 19.8 Where a Fund invests in an index based derivative, provided the relevant index falls within COLL 5.2.20AR (Financial Indices underlying derivatives) the underlying constituents of the index do not have to be taken into account for the purposes of COLL 5.2.11R and COLL 5.2.12R. This relaxation is subject to the ACD taking account of COLL 5.2.3 R.
20. **Permitted transactions (derivatives and forwards)**
- 20.1 A transaction in a derivative must be:
- 20.1.1 in an approved derivative; or
 - 20.1.2 an OTC derivative which complies with paragraph 26 (OTC transactions in derivatives) of this Appendix.
- 20.2 A transaction in a derivative must have the underlying consisting of any one or more of the following to which the scheme is dedicated:
- 20.2.1 transferable securities;
 - 20.2.2 approved money market instruments permitted under paragraph 8 (Investment in approved money market instruments);
 - 20.2.3 deposits;
 - 20.2.4 permitted derivatives under this paragraph;
 - 20.2.5 collective investment scheme units or shares permitted under paragraph 17 (Investment in collective investment schemes);
 - 20.2.6 financial indices which satisfy the criteria set out in COLL 5.2.20;
 - 20.2.7 interest rates;
 - 20.2.8 foreign exchange rates; and
 - 20.2.9 currencies.
- 20.3 A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market.

- 20.4 A transaction in a derivative must not cause a Fund to diverge from its investment objectives as stated in the Instrument constituting the scheme and the most recently published version of this Prospectus.
- 20.5 A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more, transferable securities, money market instruments, units in collective investment schemes, or derivatives, provided that a sale is not to be considered as uncovered if the conditions in paragraph 24 (Requirement to cover sales) are satisfied.
- 20.6 Any forward transaction must be with an Eligible Institution or an Approved Bank.
- 20.7 A derivative includes an instrument which fulfils the following criteria:
- 20.7.1 it allows the transfer of the credit risk of the underlying independently from the other risks associated with that underlying;
 - 20.7.2 it does not result in the delivery or the transfer of assets other than those referred to in paragraph 3 above (UK UCITS schemes: general) including cash;
 - 20.7.3 in the case of an OTC derivative, it complies with the requirements in paragraph 25 (OTC transactions in derivatives);
 - 20.7.4 its risks are adequately captured by the risk management process of the ACD, and by its internal control mechanisms in the case of risks of asymmetry of information between the ACD and the counterparty to the derivative, resulting from potential access of the counterparty to non-public information on persons whose assets are used as the underlying by that derivative.
- 20.8 A Fund may not undertake transactions in derivatives on commodities. However this restriction does not preclude a Fund from investing in, or gaining exposure to, an index, the components of which are commodities, provided that such index meets the requirements set out in paragraph 21 (Financial indices underlying derivatives).

21. **Financial indices underlying derivatives**

- 21.1 The financial indices referred to above are those which satisfy the following criteria:
- 21.1.1 the index is sufficiently diversified;
 - 21.1.2 the index represents an adequate benchmark for the market to which it refers; and
 - 21.1.3 the index is published in an appropriate manner.
- 21.2 A financial index is sufficiently diversified if:
- 21.2.1 it is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;
 - 21.2.2 where it is composed of assets in which a Fund is permitted to invest, its composition is at least diversified in accordance with the requirements with respect to spread and concentration set out in this Appendix; and

- 21.2.3 where it is composed of assets in which a Fund cannot invest, it is diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration set out in this Appendix.
- 21.3 A financial index represents an adequate benchmark for the market to which it refers if:
- 21.3.1 it measures the performance of a representative group of underlyings in a relevant and appropriate way;
 - 21.3.2 it is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers, following criteria which are publicly available; and
 - 21.3.3 the underlyings are sufficiently liquid, allowing users to replicate it if necessary.
- 21.4 A financial index is published in an appropriate manner if:
- 21.4.1 its publication process relies on sound procedures to collect prices, and calculate and subsequently publish the index value, including pricing procedures for components where a market price is not available; and
 - 21.4.2 material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.
- 21.5 Where the composition of underlyings of a transaction in a derivative does not satisfy the requirements for a financial index, the underlyings for that transaction shall where they satisfy the requirements with respect to other underlyings pursuant to paragraph 20.2, be regarded as a combination of those underlyings.
- 22. Total return swaps**
- 22.1 Total return swaps are agreements under which one party makes payments based on a set rate, either fixed or variable, while the other party makes payments based on the total return (including both the income it generates and any capital gains) of an underlying asset (for example, a commodity or stock market index). In this way, a party can gain the economic exposure of the underlying asset without actually owning that asset.
- 22.2 A Fund may enter into a range of swap transactions in pursuit of its investment objective (including total return swaps) or other financial derivatives instruments with similar characteristics. The underlying assets and investment strategies or such swaps, to which exposure will be gained, are described in the investment objective and policy of the relevant Fund.
- 22.3 The specific types of total return swaps permitted are foreign exchange, interest rates, fixed income, equity and commodity indices.
- 22.4 The maximum net proportion of the assets under management of each Fund that can be subject to total return swaps is 50% long and 50% short.
- 22.5 The expected net proportion of the assets under management of each Fund that will be subject to total return swaps is 10% of Net Asset Value.
- 22.6 A Fund may not enter into such a swap or other derivative transaction where (1) the counterparty is permitted to have discretion over the composition or

management of a Fund's portfolio or over the underlying of financial derivative instruments used by a Fund; or (2) the counterparty's approval is required in relation to any investment decision made by a Fund.

22.7 The counterparties of these transactions will be highly rated financial institutions specialising in these types of transactions and submitted by the Investment Manager to the ACD for approval, after being assessed against a strict due diligence process that includes their credit rating, their legal status and their country of origin. For more information, please see paragraph 6 (Securities Financing Transactions).

22.8 Total return swaps generate additional revenue for the benefit of the relevant Fund. 100% of this revenue will be retained by the relevant Fund.

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

23.1 A derivative or forward transaction which would or could lead to the delivery of property for the account of the Company may be entered into only if:

23.1.1 such property can be held for the account of the Fund; and

23.1.2 the ACD having taken reasonable care determines that delivery of the property under the transaction will not occur or will not lead to a breach of the rules in the COLL Sourcebook.

24. **Requirement to cover sales**

24.1 No agreement by or on behalf of the Fund to dispose of property or rights may be made unless:

24.1.1 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 of rights; and

24.1.2 the property and rights above are owned by the Fund at the time of the agreement.

24.2 This requirement does not apply to a deposit.

25. **OTC transactions in derivatives**

25.1 Any transaction in an OTC derivative must be:

25.1.1 with an approved counterparty; a counterparty to a transaction in derivatives is approved only if the counterparty is:

25.1.1.1 an Eligible Institution or an Approved Bank; or

25.1.1.2 a person whose permission (including any requirements or limitations), as published in the Financial Services Register provided by the FCA or whose Home State authorisation, permits it to enter into the transaction as principal off-exchange;

25.1.1.3 a CCP that is authorised in that capacity for the purposes of EMIR

- 25.1.1.4 a CCP that is recognised in that capacity in accordance with the process set out in article 25 of EMIR; or
- 25.1.1.5 to the extent not already covered above, a CCP supervised in a jurisdiction that:
 - (a) has implemented the relevant G20 reforms on over-the-counter derivatives to at least the same extent as the UK; and
 - (b) 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.
- 25.1.2 on approved terms; the terms of the transaction in derivatives are approved only if the ACD:
 - 25.1.2.1 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
 - 25.1.2.2 can enter into one or more further transactions to sell, liquidate or close out that transaction at any time, at its fair value; and
- 25.1.3 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:
 - 25.1.3.1 on the basis of an up-to-date market value which the ACD and the Depositary have agreed is reliable; or
 - 25.1.3.2 if the value referred to in paragraph 25.1.3.1 is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and
- 25.1.4 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:
 - 25.1.4.1 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
 - 25.1.4.2 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.

25.2 For the purposes of this paragraph, "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.

25.3 The Depositary must take reasonable care to ensure that the ACD has systems and controls that are adequate to ensure compliance with paragraph **Error! Reference source not found.**

26. Valuation of OTC derivatives

26.1 For the purposes of paragraph 25.1.1.3, the ACD must:

26.1.1 establish, implement and maintain arrangements and procedures which ensure appropriate, transparent and fair valuation of the exposures of a Fund to OTC derivatives; and

26.1.2 ensure that the fair value of OTC derivatives is subject to adequate, accurate and independent assessment.

26.2 Where the arrangements and procedures referred to in paragraph 26.1.1 involve the performance of certain activities by third parties, the ACD must comply with the requirements in SYSC 8.1.13 R (Additional requirements for a management company) and COLL 6.6A.4 R (4) to (6) (Due diligence requirements of managers of UK UCITS schemes).

26.3 The arrangements and procedures referred to in this rule must be:

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

26.3.2 adequately documented.

27. Investments in deposits

27.1 **The Fund may invest in deposits only if it is with an Approved Bank and is repayable on demand or have the right to be withdrawn, and matures in no more than 12 months.**

28. Schemes replicating an index

28.1 **A Fund may invest up to 20% in value of the Scheme Property in shares and debentures which are issued by the same body where the stated investment policy is to replicate the composition of a relevant index as defined below.**

28.2 **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.**

28.3 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.

28.4 The indices referred to above are those which satisfy the following criteria:

28.4.1 the composition is sufficiently diversified;

28.4.2 the index is a representative benchmark for the market to which it refers; and

28.4.3 the index is published in an appropriate manner.

29. **Significant influence**

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

29.1.1 immediately before the acquisition, the aggregate of any such securities held by the Company gives the Company power to significantly influence the conduct of business of that body corporate; or

29.1.2 the acquisition gives the Company that power.

29.2 For the purposes of paragraph 29.1, the Company is to be taken to have power significantly to influence the conduct of business of a body corporate if it can, because of the transferable securities held by it, exercise or control the exercise of 20% or more of the voting rights in that body corporate (disregarding for this purpose any temporary suspension of voting rights in respect of the transferable securities of that body corporate).

30. **Concentration**

A UK UCITS scheme:

30.1 must not acquire transferable securities (other than debt securities) which:

30.1.1 do not carry a right to vote on any matter at a general meeting of the body corporate that issued them; and

30.1.2 represent more than 10% of those securities issued by that body corporate;

30.2 must not acquire more than 10% of the debt securities issued by any single body;

30.3 must not acquire more than 25% of the units in a collective investment scheme;

30.4 must not acquire more than 10% of the approved money market instruments issued by any single body; and

30.5 need not comply with the limits in paragraphs 30.2 to 30.4 if, at the time of acquisition, the net amount in issue of the relevant investment cannot be calculated.

31. **Cover for investment in derivatives and forward transactions**

31.1 The ACD must ensure that its global exposure relating to derivatives and forward transactions held in the Fund does not exceed the net value of the Scheme Property.

32. **Daily calculation of global exposure**

32.1 The ACD must calculate the global exposure of a Fund on at least a daily basis.

32.2 For the purposes of this paragraph, exposure must be calculated taking into account the current value of the underlying assets, the counterparty risk, future

market movements and the time available to liquidate the positions.

33. **VaR approach**

- 33.1 The "Value at Risk ("**VaR**") approach" is an estimate of the maximum potential loss due to market risk rather than leverage. The VaR approach estimates the maximum potential loss at a given confidence level, or probability, over a specific time period under normal market conditions.
- 33.2 TM Fulcrum Diversified Core Absolute Return Fund, TM Fulcrum Diversified Absolute Return Fund and TM Fulcrum Income Fund each employ the VaR approach to measure the potential loss to that Fund due to market risks. The absolute VaR limit of these Funds has to be set at or below 20% of the relevant Fund's Net Asset Value, and will be based upon a one month holding period and a 99% confidence interval. The ACD believes this is the most appropriate measure applicable to these Funds.
- 33.3 Leverage is not expected to exceed 800% although there may be higher levels of leverage in certain circumstances, for example, in very low market volatility. The total amount of leverage employed by TM Fulcrum Diversified Core Absolute Return Fund, TM Fulcrum Diversified Absolute Return Fund and TM Fulcrum Income Fund will be included in the annual report and accounts of the Company.
- 33.4 In accordance with current industry guidelines, leverage is calculated as the sum, of the notional derivatives used, however this calculation takes no account of offsetting positions and is not a true measure of market risk.

34. **Risk management**

- 34.1 The ACD uses a risk management process (including a risk management policy) in accordance with COLL 6.12, as reviewed by the Depositary and filed with the FCA,, enabling it to monitor and measure at any time the risk of a Fund's positions and their contribution to the overall risk profile of a Fund.
- 34.2 The following details of the risk management process must be regularly notified by the ACD to the FCA and at least on an annual basis:
- 34.2.1 a true and fair view of the types of derivatives and forward transactions to be used within a Fund together with their underlying risks and any relevant quantitative limits; and
- 34.2.2 the methods for estimating risks in derivative and forward transactions.
- 34.3 The ACD must assess, monitor and periodically review:
- 34.3.1 the adequacy and effectiveness of the risk management policy and of the arrangements, processes and techniques referred to in COLL 6.12.5 R;
- 34.3.2 the level of compliance by the ACD with the risk management policy and with those arrangements, processes and techniques referred to in COLL 6.12.5 R; and
- 34.3.3 the adequacy and effectiveness of measures taken to address any deficiencies in the performance of the risk management process.

34.4 The ACD must notify the FCA of any material changes to the risk management process.

35. Stock lending

35.1 The Company may only enter into stock lending arrangements in accordance with the rules in COLL 5.4 if the arrangement or contract is:

35.1.1 for the account of and for the benefit of the Fund; and

35.1.2 in the interest of its Shareholders.

35.2 The stock lending permitted by this paragraph may be exercised by the Fund when it reasonably appears to the Fund to be appropriate to do so with a view to generating additional income for the Fund with an acceptable degree of risk.

35.3 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 :

35.3.1 all the terms of the agreement under which securities are to be reacquired by the Depositary for the account of the Fund, are in a form which is acceptable to the Depositary and are in accordance with good market practice;

35.3.2 the counterparty is:

35.3.2.1 an authorised person; or

35.3.2.2 a person authorised by a Home State regulator; or

35.3.2.3 a person registered as a broker-dealer with the Securities and Exchange Commission of the United States of America; or

35.3.2.4 a bank, or a branch of a bank, supervised and authorised to deal in investments as principal, with respect to OTC derivatives by at least one of the following federal banking supervisory authorities of the United States of America:

35.3.2.5 the Office of the Comptroller of the Currency;

35.3.2.6 the Federal Deposit Insurance Corporation;

35.3.2.7 the Board of Governors of the Federal Reserve System; and

35.3.2.8 the Office of Thrift Supervision, and

35.3.2.9 collateral is obtained to secure the obligation of the counterparty under the terms referred to in paragraph 35.3.1 and the collateral is:

35.3.2.10 acceptable to the depositary;

35.3.2.11 adequate; and

35.3.2.12 sufficiently immediate.

- 35.4 The counterparty for the purpose of paragraph 35.4 is the person who is obliged under the agreement referred to in paragraph 35.3.1 to transfer to the depositary the securities transferred by the depositary under the stock lending arrangement or securities of the same kind.
- 35.5 Paragraph 35.3.2 does not apply to a stock lending transaction made through Euroclear Bank SA/NV's Securities Lending and Borrowing Programme.
- 35.6 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.
- 35.7 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 COLL Sourcebook, as an unconditional agreement for the sale or transfer of property, whether or not the property is part of the property of the Fund.
- 35.8 There is no limit on the value of the Scheme Property of a Fund which maybe the subject of stock lending transactions.
36. **Cash and near cash**
- 36.1 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:
- 36.1.1 the pursuit of the Fund's investment objectives; or
 - 36.1.2 the redemption of units or shares; or
 - 36.1.3 efficient management of the Fund in accordance with its investment objective; or
 - 36.1.4 other purposes which may reasonably be regarded as ancillary to the investment objective of the Fund.
- 36.2 During the period of the initial offer the Scheme Property may consist of cash and near cash without limitation.
37. **General**
- 37.1 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.
- 37.2 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.
38. **Underwriting**
- 38.1 Underwriting and sub underwriting contracts and placings may also, subject to

certain conditions set out in the COLL Sourcebook, be entered into for the account of the Company.

39. **Borrowing powers**

39.1 The Fund or Depositary may, in accordance with this paragraph and subject to the COLL Sourcebook, 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. This power to borrow is subject to the obligation of the Fund to comply with any restriction in the instrument constituting the Company.

39.2 The ACD must ensure that borrowing is on a temporary basis and that borrowings are not persistent, and for this purpose the ACD must have regard in particular to:

39.2.1 the duration of any period of borrowing; and

39.2.2 the number of occasions on which it has resorted to borrowing in any period.

39.3 The ACD must ensure that no period of borrowing exceeds three months without prior consent of the Depositary.

39.1 The Depositary may only give its consent as required under paragraph 39.3 on such conditions as appear to the Depositary appropriate to ensure that the borrowing does not cease to be on a temporary basis only.

39.2 The ACD must ensure that borrowing does not, on any Business Day, exceed 10% of the value of the Fund.

39.3 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).

39.4 In this paragraph 39, "borrowing" includes, as well as borrowing in a conventional manner, any other arrangement (including a combination of derivatives) designed to achieve a temporary injection of money into the Scheme Property in the expectation that the sum will be repaid.

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

40.1 Scheme Property other than money must not be lent by way of deposit or otherwise.

40.2 Transactions permitted by paragraph 35 (Stock lending) are not to be regarded as lending for the purposes of this Appendix.

40.3 Nothing in this paragraph prevents the Depositary at the request of the ACD from lending, depositing, pledging or charging Scheme Property for margin requirements where transactions in derivatives or forward transactions are used for the account of the Company in accordance with COLL 5.

41. **Restrictions on lending of money**

41.1 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.

41.2 Acquiring a debenture is not lending for the purposes of paragraph 41.1, nor is the placing of money on deposit or in a current account.

42. **Guarantees and indemnities**

42.1 The Depositary, for the account of a Fund, must not provide any guarantees or indemnity in respect of the obligation of any person.

42.2 Scheme Property may not be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person.

42.3 Paragraphs 42.1 and 42.2 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 III

ELIGIBLE SECURITIES AND DERIVATIVES MARKETS

The Company may deal through securities markets which are regulated markets (as defined in the FCA Glossary) or markets established in the UK or an EEA State (except Iceland) which are regulated, operate regularly and are open to the public.

The Company may also deal through the securities markets and derivatives markets indicated below:

SECURITIES MARKETS IN NON-MEMBER STATES

Australia	ASX Group
Brazil	BM & FBOVESPA
Canada	Toronto Stock Exchange TSX Venture Exchange Montreal Exchange
China	Shanghai Stock Exchange
Hong Kong	Hong Kong Stock Exchange
Indonesia	Indonesia Stock Exchange
Japan	Tokyo Stock Exchange
Japan	Osaka Securities Exchange
Japan	JASDAQ Securities Exchange
Korea	Korea Composite Stock Price Index
Malaysia	Bursa Malaysia Securities
New Zealand	New Zealand Stock Exchange (NZX)
Philippines	Philippines Stock Exchange
Singapore	Singapore Exchange (SGX)
Switzerland	SIX Swiss Exchange
Taiwan	Taiwan Stock Exchange
Thailand	Stock Exchange of Thailand (SET)
United States	NYSE Euronext
United States	NASDAQ

ELIGIBLE DERIVATIVES MARKETS

Austria	Wiener Borse Vienna Stock Exchange
Australia	ASX Group
Canada	Montreal Exchange Toronto Exchange Group
Denmark	Copenhagen Stock Exchange
France	Eurolist Paris
Germany	EUREX
Hong Kong	Hong Kong Stock Exchange
Italy	Italy Equities Derivatives Market (IDEM)
Italy	Futures Market for Government Securities (MIF) part of Borsa Italiana
Japan	Tokyo Stock Exchange
Korea	Korea Composite Stock Price Index
Netherlands	Eurolist Amsterdam
Singapore	Singapore Exchange (SGX)
Spain	MEFF (Renta Variable & Fija)
Sweden	Stockholmborsen
Switzerland	Eurex
Taiwan	Taiwan Stock Exchange
UK	NYSE Euronext London International Financial Futures and Options Exchange
UK	Alternative Investment Market of the London Stock Exchange (AIM) and When Issued Trading
UK	The London Securities and Derivatives Exchange Limited
United States	CME Group Inc.
United States	NYSE Euronext
United States	NASDAQ

United States The market in transferable securities issued by or on behalf of the United States of America conducted through those persons for the time being recognised and supervised by the Federal Reserve Bank of New York and known as primary dealers

APPENDIX IV

OTHER UK AUTHORISED FUNDS OPERATED BY THE ACD

Authorised Contractual Schemes

TM Lansdowne Developed Markets Long Only Funds

Authorised Investment Companies with Variable Capital

Knotts Investments Fund

The Beamish Fund

The Cranmer Investment Fund

The Rectory Fund

The Serissa Fund

The Steelback Fund

TM Fulcrum NURS Funds

TM Lansdowne DMLO SRI Feeder Fund

TM Opus Fund

Authorised Unit Trusts

The Mishka Fund

APPENDIX V

PAST PERFORMANCE OF THE FUNDS

The comparisons are representative of accumulation/income Shares and classes in different denominations, for performance information over a five-year period. The tables show, where applicable, the total annual return up to 31 December in each year.

As the Company and its Funds launched on different dates (refer to Appendix I), there is not a full five years of data available. Where data is not available the tables indicate 'N/A'.

TM Fulcrum Income Fund

Shares	2016 %	2017 %	2018 %	2019 %	2020 %
C GBP inc	N/A	N/A	-8.53	6.23	3.13
F GBP acc	N/A	N/A	-5.08	6.67	3.58
F GBP inc	N/A	N/A	-8.17	6.68	3.57

TM Fulcrum Diversified Absolute Return Fund

Shares	2016 %	2017 %	2018 %	2019 %	2020 %
A GBP acc	-0.65	2.37	-3.33	4.76	4.84
B EUR acc	N/A	N/A	-4.85	2.89	3.80
C AUD acc	1.74	4.28	-1.80	5.72	5.17
C EUR acc	-1.19	1.72	-4.17	3.82	4.61
C GBP acc	-0.47	2.58	-3.09	5.02	5.10
D GBP acc	0.33	3.39	-2.35	5.79	5.92

TM Fulcrum Diversified Core Absolute Return Fund

Shares	2016 %	2017 %	2018 %	2019 %	2020 %
C GBP acc	0.22	1.90	-3.00	4.33	5.50
C EUR acc	-0.60	1.07	-4.10	3.06	4.95

Source: These performance figures have been derived from information extracted from Morningstar.

The performance information is net of charges (subscription and redemption fees) but does not include the effect of any preliminary charge that may be paid on the purchase of an investment.

These performance figures are presented as a matter of record and should be regarded as such.

Performance is determined by many factors including the general direction and volatility of markets and may not be repeatable.

Investors should note that these figures refer to the past and past performance is not a reliable indicator of future results.

APPENDIX VI**LIST OF SUB-CUSTODIANS**

As appropriate in line with the Eligible Markets

Country	Sub-Custodian	Sub-delegate
Argentina	HSBC Bank Argentina S.A.	
Australia	JPMorgan Chase Bank, N.A	Australia and New Zealand Banking Group Ltd
Austria	UniCredit Bank Austria AG	J.P. Morgan AG
Bahrain	HSBC Bank Middle East Limited	
Bangladesh	Standard Chartered Bank	
Belgium	J.P. Morgan Bank (Ireland) PLC BNP Paribas Securities Services S.C.A J.P. Morgan Bank Luxembourg S.A. J.P. Morgan Luxembourg S.A.	J.P. Morgan AG
Bermuda	HSBC Bank Bermuda Limited	
Botswana	Standard Chartered Bank Botswana Limited	
Brazil	J.P. Morgan S.A. DTVM	
Bulgaria	Citibank Europe plc	ING Bank N.V.
Canada	CIBC Mellon Trust Company Royal Bank of Canada	Canadian Imperial Bank of Commerce Royal Bank of Canada
Chile	Banco Santander Chile	
China A-Share	JPMorgan Chase Bank (China) Company Limited HSBC Bank (China) Company Limited	
China B-Share	HSBC Bank (China) Company Limited	JPMorgan Chase Bank, N.A.
China Connect	JPMorgan Chase Bank, N.A.	
Colombia	Cititrust Colombia S.A.	
Costa Rica	Banco BCT, S.A.	
Croatia	Privredna Banka Zagreb d.d.	Zagrebacka banka d.d.
Cyprus	HSBC Continental Europe, Greece	J.P. Morgan AG
Czech Republic	UniCredit Bank Czech Republic and Slovakia, a.s.	Ceskoslovenska obchodni banka, a.s.

Country	Sub-Custodian	Sub-delegate
Denmark	Nordea Bank AB	
Egypt	Citibank, N.A., Egypt	
Estonia	Access to the market via Clearstream Banking S.A., Luxembourg	J.P. Morgan AG
Finland	Nordea Bank AB	J.P. Morgan AG
France	J.P. Morgan Bank (Ireland) PLC BNP Paribas Securities Services S.C.A. J.P. Morgan Bank Luxembourg S.A.	J.P. Morgan AG
Germany	Deutsche Bank AG J.P. Morgan AG (for domestic German custody clients only)	J.P. Morgan AG
Ghana	Standard Chartered Bank Ghana PLC	
Greece	HSBC Continental Europe, Greece	J.P. Morgan AG
Hong Kong	J.P. Morgan Chase Bank, N.A	
Hungary	Deutsche Bank AG	UniCredit Bank Hungary Zrt.
Iceland	Islandsbanki hf.	
India	JPMorgan Chase Bank, N.A.	
Indonesia	PT Bank HSBC Indonesia	
Ireland	J.P. Morgan Chase Bank, N.A.	J.P. Morgan AG
Israel	Bank Leumi le-Israel B.M.	
Italy	J.P. Morgan Bank (Ireland) PLC BNP Paribas Securities Services SCA	J.P. Morgan AG
Japan	MUFG Bank Ltd Mizuho Bank Ltd	JP Morgan Chase Bank, N.A.
Jordan	Standard Chartered Bank Shmeissani Branch	
Kazakhstan	Citibank Kazakhstan JSC	Subsidiary Bank Sberbank of Russia Joint Stock Company
Kenya	Standard Chartered Bank Kenya Limited	
Kuwait	HSBC Bank Middle East Limited	
Latvia	Access to the market via Clearstream Banking S.A., Luxembourg in its capacity as International Central Securities Depository	J.P. Morgan AG
Lithuania	AB SEB Bankas	J.P. Morgan AG

Country	Sub-Custodian	Sub-delegate
Luxembourg	BNP Paribas Securities Services SCA	J.P. Morgan AG
Malawi	Standard Bank PLC	
Malaysia	HSBC Bank Malaysia Berhad	
Mauritius	The Hongkong and Shanghai Banking Corporation Limited	
Mexico	Banco Nacional de Mexico, S.A.	Banco Santander (Mexico), S.A.
Morocco	Societe Generale Marocaine de Banques	Attijariwafa Bank S.A.
Netherlands	J.P. Morgan Bank (Ireland) PLC BNP Paribas Securities Services S.C.A. J.P. Morgan Bank Luxembourg S.A.	J.P. Morgan AG
New Zealand	JPMorgan Chase Bank, N.A.	JPMorgan Chase Bank, N.A. ANZ Bank New Zealand Limited
Nigeria	Stanbic IBTC Bank Plc	
Norway	Nordea Bank Abp	
Oman	HSBC Bank Oman S.A.O.G.	
Pakistan	Standard Chartered Bank (Pakistan) Limited	
Panama	Citibank N.A.	
Peru	Citibank del Peru S.A.	
Philippines	The Hongkong and Shanghai Banking Corporation Limited	
Poland	Bank Handlowy w. Warszawie S.A.	mBank S.A.
Portugal	BNP Paribas Securities Services S.C.A.	J.P. Morgan AG
Qatar	HSBC Bank Middle East Limited	The Commercial Bank (P.Q.S.C)
Romania	Citibank Europe plc	ING Bank N.V.
Russia	J.P. Morgan Bank International (Limited Liability Company)	Sberbank of Russia JP Morgan Chase Bank, N.A.
Saudi Arabia	J.P. Morgan Saudi Arabia Company	JPMorgan Chase Bank, N.A.
Serbia	Unicredit Bank Srbija a.d.	
Singapore	DBS Bank Ltd	Oversea-Chinese Banking Corporation
Slovak Republic	UniCredit Bank Czech Republic and Slovakia, a.s.	J.P. Morgan AG
Slovenia	UniCredit Banka Slovenija d.d.	J.P. Morgan AG
South Africa	FirstRand Bank Limited	The Standard Bank of South Africa Limited

Country	Sub-Custodian	Sub-delegate
South Korea	Kookmin Bank Co. Ltd. Standard Chartered Bank Korea Limited	
Spain	CACEIS Bank Spain, S.A.U.	J.P. Morgan AG
Sri Lanka	The Hongkong and Shanghai Banking Corporation Limited	
Sweden	Nordea Bank Abp	Svenska Handelsbanken
Switzerland	UBS Switzerland AG	
Taiwan	JPMorgan Chase Bank, N.A.	
Tanzania	Stanbic Bank Tanzania Limited	
Thailand	Standard Chartered Bank (Thai) Public Company Limited	
Tunisia	Union Internationale de Banques Societe Generale SA	Banque Internationale Arabe de Tunisie S.A.
Turkey	Citibank A.S.	JP Morgan Chase Bank, N.A.
Uganda	Standard Chartered Bank Uganda Limited	
Ukraine	Joint Stock Company "Citibank	JP Morgan Chase Bank, N.A.
United Arab Emirates	HSBC Bank Middle East Limited	First Abu Dhabi Bank P.J.S.C.
United Kingdom	JPMorgan Chase Bank, N.A. Deutsche Bank AG Depository and Clearing Centre	
United States	JPMorgan Chase Bank, N.A.	
Uruguay	Banco Itaú Uruguay S.A.	
Vietnam	HSBC Bank (Vietnam) Ltd	
WAEMU (Benin, Burkina Faso, Guinea-Bissau, Ivory Coast, Mali, Niger, Senegal, Togo)	Standard Chartered Bank Cote d'Ivoire S.A.	
Zambia	Standard Chartered Bank Zambia Plc	
Zimbabwe	Stanbic Bank Zimbabwe Limited	