

**Prospectus**

of the

**WAY GLOBAL GROWTH PORTFOLIO  
FUND**

**an Investment Company with Variable Capital**

**Prepared in accordance with COLL  
Dated and valid as at: 31<sup>st</sup> March 2019**

## WAY GLOBAL GROWTH PORTFOLIO FUND

### THIS DOCUMENT IS IMPORTANT

If you are in any doubt as to the meaning of any information contained in this document, you should consult WAY Fund Managers Limited (as the authorised corporate director) or your independent financial adviser.

This Prospectus is based on information, UK laws and practice as at the “valid at date” which appears on the front cover and below. The Company and the ACD cannot be bound by an out of date Prospectus when it has issued a new Prospectus.

Investors should check with the ACD that this is the latest version of the Prospectus and that there have been no revisions or updates before deciding to purchase shares in any fund. Please note that notifiable changes which are in the process of being implemented or which have already been implemented may not be disclosed in the current Prospectus.

No person has been authorised by the Company or the ACD to give any information or to make any representations in connection with the offering of Shares other than those contained in the Prospectus and, if given or made, such information or representations must not be relied on as having been made by the Company or the ACD. 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.

This Prospectus is intended for distribution in the United Kingdom. Its distribution may be restricted in other countries. It does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer or solicitation. Intending investors should inform themselves about and observe the legal requirements within their own countries for the acquisition of shares of the WAY Global Growth Portfolio Fund and any taxation or exchange control legislation affecting them personally, including the obtaining of any requisite governmental or other consents and the observation of any other formalities.

Distributors and other intermediaries which offer, recommend or sell shares in the Fund must comply with all laws, regulations and regulatory requirements as may be applicable to them. Also, such Distributors and other intermediaries must consider such information about the Fund and its share classes as is made available by the Authorised Corporate Director for the purposes of the EU’s Product Governance regime including, without limitation, target market information. Distributors and intermediaries may obtain such information by accessing the ACD’s website at: [www.wayfunds.com/productgovernance](http://www.wayfunds.com/productgovernance).

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

Shareholders are deemed to have taken notice of the provisions of the Instrument of Incorporation which is binding on each of the shareholders. A copy of the Instrument of Incorporation is available on request from WAY Fund Managers Limited.

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

#### **International Tax Reporting**

In order to fulfil our legal obligations in accordance with the requirements of FATCA and other intergovernmental arrangements such as the OECD Common Reporting Standard for Automatic Exchange of Financial Account Information through the International Tax Compliance Regulations 2015, the Company

is required to obtain confirmation of the tax residency of Shareholders to comply with certain reporting requirements. We may ask for evidence of the tax identification number, and country and date of birth of individual Shareholders, or for the Global Intermediary Identification number (GIIN) of corporate Shareholders. If certain conditions apply, information about your shareholding may be passed to HM Revenue & Customs (“HMRC”) in order to be passed on to other tax authorities, where the UK has an agreement with that country. Any shareholder that fails to provide the required information may be subject to a compulsory redemption of their Shares and/or monetary penalties.

### **Information for US Persons**

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

A “US Person”, for the purposes of the above paragraph, is a person who is in either of the following two categories:

- (a) a person included in the definition of “US Person” under Rule 902 of Regulation S under the 1933 Act; or
- (b) a person excluded from the definition of a “Non-United States Person” as used in the US Commodity Futures Trading Commission (“CFTC”) Rule 4.7.

For the avoidance of doubt, a person is excluded from this definition of US Person only if he or it does not satisfy any of the definitions of “US Person” only if he or it does not satisfy any of the definitions of “US Person” in Rule 902 and qualifies as a “Non-United States Person” under CFTC Rule 4.7.

“US Person” under Rule 902 generally includes the following:

- (a) any natural person resident in the United States;
- (b) any partnership or corporation organisation or incorporated under the laws of the United States;
- (c) any estate 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 non-US entity located in the United States;
- (f) any non-discretionary account or similar account (other than a 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; and
- (h) any partnership or corporation if:
  - i. organised or incorporated under the laws of any non-US jurisdiction; and
  - ii. formed by a US Person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organised on incorporated, and owned, by accredited investors (as defined in Rule 501(a) of Regulation D under the 1933 Act) who are not natural persons, estates or trusts.

### **Data Protection - How your personal data is used**

By completing and submitting an application to invest in any of the Funds that WAY Fund Managers Limited (“we”/“us”) operates, you will be giving your consent to the processing of your personal data (including any anti-money laundering verification check), by us for the administration of services in connection with your investment on a contractual basis. Additionally we may be requested to share your personal data with our regulator, the Financial Conduct Authority, or for wider compliance with any legal or regulatory obligation to which we might be subject.

If you have used an intermediary to submit the application we may also share information about your investment with them, to help them to continue to provide their services to you, unless you request us not to.

We may share your personal data with contracted third parties for the purposes mentioned above (however this does not entitle such third parties to send you marketing or promotional messages) and we do not envisage that this will involve your personal data being transferred outside of the European Economic Area.

We make every effort to maintain the registration of your holdings accurately. However, if you feel that we have incorrectly recorded any of your personal data, you may request its correction. You have the right to request copies of your personal data stored by us and can do so by using our contact details below.

Your data will be stored and processed securely for the period of your contract with us and for a minimum of seven years after our relationship ceases, for regulatory and legislation purposes only.

We are registered with the Information Commissioner's Office as a Data Controller and Data Processor for this purpose. Further information on how we manage your personal data can be found within our **Privacy Notice** which can be found on our website [www.wayfunds.com](http://www.wayfunds.com).

Should you wish to make a complaint or request further information on how we collect and process your personal data please contact us at:

**Data Protection Office**, WAY Fund Managers Limited, Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset, BH21 7SB.

Email: [DPO@wayfunds.com](mailto:DPO@wayfunds.com) Tel: 01202 855856.

Alternatively, if you have any concerns or complaints as to how we have handled your personal data, you may lodge a complaint to the Information Commissioner's Office through their website which can be found at <https://ico.org.uk/for-the-public/raising-concerns/>

**This Prospectus is dated and valid as at: 31<sup>st</sup> March 2019.**

## DEFINITIONS

The following definitions are used in this document:

<b>"Act"</b>	the Financial Services and Markets Act 2000 as amended, restarted re-enacted or replaced from time to time;
<b>"ACD"</b>	WAY Fund Managers Limited, the authorised corporate director of the Company;
<b>"Administrator" or "Administrators"</b>	means Apex Fund Services (UK) Limited or such other person appointed from time to time to be the administrator to the Company;
<b>"AIFM Directive"</b>	the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2004/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010
<b>"Business Day"</b>	means any day on which the London Stock Exchange is open for normal business except for any day in respect of which the ACD has notified the Depositary that it is not open for normal business or otherwise as agreed between the ACD and the Depositary;
<b>"the Company" or "the Fund"</b>	<b>WAY Global Growth Portfolio Fund;</b>
<b>"Conversion"</b>	The conversion of shares in one class in the Fund to shares of another class in the Fund and <b>"Convert"</b> shall be construed accordingly;
<b>"COLL Sourcebook" or "COLL"</b>	The Collective Investment Schemes Sourcebook published by the Financial Conduct Authority pursuant to the Act (as may be amended, replaced or restated from time to time);
<b>"Depositary"</b>	the person appointed from time to time by the Company or otherwise as depositary pursuant to the Regulations, being Northern Trust Global Services SE as at the date of this Prospectus;
<b>"FCA"</b>	Financial Conduct Authority, 12 Endeavour Square, London, E20 1JN and any predecessor or successor entity;
<b>"FATCA"</b>	the provisions, enacted in the USA, commonly known as the Foreign Account Tax Compliance Act (as amended, consolidated or supplemented from time to time) including any regulations issued pursuant to it;
<b>"FUND Sourcebook"</b>	the Investment Fund Sourcebook issued by the FCA as amended or replaced from time to time;
<b>"Instrument"</b>	means the instrument of incorporation constituting the Company, as amended from time to time;
<b>"Investment Adviser"</b>	Brompton Asset Management LLP;
<b>"ISA"</b>	an individual savings account under The Individual Savings Account Regulations 1998 (as amended);
<b>"Leverage"</b>	means any method by which the exposure of a Fund is increased, whether through borrowing of cash or transferrable securities or leverage embedded in derivative positions or by any other means;
<b>"Net Asset Value" or "NAV"</b>	the value of the scheme property of the Company (as the context may require) less the liabilities of the Company as calculated in accordance with the Instrument;

<b>"Non-UCITS Retail Scheme"</b>	means a type of collective investment scheme such as the Company which is authorised by the FCA and therefore meets the standards set by the FCA to enable the scheme to be marketed to the public within the UK, but which does not comply with the conditions necessary for it to benefit from certain passporting rights under the UCITS Directive;
<b>"OEIC Regulations"</b>	The Open-Ended Investment Companies Regulations 2001 (as may be amended from time to time), which regulate the incorporation and operation of the Company;
<b>"Office Hours"</b>	from 9am to 5pm on any Business Day;
<b>"PRN"</b>	FCA Product Reference Number;
<b>"Professional Liability Risks"</b>	shall have the meaning given to it in IPRU(INV) 11.3.12 EU of the FCA Handbook
<b>"recognised scheme"</b>	means a collective investment scheme recognised for the purposes of sections 264, 270 or 272 of the Act;
<b>"Register"</b>	the register of shareholders of the Company;
<b>"Regulations"</b>	the OEIC Regulations, and the FCA Handbook (including the COLL Sourcebook and FUND Sourcebook, as relevant);
<b>"Specified US Person"</b>	a shareholder who falls within the definition of "Specified U.S. Person" for the purposes of FATCA;
<b>"Sterling"</b>	pounds sterling of the United Kingdom;
<b>"UCITS Directive"</b>	the European Parliament and Council Directive of 13th July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (No 2009/65/EC) (as amended from time to time);
<b>"VAT"</b>	UK value added tax.

Subject to the above, unless otherwise expressly provided terms used in this document shall have the same meanings as in the Regulations.

## SUMMARY

The information on the WAY Global Growth Portfolio Fund set out below is a summary and should be read in conjunction with the full text of this document.

**Structure:** The Company is an open-ended investment company incorporated as an investment company with variable capital. It is a Non-UCITS Retail Scheme which complies with chapter 5 of the COLL Sourcebook with the following investment objective and policy:

The objective of the Company is to seek a high level of capital growth, achieved through investment in a portfolio of collective investment schemes, investment trusts, other transferable securities, cash or near cash, deposits and money market instruments.

Subject to the requirements of the Regulations, the portfolio will normally remain fully invested. There will, however, be no restrictions on the underlying content of the investments held, in terms of investment type, geographical or economic sector, other than those imposed by the Regulations, meaning that the investment adviser has the absolute discretion to weight the portfolio towards any investment type or sector, including cash, at any time. The Company may also invest in unregulated collective investment schemes (where investment in such funds is consistent with the investment objective and policy of the Company).

The portfolio will be actively managed. The use of derivatives and/or hedging transactions will be permitted in connection with the efficient portfolio management of the Company. Borrowing will be permitted on a temporary basis under the terms of the Regulations.

On giving 60 days notice to Shareholders, the Company may, in addition to its other investment powers, use derivatives and forward transactions for investment purposes. It is not intended that the use of derivatives in this way will change the risk profile of the Company.

Subject to the above, the Company may invest in any asset class and adopt any investment technique or strategy permitted under the rules in COLL as such rules are applied to Non-UCITS retail schemes.

**Base currency:** Pounds Sterling, or such other currency which becomes the legal currency in the United Kingdom.

**Share Classes:** The Company is authorised to issue both income and accumulation shares. Full details of the Company's share classes are set out in this Prospectus under the heading "Shares in the Company".

### **Minimum investment and holding for shares in the Fund:**

The minimum initial and subsequent investment is £5,000, or the equivalent value in the currency of the share class selected. The minimum holding is £5,000, or the equivalent value in the currency of the share class.

The minimum investment via a regular savings plan is £100 per month, or the equivalent in the currency of the share class selected.

The above minimum holding and transactions levels are, at all times, at the absolute discretion of the ACD

**Distribution policy:** Income accrued, if any, shall be distributed on 31<sup>st</sup> May each year.

**Annual accounting date:** 31<sup>st</sup> March each year.

**Dealing days and valuations:** Regular valuations are made in respect of the Company on each dealing day as at the valuation point which will be at 12:00 noon (UK time). Any Business Day will constitute a "dealing day". Shares will be dealt in at a price determined at the valuation point after the request for shares is received. Therefore if a request is received after 12:00 noon on a dealing day it will be dealt with at a price determined on the next dealing day's valuation point.

**Pricing:** The prices of shares will be calculated as at the valuation point on each dealing day and will be on a forward basis. Subject to the Regulations, they will be published daily at:

The same information may also be obtained by telephone, by calling the following number 01202 855856.

[www.fundlistings.com](http://www.fundlistings.com) This is the website for Financial Express.

The prices quoted will relate to the actual dealing prices applicable on the immediately preceding Business Day.

The above is a summary only of the information contained in this document. Potential investors should read all of the document as well as having taken appropriate professional advice, before purchasing shares in the Company.

## **DIRECTORY**

### **Authorised Corporate Director**

WAY Fund Managers Limited (authorised and regulated by the Financial Conduct Authority), whose registered and head office address is at Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset BH21 7SB. The Register can be inspected at this address.

### **Depository**

Northern Trust Global Services SE (authorised and regulated by the Financial Conduct Authority and the Prudential Regulation Authority), whose registered office address is at 6, Rue Lou Hemmer L - 1748 Senningerberg, Luxembourg and its principal place of business is at 50 Bank Street, London E14 5NT, United Kingdom.

### **Investment Adviser**

Brompton Asset Management LLP (authorised and regulated by the Financial Conduct Authority), whose registered and head office address is 1 Knightsbridge Green, London, SW1X 7QA.

### **Auditor**

BDO LLP, whose registered address is 150 Aldersgate Street, London EC1A 4AB.

### **Administrator**

Apex Fund Services (UK) Ltd, 6th Floor, 140 London Wall, London EC2Y 5DN.

## CONSTITUTION OF THE COMPANY

### *Structure*

The WAY Global Growth Portfolio Fund is an open-ended investment company with variable capital incorporated in England and Wales (number: IC000457) under the OEIC Regulations. It is a “Non-UCITS Retail Scheme” which complies with the requirements of Chapter 5 of COLL Sourcebook. The authorisation of the Company by the FCA was made effective on 13th July 2006. The FCA product reference number for the Company is 452212. The Company has an unlimited duration. The operation of the Company is governed by the Regulations, the Company’s Instrument and this Prospectus.

Subject to the terms set out in this Prospectus, holders of shares in the Company are entitled to receive (or have accumulated) the net income derived from the Company and to redeem their shares at a price linked to the value of the property of the Company. Shareholders do not have any proprietary interest in the underlying assets of Company. The shareholders of the Company will not be liable for the debts of the Company.

### *Head and Registered office*

The head and registered office of the Company is at Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset BH21 7SB. This is also the address for the service on the Company of notices or other documents required or authorised to be served on it.

### *Capital and base currency*

The base currency is Pounds Sterling, or such other currency which becomes the legal currency in The United Kingdom. The minimum size of the Company’s capital is £1 and the maximum size is £100,000,000,000 or the equivalent value in any currency which becomes legal currency of The United Kingdom.

### *Winding up*

Please see page 28 for a summary of the circumstances and procedure for, and the rights of shareholders under, a winding up of the Company.

### *Contracts with Directors*

The Company has a single director, being the ACD. The principal features of the contract between the Company and the ACD can be found below, in the section entitled ‘The Authorised Corporate Director – Service Agreement’. Shareholders can request a copy of the contract from the ACD.

## INVESTMENT OBJECTIVE AND POLICY

The investment objective and policy of the Company is as set out below:

The objective of the Company is to seek a high level of capital growth, achieved through investment in a portfolio of collective investment schemes, investment trusts, other transferable securities, cash or near cash, deposits and money market instruments.

Subject to the requirements of the Regulations, the portfolio will normally remain fully invested. There will, however, be no restrictions on the underlying content of the investments held, in terms of investment type, geographical or economic sector, other than those imposed by the Regulations, meaning that the investment adviser has the absolute discretion to weight the portfolio towards any investment type or sector, including cash, at any time. The Company may also invest in unregulated collective investment schemes (where investment in such funds is consistent with the investment objective and policy of the Company).

The portfolio will be actively managed. The use of derivatives and/or hedging transactions will be permitted in connection with the efficient portfolio management of the Company. Borrowing will be permitted on a temporary basis under the terms of the Regulations.

On giving 60 days notice to Shareholders, the Company may, in addition to its other investment powers, use derivatives and forward transactions for investment purposes. It is not intended that the use of derivatives in this way will change the risk profile of the Company.

Subject to the above, the Company may invest in any asset class and adopt any investment technique or strategy permitted under the rules in COLL as such rules are applied to Non-UCITS retail schemes.

## THE AUTHORISED CORPORATE DIRECTOR

The authorised corporate director of the Company is WAY Fund Managers Limited, incorporated in England and Wales, as a private limited company on 9<sup>th</sup> June 2000 under the Companies Act 1985 with registered number 4011838. The ACD is authorised and regulated in the United Kingdom by the Financial Conduct Authority. The registered and head office of the ACD is at Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset BH21 7SB. As at the date of this Prospectus, the amount of the ACD's issued share capital is £460,000, fully paid.

### *Directors of the ACD*

- Vincent Hoare
- Ian Hobday

The Company has no other directors.

The ACD's principal business activity is as an operator of UK collective investment schemes. The ACD is authorised and regulated by the FCA. The ACD also acts as authorised corporate director and unit trust manager to the following collective investment schemes authorised in the United Kingdom:

### ICVCs

EF 8AM Investment Funds;  
EF Brompton Multi Manager Funds;  
EF Brunswick Portfolio Fund;  
EF FACET Discretionary Portfolios;  
EF New Horizon Fund;  
EF Rosevine Capital ICVC;  
EF Tellsons ICVC;  
EF UCITS ICVC;  
EF WM NURS Portfolio;  
EF WM UCITS Portfolio;  
Elite Webb Capital Fund;  
WAY Global Cautious Portfolio Fund;  
WAY Momentum Portfolio; and  
WAY MA Portfolio

### Unit Trusts

Elite Balanced Trust;  
Elite Income Trust;  
WAY Global Blue Managed Portfolio Trust; and  
WAY Global Red Active Portfolio Trust.

The ACD may provide investment services to other clients, and to other funds in which the Company may invest, in accordance with the Regulations. When managing investments of the Company, the ACD will not be obliged to make use of information which in doing so would be a breach of duty or confidence to any other person or which comes to the notice of an employee or agent of the ACD but properly does not come to the notice of an individual managing the assets of the Company.

In accordance with the Regulations the ACD has in place a number of policies which set out how it operates and manages the Company in a number of key areas. The ACD's voting policy (which sets out how and when voting rights attached to the Company's investments are to be exercised), execution policy (which sets out the procedures to be followed when transactions are carried out on behalf of the Company) and inducement policy (which sets out the types of payments, including fees, commissions and non-monetary benefits, which may be received or made by a third party in respect of the Company) are available on request from the ACD and are also available on the following website: [www.wayfunds.com](http://www.wayfunds.com). Further information on how the ACD's policies are reviewed are also available on request.

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

#### *Service agreement*

The ACD provides its services to the Company under the terms of a service agreement. The service agreement provides that the appointment may be terminated by either party after the expiry of 6 months written notice or forthwith by the Company in the case of fraud, wilful default or gross negligence on the part of the ACD. The service agreement will also terminate on expiry of notice given by the depositary in accordance with Rule 6.5.4(3) of the COLL Sourcebook (liquidation, receivership or an administration order in respect of the ACD). The ACD is entitled to payment of its fees to the date of termination but no additional compensation.

The service agreement provides that the Company will indemnify the ACD against any liability incurred by it in managing the Company and carrying out its duties as authorised corporate director of the Company except to the extent such liability arises from the gross negligence, wilful default or fraud of the ACD or its breach of the Act or the regulatory system under the Act.

The ACD has delegated the following functions to third-parties:

**General Administration** - principally fund valuation, fund accounting – Delegated to the Administrator.

**Investment Management** – management of the investments held by the Company has been delegated to the Investment Adviser.

The ACD may delegate its management and administration functions, but not responsibility, to third parties, including associates subject to the rules in the COLL Sourcebook and the FUND Sourcebook.

## **THE DEPOSITARY**

### *Structure*

The Depositary of the Company is Northern Trust Global Services SE (UK branch), a UK branch of a European public limited liability company, formed on 8 October 2018 with registered number SE000121.

Northern Trust Global Services SE is authorised as a credit institution in Luxembourg under Chapter 1 of Part 1 of the Luxembourg law of 5 April 1993 on the financial sector. It is subject to supervision by the European Central Bank and the Luxembourg Commission de Surveillance du Secteur Financier.

Northern Trust Global Services SE's ultimate holding company is Northern Trust Corporation, a company which is incorporated in the State of Delaware, United States of America, with its headquarters at 50 South La Salle Street, Chicago, Illinois.

The principal business activity of the Depositary is the provision of Trustee and Depositary services. The Depositary is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

### *Registered office and principal place of business*

The registered office of the Depositary is 6, Rue Lou Hemmer L - 1748 Senningerberg, Luxembourg and its principal place of business is at 50 Bank Street, London E14 5NT, United Kingdom.

### *Depositary Responsibilities*

The Depositary is responsible for the safekeeping of all the Scheme Property of the Company (other than tangible moveable property) and has a duty to take reasonable care to ensure that the Company is managed in accordance with the Instrument of Incorporation and the provisions of the COLL Sourcebook and FUND Sourcebook relating to the pricing of, and dealing in, Shares and relating to the income and the investment and borrowing powers of the Fund. The Depositary is also responsible for monitoring the cash flows of the Sub-funds, and must ensure that certain processes carried out by the ACD are performed in accordance with the FCA Handbook, this Prospectus and the Instrument of Incorporation.

### *Terms of Appointment*

The Depositary provides its services under the terms of an agreement between the Company and the Depositary (the "Depositary Agreement") which has a commencement date of 14<sup>th</sup> July 2014. The material provisions of that service agreement are as follows:

The Depositary Agreement may be terminated by no less than six (6) months' written notice by either the Company or the Depositary. The Depositary may not retire voluntarily except on the appointment of a new Depositary. Subject to COLL, the Depositary has full power under the Depositary Agreement to delegate (and authorise its delegates to sub-delegate) all or any part of its duties as Depositary. The Depositary has delegated the function of custody of the assets of the Company to The Northern Trust Company, London Branch. The Depositary Agreement contains provisions indemnifying the Depositary and limiting the liability of the Depositary in certain circumstances. The Depositary is entitled to the fees, charges and expenses as set out in more detail below in the section headed "**The Fees and Expenses of the Depositary**".

### *Conflicts of Interest*

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

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

## **INVESTMENT ADVISER**

The ACD has appointed Brompton Asset Management LLP (the "Investment Adviser") as the investment adviser to the ACD in relation to the Fund. The Investment Adviser is authorised and regulated by the FCA. The Investment Adviser's principal activity is the provision of investment management services.

Under the terms of an agreement dated 30<sup>th</sup> April 2017 between the Investment Adviser and the ACD (the "Investment Management Agreement"), the Investment Adviser has the authority of the ACD to make decisions on behalf of the ACD in respect of the investments of the Fund, subject always to the provisions of the Instrument, the Prospectus, the Regulations, and the investment objectives and policies of the Fund. The Investment Adviser is also authorised to deal on behalf of the Fund. Subject to instances where the Investment Management Agreement may be terminated with immediate effect in the interests of the shareholders.

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

#### **AUDITOR**

The auditor of the Company is Deloitte LLP whose address is Saltire Court, 20 Castle Terrace, Edinburgh EH1 2DB..

#### **REGISTER**

A Register of shareholders is maintained by the ACD at Cedar House, 3 Cedar Park, Wimborne, Dorset BH21 7SB. Certificates are not issued and no bearer shares are issued.

The Register is prima facie evidence as to matters properly entered in it. No notice of any trust express, implied or constructive may be entered in the Register or be receivable by the Company. The ACD is not obliged to register more than four persons as the joint holders of any shares.

Should any shareholder require evidence of title to shares the ACD will, upon such proof of identity as the Company may reasonably require, supply the shareholder with a certified copy of the relevant entry in the Register relating to the shareholder's holding of shares.

Shareholders must notify the ACD of any change of name or address.

Shares in the Fund are not listed or dealt in on any investment exchange.

#### **SHARES IN THE COMPANY**

##### **Share classes**

The Company's instrument of incorporation permits the Company to issue income and accumulation shares under such designation as the ACD may (in accordance with the Instrument) decide and as set out in this Prospectus.

For the time-being, however, the ACD will only issue:

- Class B Pounds Sterling (£) Income and Class B Pounds Sterling (£) Accumulation shares;
- Class E Pounds Sterling (£) Income and Class E Pounds Sterling (£) Accumulation shares;
- Class S Pounds Sterling (£) Income shares; and
- Class T Pounds Sterling (£) Income shares.

Further classes of shares may be established from time to time by the ACD in accordance with the Instrument and the applicable Regulations. On the introduction of a new class of share a revised Prospectus will be prepared setting out the details of the share class.

The base currency for each new class of share will be determined at the date of creation and set out in the Prospectus.

Each share is deemed to represent one undivided unit of entitlement in the property of the Company. No bearer shares are issued.

Holders of income shares are entitled to be paid the distributable income attributable to such shares on any relevant interim or annual allocation dates.

Holders of accumulation shares are not entitled to be paid the income attributed to such shares, but that income is automatically transferred to (and retained as part of) the capital assets of the Company on the relevant interim and/or annual accounting dates. This is reflected in the price of an accumulation Share.

The Instrument allows the Company to issue gross income and gross accumulation shares as well as net income and net accumulation shares, however only gross shares are currently issued. Gross shares are shares in respect of which income allocated to them is distributed periodically to the relevant shareholder (in the case of income shares) or credited periodically to capital (in the case of accumulation shares), in either case in accordance with relevant tax law, without any deduction of tax. Net shares are income or accumulation shares where, in accordance with relevant tax law, distribution or allocation of

income is made with any tax being deducted or accounted for by the Company. All references in this Prospectus are to gross shares unless otherwise stated.

If both income and accumulation shares are in existence, the income of the Company is allocated as between income shares and accumulation shares according to the respective units of entitlement in the property of the Company represented by the accumulation shares and income shares in existence at the end of the relevant accounting period.

Where the Company has different share classes, each class may attract different charges and so monies may be deducted from the scheme property attributable to such classes in unequal proportions.

The rights attaching to the shares of all classes may be expressed in two denominations and, in each of these classes, the proportion of a larger denomination share represented by a smaller denomination share shall be one thousandth of the larger denomination.

### **Voting rights**

Voting rights attached to each class of shares are described under "Voting" on pages 23 and 24.

### **Mandatory redemption**

Shares may be compulsorily redeemed in the circumstances described on page 15.

## **TRANSFER OF SHARES**

A shareholder is entitled (subject as mentioned below) to transfer shares by an instrument of transfer in any usual or common form or in any other form approved by the ACD. The ACD is not obliged to accept a transfer if it would result in the holder, or the transferee, holding less than the minimum holding of shares of the class in question. The instrument of transfer, duly stamped if it is required to be stamped, must be lodged with the ACD for registration. The transferor remains the holder until the name of the transferee has been entered in the Register.

The Company or the ACD may require the payment of such reasonable fee as the ACD and the Company may agree for the registration of any grant of probate, letters of administration or any other documents relating to or affecting the title to any share.

## **VALUATIONS**

Valuations of property of the Fund for the purposes of the calculation of Share prices will be carried out in accordance with the rules for single priced Funds in COLL. Each share linked to the Fund represents a proportional share of the overall property attributable to the Fund. Therefore, the value of a share attributable to the Fund will be calculated, in broad outline, by calculating the net value of the property attributable to that Fund, and dividing that value (or that part of that value attributed to shares of the class in question) by the number of shares (of the class in question) in issue.

Regular valuations are made in respect of the Company on each Business Day as at 12.00 noon (UK time), which is the valuation point.

The calculation of prices of shares commences at or about the valuation point on each dealing day. The ACD may carry out additional valuations in accordance with the Regulations if it considers it desirable to do so and may use the price obtained at such additional valuation points as the price for the relevant day. Valuations will not be made during a period of suspension of dealings (see page 15). The ACD is required to notify share prices to the Depositary on completion of a valuation.

The value of the scheme property attributable to the shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions (which are set out in full in the Instrument):

- Transferable securities for which market quotations are available are valued at their last quoted price where available (or, if separate buying and selling prices are quoted, the average of such prices provided the buying price has been reduced by any initial charge included therein and the selling price has been increased by any exit or redemption charge attributable thereto); Where, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available, or if no price exists, or if the most recent price available does not reflect the ACD's best estimate of the value at a value which, in the opinion of the ACD, is fair and reasonable will be substituted.
- In the case of collective investment schemes, if a single price for buying and selling units or shares is quoted, they will be valued at that price, or if separate bid and offer prices, the value is taken as the average of such prices before application of any initial or exit charges. Where, in the opinion of the ACD, the price obtained is unreliable, or no recent traded price is available, or if no price exists, or if the most recent price available does not reflect the ACD's best estimate of the value at a value which in the ACD's opinion is fair and reasonable;

- Any other property than that described above will be valued at what the ACD considers a fair and reasonable mid-market price;
- Cash and amounts held in current and deposit accounts and other time-related deposits are valued at their nominal value;
- In valuing assets, any fiscal or other charges paid or payable on the acquisition or disposal of the asset are excluded;
- Deductions are made for anticipated UK and non-UK tax liabilities and for an estimated amount of other liabilities payable out of the property of the Company, and for outstanding borrowings together with accrued but unpaid interest;
- Amounts are added in respect of prudently estimated, recoverable tax and any other amounts due to be paid into the Company;
- A sum representing any interest or any income accrued due or deemed to have accrued but not received will be added;
- The total amount of any set-up costs to be (but not yet) reimbursed to the ACD will be deducted;
- Currencies or values in currencies other than base currency or (as the case may be) the designated currency of the Company 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.

For the above purposes, instructions given to issue or cancel shares are assumed to have been carried out (and any cash paid or received); and uncompleted arrangements for the unconditional sale or purchase of property are (with certain exceptions) assumed to have been completed and all consequential action taken.

Where the ACD has reasonable grounds to believe that no reasonable price exists for a security at a valuation point or the most recent price available does not reflect the ACD's best estimate of the value of a security at a valuation point, it will value an investment at a price which, in its opinion, reflects a fair and reasonable price for that investments (the fair value price). The circumstance which may give rise to a fair value price being used includes where there has been no recent trade in the security concerned or where there has been the occurrence of a significant event since the most recent closure of the market where the price of the security is taken.

#### **Allocation of assets and liabilities**

The Company has credited to it the proceeds of all shares linked to it, together with the assets in which such proceeds are invested or reinvested and all income, earnings, profits or assets deriving from such investments. All liabilities and expenses attributable to the Company are charged to it.

#### **Prices of shares**

The Company deals on a forward price basis, that is at the price for each class of share in the Company at the next valuation point following receipt of a request to issue or redeem shares.

As noted above, Company operates on the basis of "single pricing" (i.e. subject to the dilution adjustment referred to below and the initial charge, the issue and redemption price of a share at a particular valuation point will be the same). The price of a share is calculated (to at least four significant figures) by:

- taking the value of the Company attributable to the relevant class at the next valuation of the Company; and
- dividing the result by the number of shares of the relevant class in the Company in issue immediately before the valuation concerned, after having converted the attributable value into the currency of the relevant share class, as appropriate.

The prices of shares will be published daily on the internet at:

[www.fundlistings.com](http://www.fundlistings.com)                      This is the website for Financial Express.

The prices quoted will relate to the actual dealing prices applicable on the immediately preceding business day. The same information may also be obtained by telephone, by calling the following number 01202 855856.

The ACD issues and redeems shares in the Company on a forward pricing basis, not on the basis of the published prices. The ACD shall have no liability for the prices, wherever published, being incorrect unless the prices are incorrect as a direct result of the acts or omissions of the ACD.

## **Dilution Policy**

In order to mitigate the effect of dilution, the Regulations allow the ACD to adjust the sale and purchase price of Shares in the Fund to take into account the possible effects of dilution. This practice is known as making a “dilution adjustment” or operating swinging single pricing. The power to make a dilution adjustment may only be exercised for the purpose of reducing dilution in the Fund.

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

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

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

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

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

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

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

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

The dilution adjustment for any one Fund may vary over time because the dilution adjustment for the Fund will be calculated by reference to the costs of dealing in the underlying investments of the Fund, including any dealing spreads, and these can vary with market conditions. It is projected that a typical dilution adjustment may range from 0.05% to 0.1% when buying or selling Shares based on historical data.

## **ISSUE, REDEMPTION AND SWITCHING OF SHARES**

### **General**

Requests for the issue, redemption and switching of shares are normally dealt with by the issue or cancellation of shares by the Company. However, in certain circumstances the ACD may, in accordance with the Regulations, deal with such requests by selling shares to, and/or repurchasing them from, the applicant as appropriate. The ACD is entitled to hold shares for its own account and to satisfy requests for the sale of shares from its own holding; it is required by the Regulations to procure the issue or cancellation of shares by the Company where necessary to meet any obligation to sell or redeem shares.

The ACD may not sell a share at a higher price, or redeem a share at a lower price (in both cases before application of any initial charge, dilution adjustment), than the price notified to the Depositary in respect of the valuation point concerned.

The ACD, Investment Adviser and the Depositary or any affected person are under no obligation to account to the Company or to shareholders or any of them for any profit it makes on the issue of shares or on the reissue or cancellation of shares which it has redeemed, and will not do so.

## Issue

### - **Applications**

Dealings are at forward prices, i.e. at a price calculated by reference to the next valuation point following receipt of an application. Shares to satisfy an application received before the valuation point (see page 10 for details of the valuation points) on a dealing day will be issued at a price based on that day's valuation point and shares to satisfy an application received after that time, or on a day which is not a dealing day, will be issued at a price calculated at the valuation point on the next dealing day. Any Business Day will constitute a dealing day.

Applications may be made by completing an application form and delivering it with payment to the ACD. Application forms are available from the ACD. Applications are irrevocable (except where cancellation rights apply – see below). Subject to its obligations under the Regulations, the ACD reserves the right to reject any application in whole or in part. In that event, application moneys or any balance will be returned to the applicant by post at his or her risk.

Applications will not be acknowledged but a contract note will be sent to the Applicant (or the first named Applicant in the case of joint applications), or his or her regulated intermediary, if the application was received via the intermediary, on the Business Day next following the relevant dealing day. Where the total price payable for all shares for which the application is made would include a fraction of the smaller currency denomination (e.g. one penny, one cent etc.) it will be rounded up or down to the nearest smaller currency denomination.

No interest payment will be made on client money held by the ACD prior to investment in the Fund. Client money will be held in an account with HSBC Bank Plc.

If an Applicant defaults in making any payment in money, or by way of a transfer of property, due to the ACD in respect of the sale or issue of shares, the Company is entitled to make any necessary amendment to the register and the ACD will become entitled to the shares in place of the Applicant, subject, in the case of an issue of shares, to the ACD's payment of the purchase price to the Company. The ACD reserves the right to cancel investments for which settlement is not received, or fails to clear, and to recover from an Applicant, the amount of any decrease in value of the investment if this occurs.

Applicants who have received advice may have the right to cancel their application to buy Shares at any time during the 14 days after the date on which they receive a cancellation notice from the ACD. If an applicant decides to cancel the contract, and the value of the investment has fallen at the time the ACD receives the completed cancellation notice, they will not receive a full refund as an amount equal to any fall in value will be deducted from the sum originally invested.

### **Anti-Money Laundering Procedures**

The Company is subject to the UK's anti-money laundering regulations and the ACD may in its absolute discretion require verification of identity from any person applying for shares (the "**Applicant**") including, without limitation, any Applicant who:

- (a) tenders payment by way of cheque or banker's draft on an account in the name of a person or persons other than the Applicant; or
- (b) appears to the ACD to be acting on behalf of some other person.

In the former case verification of the identity of the Applicant may be required. In the latter case, verification of the identity of any person on whose behalf the Applicant appears to be acting may be required.

Until satisfactory proof of identity is provided, the ACD reserves the right to refuse to issue shares, pay the proceeds of a redemption of shares, or pay income on shares to investors. In the case of a purchase of shares where the Applicant is not willing or is unable to provide the information request within a reasonable period, the ACD also reserves the right to sell the shares purchased and return the proceeds to the account from which the subscription was made. These proceeds may be less than the original investment. The ACD will not be liable for any share price movements occurring during delays while money laundering checks are carried out.

The ACD will, where possible, verify identity using information from credit reference agencies. Where this is not possible, or where the ACD decides (at its discretion) that it is appropriate, further documentation will be requested.

### **Market Timing**

The ACD may refuse to accept a new investment if, in the opinion of the ACD, it has reasonable grounds for refusing to accept an investment. In particular, the ACD may exercise this discretion if it reasonably believes the shareholder has been or intends to engage in market timing activities.

For these purposes, market timing activities include investment techniques which involve short term trading in and out of shares generally to take advantage of variations in the price of shares between the daily valuation points of the Fund. Short term trading of this nature may often be detrimental to long term shareholders, in particular the frequency of dealing may lead to additional dealing costs which can affect long term performance.

Investments may be made into the Fund via nominee or similar omnibus accounts. For the purposes of monitoring and detecting potential market timing activity, the ACD's responsibilities will be restricted to the registered legal holder of shares rather than any underlying beneficial holder. The ACD will co-operate in helping to deter any potential market timing activities that the registered legal holder has detected in his monitoring of his underlying beneficial holders.

#### **FATCA and OECD Common Reporting Standard (CRS)**

The UK has implemented the Foreign Account Tax Compliant Act (FATCA) and the OECD Common Reporting Standard for Automatic Exchange of Financial Account Information through the International Tax Compliance Regulations 2015. As part of the process of buying shares, applicants will be required to provide the ACD with any information that the ACD considers necessary to enable the Company to comply with its domestic (and any overseas) obligations.

FATCA aims to prevent US tax evasion by requiring foreign financial institutions (such as the Company) to report certain information in relation to any shareholder who is a Specified US Person to the Internal Revenue Service of the US ("IRS"). As a result of an intergovernmental agreement entered into between the US and UK governments, the ACD may be required to disclose information relating to shareholders who fall within the definition of Specified US Person (and their investments in the Company) to HM Revenue & Customs, who will in turn exchange this information with the IRS.

As a result of UK legislation, the Company may be required to obtain confirmation of certain information from shareholders and (where applicable) their beneficial owners, such as where you are resident for tax purposes, your tax identification number, and your place and date of birth, and your tax status classification and place of incorporation if you are a corporate body. Under certain circumstances (including where you do not supply us with the information we request), we will be obliged to report your personal details as well as the details of your Investment to HM Revenue & Customs. This information may then be passed to other tax authorities. Any shareholder that fails to provide the required information may be subject to a compulsory redemption of their Shares and/or monetary penalties.

By signing the application form to subscribe for shares in the Company, each Applicant is agreeing to provide such information upon request from the Company and/or the ACD (or their respective agents). Please note that the Company may treat investors as a Specified U.S. Person where the ACD is unable to establish that this is not the case.

Shareholders or Applicants who are concerned about their position are encouraged to consult with their own tax advisers regarding the possible implications of FATCA or CRS on their interest in the Company.

#### **- In specie issue**

Where the application for issue of shares is equivalent to five per cent or more of the Net Asset Value of the Company, the ACD may at its discretion, in consultation with the Depositary, accept assets other than cash as payment for the issue of shares. The acceptance of the assets will be on the basis that the receipt of the property should not adversely effect the interests of the existing shareholders of the Company and subject to the investment restrictions of the Company.

#### **- Minimum initial purchase and subsequent investments**

*Lump Sum* - The minimum value of shares which may be the subject of any one initial transaction or purchase of shares of the Company is £5,000 and the minimum of each subsequent investment is £5,000 (or the equivalent value in the currency applicable to the relevant share class).

*Regular Savings Plan* - The ACD also offers a Regular Savings Plan, linked to, whereby shares can be purchased monthly, the settlement for which is collected by direct debit. The minimum value of shares which may be the subject of any one single transaction is £100.

The above minimum holding and transactions levels are, at all times, at the absolute discretion of the ACD.

#### **- Minimum holding**

*Lump Sum* - In respect of shares of the Company, the minimum value of shares which any one person may hold is £5,000 (or the equivalent value in the currency applicable to the relevant share class).

*Regular Savings Plan* – The minimum values shown under *Lump Sum* above will only apply where regular monthly contributions have been discontinued.

The value of shares for this purpose is calculated by reference to their current price, net of any initial charge and before any application of a dilution adjustment. “Smaller denomination shares” (in effect, fractions of shares equal to 1/1000th of an ordinary share) may be issued and all investments will be rounded up or down to the nearest smaller denomination share. The minimum holding requirements will not be treated as being breached if the value of shares held falls below the relevant minimum solely as a result of a fall in the share price.

## **Redemption**

### **- Application**

Shares in the Company may be redeemed on any dealing day. Dealings are at forward prices as explained under “Issue” above. Shares to be redeemed pursuant to a redemption request received before the valuation point on a dealing day will be redeemed at a price based on that day's valuation point and shares to be redeemed pursuant to a redemption request received after that time, or on a day which is not a dealing day, at a price calculated at the valuation point on the next dealing day. Any Business Day will constitute a dealing day.

Redemption instructions may be given by delivering to the ACD written instructions for redemption by letter, or by telephoning the ACD between 9.00am and 5.00pm on any business day. Redemption instructions are irrevocable.

A redemption contract note will be sent on the Business Day next following the relevant dealing day, together with a form of renunciation for completion and execution by the shareholder(s). The redemption proceeds will be paid not later than the close of business on the fourth business day after the later of the following times:

- the valuation point immediately following the receipt by the ACD of sufficient written instructions to redeem the shares; and
- the time when the ACD has received the form of renunciation (or other sufficient written instructions) duly signed by the relevant shareholder(s) together with such evidence as the Company may lawfully require as proof of the identity of the shareholder and all other duly executed instruments and authorisations as effect (or enable the Registrar to effect) transfer of title to the shares.

However, neither the Company nor the ACD is required to make payment in respect of a redemption of shares where the money due on the earlier issue of those shares has not yet been received or where it is considered necessary to carry out or complete identification procedures in relation to the holder or another person pursuant to a statutory, regulatory or European Community obligation (such as the UK's anti-money laundering regulations).

### **- In specie redemption**

Where a shareholder requests redemption of a number of shares equivalent to 5% or more of the Net Asset Value of the Company, the ACD at its discretion may, by serving a notice of election on the shareholder not later than the close of business on the second business day following the day of receipt of the request, elect that the shareholder shall not be paid the redemption price of his or her shares but instead there shall be a transfer to that holder of property of the Company having the appropriate value. Where such a notice is so served on a shareholder, the shareholder may serve a further notice on the ACD not later than the close of business on the third business day following the day of receipt by the shareholder of the first mentioned notice requiring the ACD, instead of arranging for a transfer of property, to arrange for a sale of that property and the payment to the shareholder of the net proceeds of that sale. The selection of scheme property to be transferred (or sold) is made by the ACD in consultation with the Depositary, with a view to achieving no more advantage or disadvantage to the shareholder requesting redemption of his or her shares than to continuing shareholders. The Company may retain out of the property to be transferred (or the proceeds of sale) property or cash of value or amount in respect of any applicable exit charge on the redemption of the shares

### **- Minimum redemption**

Unless the ACD in its discretion allows otherwise, a partial redemption request may not be made in respect of the investor's shares of the Company:

- (a) if it would result in a holding in the Company of less than the minimum value (see page 13); or
- (b) if it relates to shares of the Company having a value (calculated by reference to their current price net of any initial charge and before any dilution adjustment) of less than £1,000 (or the equivalent value in the currency applicable to the relevant share class).

## **Conversions**

Subject to any restrictions on the eligibility of investors for a particular share class and the qualifications below, a shareholder may opt to Convert shares in one class the Fund for shares in a different class in the Fund (subject to the investment minima as set out in this Prospectus).

Conversions will be effected by the ACD recording the change of share class on the Register.

Conversions will be effected at the next valuation point. The number of shares to be issued in the new class will be calculated relative to the price of shares being converted from. The ACD will notify shareholders once the conversion has been effected. Conversions will not generally be treated as a disposal for capital gains tax purposes.

The right to exchange is subject to the following:

- (a) the ACD and the Depositary are not obliged to give effect to a request for exchange of shares if the value of the shares to be exchanged is less than the minimum permitted transaction (see above) or if it would result in the shareholder holding shares of any class of less than the minimum holding for that class of share (see above);
- (b) the ACD may decline to permit an exchange into a share class where it would be entitled under COLL to refuse to give effect to a request by the shareholder for the redemption of shares of the old class or the issue of shares of the new class.

There is no fee on a Conversion between classes of the Fund.

In no circumstances will a shareholder who Converts between classes of shares be given a right by law to withdraw from or cancel the transaction.

### **- Application**

A shareholder wishing to Convert shares should apply in the same way as for a redemption (see pages 13 & 14). A Conversion to be made pursuant to a request received before the valuation point of the Company, on a day which is a dealing day. Where a request is received after that time, or on a day which is not a dealing day for the Company, the Conversion will be effected at a price calculated on the valuation points made on the next such dealing day. A Conversion between share classes will not lead to a liability to capital gains tax (Please refer to page 22 for further details).

Contract notes giving details of the exchange will be sent on the Business Day next following the relevant Business Day.

## **Restrictions on sale and redemption**

Subject to the Regulations the ACD may refuse any application for the purchase of shares in the Company, or any request for redemption of shares in the Company, if it has reasonable grounds to do so. If requested redemptions at a valuation point exceed 10% of a Company's value, the ACD may defer redemptions to the next valuation point in accordance with the FCA Rules and in accordance with procedures that ensure the consistent treatment of shareholders who have sought to redeem at that valuation point. The procedures are that to the extent redemption requests are deferred, deferral will be pro-rata based on the value of shares being redeemed (provided that the ACD may determine in its discretion a value threshold below which all redemptions will be effected, and above which the foregoing pro-rata deferral shall apply) and that all deals relating to an earlier valuation point are completed before those relating to a later valuation point.

## **Suspension of dealings**

The ACD may with the prior agreement of the Depositary, and must without delay if the Depositary so requires, temporarily suspend the issue, cancellation, sale, redemption and exchange of the shares in the Fund where, due to exceptional circumstances, it is in the interests of shareholders in the Fund. Suspension of dealing must cease as soon as practicable after the exceptional circumstances leading to the suspension have ceased. The ACD and the Depositary shall review the suspension at least every 28 days and shall inform the FCA of the result of the review, and in any event shall only allow the suspension to continue for so long as it is justified having regard to the interests of the shareholders. In accordance with the applicable rules in COLL, the ACD shall notify shareholders of the suspension as soon as practicable after suspension commences, and will keep shareholders appropriately informed about the suspension including, if known, its likely duration.

The ACD may, however, during the period in which dealing is suspended, agree to deal at prices calculated by reference to the first valuation point after resumption of dealing. The recalculation of the share price will commence at or about the valuation point on the first Business Day following such period of suspension.

### **Mandatory redemption or transfer of shares**

If the ACD reasonably believes that any shares are owned directly or beneficially in circumstances which:

- (a) 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
- (b) may (or may if other shares are acquired or held in like circumstances) result in the Company incurring any liability to taxation or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory); or
- (c) may result in shares of a particular class being acquired or held by any person not falling within the categories of persons (if any) who are permitted to hold shares of such class;
- (d) are owned by a shareholder who is registered in a jurisdiction (where the Company is not registered or recognised by the relevant competent authority) whereby communication with that shareholder by the ACD, on behalf of the Company, might constitute a breach of the regulations in that jurisdiction (unless specific action is taken by the ACD to prevent such communications constituting a breach),

or if the ACD is not satisfied that any shares may not give rise to a situation discussed in (a) to (d) above,

it may give notice to the holder of such shares requiring him or her to transfer them to a person who is qualified or entitled to own them, or to request in writing the redemption of the shares by the Company. If the holder does not either transfer the shares to a qualified person or establish to the ACD's satisfaction that he or she and any person on whose behalf he or she holds the shares are qualified and entitled to hold and own them, he or she will be deemed on the expiry of a 30 day period to have requested their redemption.

### **Method of delivery of applications or other instructions to deal in shares**

Instructions (including applications and redemptions) sent to the ACD by fax (the ACD's fax no is 01202 855850) are only valid and binding on the ACD if the applicant or the applicant's authorised agent obtains separate confirmation from the ACD that the ACD has received the fax. After sending the fax, the applicant or the applicant's authorised agent is required to telephone the ACD on 01202 855856 promptly to obtain confirmation from a named representative of the ACD that the ACD has received the fax. Without procuring such verbal confirmation from the ACD, the applicant and the applicant's authorised representative acknowledge that the ACD shall not be under any liability in relation to any and all fax messages not received by the ACD.

## **DISTRIBUTIONS AND ACCUMULATION**

The annual accounting period for the Company ends on 31<sup>st</sup> March (the "accounting reference date") or a day chosen by the ACD, if the ACD notifies the Depositary, being within seven days of that date. The interim accounting date is the 30<sup>th</sup> September, or a day chosen by the ACD and notified to the Depositary, being within seven days of that date.

The amount of income to be distributed or accumulated by a share class is calculated on the last day of the annual accounting period. Income is accumulated up until 31<sup>st</sup> March in respect of the Company. In the case of accumulation shares (when available), income is transferred to the capital account on 31<sup>st</sup> May. The distribution date for the Company is 31<sup>st</sup> May. In accordance with the Regulations, the ACD and the Depositary, have agreed that in the event the income available for distribution or accumulation is less than £20 per shareholder, for the share classes available to retail investors, and less than £200 in respect of share classes restricted to institutional investors, income, if any will revert to the Company.

Tax vouchers will be sent to shareholders at least once in each accounting year, but only where net income is available for distribution. A direct credit or warrant for the amount of the net distribution will, where applicable, be sent to the bank account or the registered address and made payable to the order of the shareholder (or, in the case of joint holders, made payable and sent to the registered address of the first named holder on the register).

The Company is entitled to reclaim any distribution which has been unclaimed for a period of six years from the date payment was due, and such reclaimed distribution shall become part of the capital of the Company for the benefit of all shareholders.

### **Determination of distributable income**

The income available for distribution or accumulation (when available) in relation to the Company is determined in accordance with the Regulations. Broadly it comprises all sums deemed by the Company, after consultation with the auditor, to be in the nature of income received or receivable for the account of the Company in respect of the accounting period concerned, after deducting net charges and expenses paid or payable out of such income in respect of the period and

adding the ACD's best estimate of any relief from tax on such charges and expenses and making such adjustments as the ACD considers appropriate, after consulting the auditors in accordance with the Regulations, in relation to taxation and other matters. All distributions unclaimed for a period of six years after having become due for payment shall be forfeited and shall revert to the Company. The payment of any unclaimed distribution, interest or other sum payable by the Company on or in respect of a share into a separate account shall not constitute the Company a trustee thereof.

### **Income equalisation**

The price of a share of a particular class is based on the value of that class's entitlement in the Company including the income of the Company since the previous distribution or, in the case of accumulation shares (when available), deemed distribution. In the case of the first distribution received or accumulation made in respect of a share, except where shares have been purchased during the initial offer period for the Company, part of the amount, namely the equalisation payment, is a return of capital and is not taxable as income in the hands of the shareholder. This amount is, however, in the case of income shares, deducted from the cost of the share in computing any capital gains. In the case of accumulation shares (when available), the equalisation amount may only be eligible for taper relief/indexation allowance from the date of allocation (as distinct from the date of acquisition of the original shares).

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 Company issued during the period.

## **THE FEES AND EXPENSES OF THE AUTHORISED CORPORATE DIRECTOR**

### **Initial charge**

An initial charge, which is paid to the ACD, is calculated as a percentage of the price of a share (before application of any dilution adjustment) and is added to the price of that share. For Share Class B, the current initial charge, expressed as a percentage of the Net Asset Value price is 5.25%. For share class E the initial charge is 2.00% of the gross initial investment, for share class S the initial charge is 2.00% of the gross initial investment and for share class T the initial charge is 2.00% of the gross initial investment VAT (if any) shall be added to this charge.

### **Conversion charge**

The ACD is not entitled to make a charge in respect of a Conversion of shares in the Company. Furthermore, a dilution adjustment will not be applied in respect of the shares being sold and purchased as part of the switch.

### **Periodic charge**

The ACD is entitled to make a periodic charge, calculated and accruing on each dealing day at each valuation point (the "Calculation Date"), and payable out of the property of the Company, by way of remuneration for the services of the ACD. The periodic charge is payable to the ACD monthly in arrears. The charge will be calculated as a percentage rate per annum of the total value of the shares of entitlement in the property of the Company represented by the class on the Calculation Date. The current charge for share class B is 1.45%, for share class E is 0.95%, for share class S is 0.95% and for share class T is 1.25%, plus VAT, where applicable.

The first accrual will be in respect of the day on which the first valuations of the Company are made. The periodic charge will cease to be payable in relation to the Company on the date of commencement of its termination, and in relation to the Company as a whole on the date of the commencement of its winding-up or, if earlier the date of the termination of the ACD's appointment as such.

### **Exit charge**

At present no charge is levied on the redemption of shares, although the ACD is permitted to apply a dilution adjustment, if applicable (see pages 11 and 12). The ACD has the right (subject to the Regulations) to introduce a charge on the redemption of shares in the future, but this will not affect shares issued prior to its introduction.

### **Expenses**

Certain expenses incurred by the ACD may be reimbursed by the Company: see pages 19 and 20 below.

### **Charges to capital**

All or part of the remuneration of the ACD may be treated as a capital charge to the Company, which may result in an erosion of capital or a constraint of capital growth. In accordance with the Regulations, all or part of the charges and expenses of the Company may be treated as a capital charge if agreed by the ACD and the Depositary.

The ACD's standard policy for the Company is to charge all relevant expenses, plus the full amount of the ACD's Periodic Charge, to the Company's income account.

## THE FEES AND EXPENSES OF THE DEPOSITARY

The Depositary is paid a monthly periodic fee plus VAT in remuneration for its services from the property of the Company. The Depositary fee is calculated, accrued and payable on the same basis as the periodic charge except that if the Company is being wound up, the periodic charge will cease to be payable on the date of the final distribution, or in the case of a winding up following the passing of an extraordinary resolution approving a scheme of amalgamation or scheme of construction in relation to the Company, down to and including the final day on which the Depositary is responsible for the safekeeping of the Scheme Property of the Company.

The current fee payable is:

Fund value to first £250 million	0.04%
£250 million to £500 million	0.03%
£500 million to £1 billion	0.02%
Over £1 billion	0.01%
Subject to a minimum fee of £15,000 per annum.	

VAT at the prevailing standard rate is added to this fee.

In addition to the above periodic fee, the Depositary levies transaction charges and custody charges (plus VAT, if any) which are currently as follows:

### UK Assets

- Safekeeping fee of 0.015% (based on mid-market asset values at the end of a calendar month).
- Transaction charges of £12 per payment.
- Cash Payment charges will range from £10 to £30 per payment.

### Non-UK assets

Non-UK assets will be dependent on the individual market and the safe keeping fees applicable for that market and will range between the following:

- Safekeeping fees currently range from 0.009% per annum to 0.7% per annum. These fees are based on mid-market asset values at the end of a calendar month.
- Transaction charges currently range from £6 to £200 per transaction.
- Cash Payment charges will range from £10 to £30 per payment.

Custody is subject to a minimum of £7,500 per annum (exempt from VAT).

Charges are accrued within the Company on a daily basis and paid monthly in arrears.

In addition to payment of the periodic charge the amount payable to the Depositary out of the property of the Company by way of remuneration for its services may include charges in connection with its duties (or the exercise of powers conferred upon it by the Regulations or the general law) as depositary of the Company referable to (i) custody of assets (including overseas custody services) as specified above; (ii) the acquisition holding and disposal of property; (iii) the collection of dividends, interest and any other income; (iv) the maintenance of distribution accounts; (v) the conversion of foreign currency; (vi) registration of assets in the name of the Depositary or its nominees or agents; (vii) borrowings, stocklending or other permitted transactions (including any deposit or loan authorised under this deed or the Regulations); (viii) communications with any parties (including telex, facsimile, SWIFT and electronic mail); (ix) taxation matters; (x) insurance matters; or (xi) the Depositary's report as set out in annual reports of the Company.

### Expenses

The Depositary is entitled to be reimbursed out of the Company's property for expenses properly incurred in performing duties imposed on it or exercising powers conferred upon it by the Regulations, together with any VAT payable.

In addition, the Depositary may be paid the following expenses or disbursements (plus VAT):

- i. all expenses of registration of assets in the name of the Depositary or its nominees or agents, of acquiring, holding, realising or otherwise dealing with any asset; of custody of documents; of insurance of documents and of collecting income or capital; of opening bank accounts, effecting currency transactions and transmitting money; relating to borrowings or other permitted transactions; of obtaining advice, including legal, accountancy or other advice, of conducting legal proceedings, of communicating with shareholders, the ACD or other persons in respect of the Company, relating to any inquiry by the Depositary into the conduct of the ACD and any report to holders; or otherwise relating to the performance by the Depositary of its duties or the exercise by the Depositary of its powers; and
- ii. all charges of nominees or agents in connection with any of the matters referred to in i. above; and
- iii. any other costs, disbursements or expenses accepted under the laws of England and Wales from time to time as being properly chargeable by Depositaries. If any person, at the request of the Depositary in accordance with the Regulations, provides services including but not limited to those of a custodian of property of the Company, the expenses and disbursements hereby authorised to be paid to the Depositary out of the property of the Company shall extend to the remuneration of such persons as approved by the Depositary and the ACD provided that in respect of a custodian such expenses to be paid out of the property of the Company as relates to its remuneration shall be equal to (or less than) the current rates (subject to the maximum) stated above under "UK Assets" and "Non-UK Assets".

#### **OTHER PAYMENTS OF THE COMPANY**

The following expenses (being the actual amounts incurred) may also be payable by the Company out of its capital or income at the discretion of the ACD:

- 1. broker's commission, fiscal charges and other disbursements which are:
  - i. necessary to be incurred in effecting transactions for the Company, and
  - ii. normally shown in contract notes, confirmation notes and difference accounts as appropriate;
- 2. interest on borrowings permitted under the Instrument and this Prospectus and all charges incurred in negotiating, entering into, varying, carrying into effect with or without variation, maintaining and terminating the borrowing arrangements;
- 3. taxation and duties payable in respect of the property of the Company, the Instrument or the issue of shares;
- 4. any costs in modifying the Instrument and the Prospectus constituting the Company, including costs incurred in respect of meetings of shareholders convened for the purpose, where the modification is:
  - i. necessary to implement any change in the law (including changes to the regulations); or
  - ii. necessary as a direct consequence of any change in the law (including changes to the Regulations); or
  - iii. expedient having regard to any fiscal enactment and which the ACD and the Depositary agree is in the interest of shareholders; or
  - iv. to remove obsolete provisions from the Instrument and the Prospectus constituting the Company;
- 5. any costs incurred in respect of any other meeting of shareholders convened on a requisition by holders not including the ACD or an associate of the ACD and expenses of the Depositary in convening a meeting of shareholders convened by the Depositary alone; in relation to a scheme of arrangement where the property of a body corporate (such as an investment company) or of another collective investment scheme is transferred to the Company in consideration of the issue of shares in the Company to shareholders in that body corporate or to participants in that other scheme, any liability arising after the transfer which, had it arisen before the transfer, could properly have been paid out of that other property

provided the ACD is of the opinion that proper provision was made for meeting such liabilities as were known or could reasonably have been anticipated at the time of the transfer;

6. the audit fees of the Auditor and VAT thereon and any expenses of the Auditor; and
7. the fees of the FCA under Schedule 1, Part III of the Act or the corresponding periodic fees of any regulatory authority in any country or territory outside the United Kingdom in which shares in the Company are or may be marketed.
8. the fees and any proper expenses of any professional advisers retained by the Company or by the Company in relation to the ACD;
9. the fees and any proper expenses of any professional advisers incurred by the ACD and the Depositary in relation to the establishment of the Company;
10. any sum due by virtue of any provision of the Regulations, such as cancellation proceeds and reasonable stock lending expenses;
11. the costs of preparing the key features documentation;
12. the costs of printing and distributing annual, half yearly and quarterly reports and any other reports or information provided for shareholders;
13. the costs of listing the prices of the relevant shares classes in publications and information services selected by the ACD;
14. the fees and expenses of the Administrator in relation to dealing in shares of the Company by new and existing shareholders;
15. the fees of the ACD for providing administration services for the Company and maintaining the Register. The charges for maintaining the Register for each shareholder is currently £10 per annum;
16. The ACD will also maintain sub-registers in respect of ISA entitlements. The current fees for maintaining the sub-registers will be £16 per annum for each shareholder;
17. value added tax in respect of any of the costs, expenses, fees and charges payable by the Company; and
18. any other charges/expenses that may be taken out of the Company's property in accordance with the Regulations;

Expenses may be payable out of the capital property and/or income property of the Company at the discretion of the ACD, subject to any restrictions set out in the Instrument of Incorporation, and to the Regulations. Where such payments are made from the capital property, this policy may result in capital erosion or constrain capital growth.

#### **Costs relating to efficient portfolio management ("EPM")**

Certain direct and indirect operational costs and/or fees may arise from time to time as a result of EPM techniques being used for the benefit of the Company and/or the Funds. These costs and/or fees are regarded as transaction costs and, therefore, would fall within the above. Further details on the payment of costs and/or fees relating to EPM techniques will be set out in the Annual Report.

#### **SET-UP COSTS**

Subject to the Regulations, the ACD and the Depositary will seek reimbursement (in one or more tranches) of set-up costs incurred in relation to the creation of the Company. In accordance with the Regulations, set-up costs are not amortised.

#### **TAXATION**

The taxation of both the company and shareholders in it is subject to the fiscal law and practice of the UK and of the jurisdictions in which shareholders are resident or otherwise subject to tax. The following summary of the anticipated tax treatment in the UK does not constitute legal or tax advice and applies only to persons holding shares as an investment. It is not a guarantee to any investor of the tax results of investing in the company.

*In particular, this summary does not take account of particular investors' individual circumstances, does not address the taxation consequences for investors who may be subject to taxation or exchange control in a jurisdiction other than the UK and does not address investors falling into particular categories (such as life insurance companies or employees of entities connected to the company) which may be subject to special rules.*

*Prospective investors should consult their own professional advisers on the tax and exchange control implications of making an investment in, holding or disposing of shares and the receipt of distributions with respect to shares under the laws of the countries in which they may be liable to taxation.*

*This summary is based on the UK taxation law and HM Revenue & Customs' practice in force at the date of this document, but prospective investors should be aware that the relevant fiscal rules and practice or their interpretation may change.*

## **The Company**

The UK tax regime applicable to the company is primarily set out Chapter 2 of Part 13 Corporation Tax act 2010 and in the Authorised Investment Funds (Tax) Regulations 2006 SI 2006/964 (the "Tax Regulations"). The Company is exempt from UK corporation tax on chargeable gains arising on the disposal of its investments, and is not entitled to corporation tax relief on losses which are treated as capital in nature.

The Company will not be subject to corporation tax on any profits or gains (or be entitled to corporation tax relief for any losses) which is derives from their creditor loan relationships or their derivative contracts, to the extent that those profits, gains or losses are treated as "capital profits, gains or losses". Provided the Company prepare accounts in accordance with UK GAAP, capital profits, gains or losses for this purpose are those profits, gains or losses arising from such creditor loan relationships or derivative contracts which fall to be dealt with under either the heading "net capital gains/losses" in the Company's statement of total return for the accounting period in question.

The Company will be subject to corporation tax at a rate equal to the basic rate of income tax, currently 20 per cent, on its taxable income from investments after relief for allowable expenses. Dividend distributions or yearly interest distributions received by the Company from other authorised investment Company (broadly UK OEICS and authorised unit trusts) will be taxed on the Company in accordance with the rules described below. However, the Company are not generally subject to tax on dividends and similar distributions from both UK and non-UK resident companies.

To the extent that the Company receives income from, or realise gains on investments issued in, foreign countries, they may be subject to withholding tax or other taxation in those jurisdictions.

Where the Company distribute their income as yearly interest (as to which see below) the amount of income so distributed will be deducted from the income of the Company in computing their liability to corporation tax.

There is no specific exemption from UK stamp (stamp duty) for the Company. Broadly speaking, stamp duty is paid on a transaction involving stock or marketable securities, and the rate is 0.5% of the value of the stock or securities. The Company may incur similar taxes in another jurisdiction if it carries out transactions involving that jurisdiction.

Formerly, surrenders and certain other transfers of Shares of a Fund could result in such Fund incurring a liability for UK stamp duty reserve tax ("SDRT") pursuant to Schedule 19, Finance Act 1999. The charging of SDRT on such transactions pursuant to Schedule 19, Finance Act 1999 was abolished by Finance Act 2014 in relation to surrenders and relevant other transfers made or effected on or after 30 March 2014. The only exception is in cases where an investor redeems shares in consideration of a transfer of assets of the Company other than cash (i.e. an in specie redemption) where that consideration is non-pro rata (i.e. not in proportion to the total assets of the Company). In that event, the redeeming Shareholder will be liable to SDRT at the rate of 0.5% of the value of the Shares surrendered.

## ***Taxation of shareholders***

### **Taxation of distributions**

The type of distribution made by the Company may depend on their investments. Authorised Company which have more than 60 per cent by market value of their investments in "qualifying investments", broadly meaning debt securities, money placed at interest (other than cash awaiting investment), building society shares or holdings in authorised unit trusts or OEICS with, broadly, more than 60 per cent of their investments similarly invested ("bond funds") can make a yearly interest distribution or a dividend distribution. Company which are not bond Company can only pay dividend distributions.

It is not the ACD's intention that the Company will qualify as a 'bond fund' (as defined above). It is the ACD's intention that the Company will make dividend distributions and will not distribute income as yearly interest.

### **Dividend distributions**

Where the Fund makes dividend distributions, such distributions will be paid gross and a UK resident individual holder may be liable to tax on such distribution.

For UK resident individuals, no income tax is payable in respect of the first £2,000 of dividend income received from all sources in the tax year (although such income will still count towards the basic, higher and additional rate thresholds). For

dividends received above £2,000 in a tax year, the dividend income would be taxable at 7.5%, 32.5% and 38.1% for income falling within the basic rate, higher rate and additional rate bands respectively.

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

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

For shareholders holding accumulation shares, the UK tax treatment will be the same as if they held income shares, albeit that they do not receive the income represented by the distribution at the time of that distribution and that income is instead re-invested. Such shareholders will be treated for UK tax purposes as if they had received the re-invested income and should be issued with tax vouchers accordingly.

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

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

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

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

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

### **Yearly interest distributions**

Interest distributions will be paid gross to shareholders (with no income tax deducted from the payment).

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

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

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

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

Non-United Kingdom resident shareholders may be entitled to a refund from HM Revenue and Customs of the tax deducted from their interest distributions (or a proportion of it). This will depend on their personal circumstances and the terms of any double taxation agreement between their country of residence and the United Kingdom.

### **Taxation of capital gains**

An individual Shareholder will be liable to capital gains tax on any chargeable gain accruing on the disposal or deemed disposal (including redemption, switches and certain conversions) of Shares in the Company. Capital gains tax is generally charged at rates of 10% and 20%, dependent on an individual's total amount of taxable income and gains within a tax year.

An individual Shareholder may also be entitled to set all or part of any gains against their annual capital gains tax exemption.

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

Individual Shareholders will find further information in HM Revenue and Customs Help Sheets for the capital gains tax pages of their tax returns.

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

Subject to the possible application of the rules treating a shareholding in the Company as a loan relationship, a corporate shareholder within the charge to corporation tax in respect of its investment in the Company will be liable to corporation tax on any chargeable gain accruing to it on the disposal or deemed disposal (including redemption, switches and certain conversions) of its shares in the Fund. An indexation allowance may be available to reduce or eliminate such a gain but not to create or increase an allowable loss.

Shareholders who are not within the charge to UK taxation on chargeable gains, which will generally include Shareholders who are resident in jurisdictions other than the UK for tax purposes unless they are carrying on a trade in the UK through a permanent establishment, will not generally be charged to UK tax on gains made on a disposal of shares. Their tax position is likely to depend on the law and practice on taxation in the jurisdiction in which they are resident.

#### **Inheritance tax**

Shares held in the Company will generally form part of an individual's estate and will therefore potentially be subject to inheritance tax (IHT). Shares held by trustees are potentially subject to special rules which may charge IHT periodically. IHT is chargeable on the death of a person, on certain gifts made within the seven years before an individual's death and (immediately) on gifts to most types of trusts. The rate of tax is 0% up to a cumulative nil-rate limit. The excess is charged at 20% where the tax is charged during an individual's lifetime and 40% if the tax is charged on or by reference to the individual's death. Where tax is charged both during lifetime and again on death by reference to the same transfer, credit is given for the lifetime tax suffered. For these purposes gifts may include transfers at less than full market value unless the transferor can show that there was no gratuitous intent.

#### **ISAs**

It is intended that shares in the Company will satisfy the eligibility requirements to be qualifying investments for a stocks and shares ISA.

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

To satisfy the requirement for the automatic exchange of financial information between tax authorities worldwide, CRS countries must obtain information from relevant clients and exchange that information with the tax authorities of other CRS countries. In the UK the CRS system was mandated by 'The International Tax Compliance Regulations 2015'.

As of 1 January 2016, the ACD is required to compile information about all accounts in existence as of 31 December 2015, and all new accounts opened on or after 1 January 2016, and from 2017 report the information to HM Revenue and Customs.

#### **FATCA**

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

In the United Kingdom, the principles of FATCA have been brought into local law. This means the ACD will need to provide information on US accounts to the local tax authority, HM Revenue and Customs (HMRC).

For further information on FATCA please refer to page 16 and also the International Tax Reporting section on page 1 of this Prospectus.

### **REPORTS AND ACCOUNTS**

The annual accounting period of the Company ends on 31 March or a day chosen by the ACD, with the agreement of the Depositary, being within seven days of that date.

The long-form accounts (long reports) will be published on or about the 31 July (Final) and 30 November (Interim) and will be available, free of charge, from the ACD's website at [www.wayfunds.com](http://www.wayfunds.com) or upon written request.

Copies of the most recent annual and half yearly reports may be inspected at, and copies obtained free of charge from, the ACD at its head office. Such requests should be submitted to the ACD.

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

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

## **ANNUAL GENERAL MEETING**

The Company will not have an Annual General Meeting. All investors have the right to request copies of the service contracts in place between the Company and its providers.

## **VOTING**

### **Voting rights**

Entitlement to receive notice of a particular meeting or adjourned meeting and to vote at such a meeting is determined by reference to:

- (a) those persons who are holders of shares in the Company as at a cut off date selected by the ACD which is a reasonable time before the notices of the relevant meetings are sent out; or
- (b) in respect of shares which are participating securities (as defined in the Uncertificated Securities Regulations 1995), those persons who are entered on the register at the close of business on a day to be determined by the ACD, which must not be more than 21 day before the notices of the meeting are sent out.

Persons who are entitled to receive a notice of meeting will receive not less than 14 days' written notification by post.

The quorum at a meeting of holders is two shareholders present in person or by proxy or (in the case of a corporation) by a duly authorised representative. If a quorum is not present within 15 minutes of the time appointed the meeting will (if requisitioned by shareholders) be dissolved and in any other case will be adjourned to such day and time not being less than seven days thereafter. If at such adjourned meeting a quorum is not present within 15 minutes from the appointed time, one person entitled to be counted in a quorum present at the meeting will be a quorum.

At a meeting of shareholders, on a show of hands every holder who is present in person has one vote. On a poll votes may be given either personally or by proxy and the voting rights attached to a share are such proportion of the total voting rights attached to all shares in issue as the price of the share bears to the aggregate price of all shares in issue on the cut-off date. A holder entitled to more than one vote need not, if he votes, use all his or her votes or cast all the votes he uses in the same way. A vote will be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman, by the Depositary or by two shareholders present or by proxy.

An instrument appointing a proxy may be in any usual or common form or in any other form approved by the ACD. It should be in writing under the hand of the appointor or his or her attorney or, if the appointor is a corporation, either under the common seal or under the hand of a duly authorised officer or attorney. A person appointed to act as a proxy need not be a holder.

A corporation, being a holder, may by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of holders and the person so authorised is entitled to exercise the same powers on behalf of the corporation which he represents as the corporation could exercise if it were an individual holder.

In the case of joint holders only the vote of the first named in the register of holders can be taken.

The ACD is entitled to attend any meeting but, except in relation to third party shares, or in the case of a "Written Resolution" (see below) is not entitled to vote or be counted in the quorum and any shares it holds are treated as not being in issue for the purpose of such meeting. An associate of the ACD is entitled to attend any meeting and may be counted in the quorum, but may not vote except in relation to third party shares. For this purpose, third party shares are shares held on behalf of or jointly with a person who, if himself the registered shareholder, would be entitled to vote, and from whom the ACD or the associate (as relevant) has received voting instructions.

### ***Meetings and Modifications***

Any proposals to change a Fund's investment objective or investment policy will typically be treated by the ACD (with the agreement of the Depositary) as a "fundamental event" requiring prior approval of the majority of Shareholders in the Fund.

However, Shareholders should be aware that the ACD may change a Fund's investment objective and/or its investment policy without first obtaining Shareholder consent to the extent necessary to satisfy any changes to the Regulations. In these circumstances, Shareholders shall be given as much notice as is practicable in the circumstances.

The requirement for a Shareholder meeting depends on the proposed change to the Company. Changes to the Company may fall within one of the following three categories:

- **Fundamental** events which change the purpose or nature of the Company or the basis on which the investor invested, for example changes to an investment objective, its risk profile or something that would cause material prejudice to the investors would require investor approval. Fundamental changes require prior approval at a meeting of shareholders.
- **Significant** events are those which will materially affect an investor's investment, affect a shareholder's ability to exercise his rights in relation to this investment, result in material increased payments out of the Company, or could reasonably be expected to cause investors to reconsider their participation in the Company. Those should be notified pre-event to the investors and in sufficient time to enable them to leave the Company, if they wish, before the change takes effect. 60 days minimum notice is required for these changes.
- **Notifiable** events for which the ACD will decide when and how shareholders should be notified, depending on the type of event. In these cases notification could be after the event. This may take the form of the sending of an immediate notification to shareholders or the information being included in the next long report of the Company.

### **Class rights**

The rights attached to a class of shares may only be varied with the sanction of a resolution passed at a class meeting of the holders of the classes concerned. The provisions about notice and conduct of meetings summarised above will apply, with the necessary alterations, to class meetings.

Changes to the Instrument of Incorporation which relate only to a particular class or classes of shares, and do not prejudice shareholders of any other class, may (subject to certain exceptions) be made by an extraordinary resolution passed at a class meeting or class meetings of the holders of the class of shares concerned.

## **INVESTMENT, BORROWING POWERS AND LEVERAGE**

The Company may exercise the full authority and powers permitted by COLL applicable to a Non-UCITS Retail Scheme. However this is subject to the applicable investment limits and restrictions set out in COLL, the Company's Instrument of Incorporation, this Prospectus. The Company may exercise the full power and authority permitted by COLL applicable to a Non-UCITS Retail Scheme in respect of the Fund, subject to the Fund's investment objective and policy.

Save for any investment acquired for the purposes of hedging (referred to in more detail below), the property of the Company may not include any investment to which a liability (whether actual or contingent) is attached unless the maximum amount of such liability is ascertained at the time when such investment is acquired for the account of the Company.

In accordance with the investment policy of the Fund, the Fund may invest in transferable securities, units in collective investment schemes, deposits and money market instruments. The capital property attributable to the Fund is required to consist of such investments although investment in other asset classes is permitted as set out in COLL as it applies to Non-UCITS Retail Schemes and as set out below. Therefore, the capital property attributed to the Fund may at any time consist of transferable securities, units in collective investment schemes, deposits and money market instruments or a mixture of such assets as well as investments of other asset classes as set out below.

The ACD shall ensure that, taking into account the investment objective of the Fund, the scheme property aims to provide a prudent spread of risk.

**The ACD does not anticipate that the use of derivatives by the Fund will change or alter the risk profile of the Fund.**

### ***Collective investment schemes***

The scheme property attributable to the Fund may consist of units and/or shares in collective investment schemes. Not more than 35% in value of the property of the Fund may consist of units or shares in any one collective investment scheme.

The Fund must not invest in units or shares of a collective investment scheme (the "second scheme") unless the second scheme satisfies all of the requirements referred to in (a) to (d) below:

- (a) the second scheme:

- (i) satisfies the conditions necessary for it to enjoy the rights conferred by the UCITS Directive; or
  - (ii) is a Non-UCITS Retail Scheme; or
  - (iii) is a recognised scheme; or
  - (iv) is constituted outside the United Kingdom and the investment and borrowing powers of which are the same or more restrictive than those of a Non-UCITS Retail Scheme; or
  - (v) is a scheme which does not fall within any of the above categories and in respect of which no more than 20% in value of the property of the scheme (in aggregate with other such schemes and including any transferable securities which are not approved securities) is invested.
- (b) the second scheme must operate on the principle of the prudent spread of risk;
  - (c) the second scheme must be prohibited from investing more than 15% in value of the scheme property consisting of units and/or shares in collective investment schemes;
  - (d) the participants in the second scheme must be entitled to have their units redeemed in accordance with the scheme at a price:
    - (i) related to the net value of the property to which the units relate; and
    - (ii) which are determined in accordance with the scheme.

Investment may be made in collective investments schemes established in any jurisdiction, subject to compliance with the requirements of section (a) – (d) above.

The Fund may invest in shares or units of collective investment schemes which are managed or operated by (or, in the case of companies incorporated under the OEIC Regulations, have as their authorised corporate director) the ACD or an associate of the ACD. However, if the Fund invests in units or shares in another collective investment scheme managed or operated by the ACD or by an associate of the ACD, the ACD must pay into the property of the Fund before the close of the business on the fourth Business Day after the agreement to invest or dispose of units:

- (a) on investment – if the ACD pays more for the units issued to it than the then prevailing creation price, the full amount of the difference or, if this is not known, the maximum permitted amount of any charge which may be made by the issuer on the issue of the units; and
- (b) on a disposal – any amount charged by the issuer on the redemption of such units.

#### ***Transferable Securities and Money Market Instruments***

The Fund may invest up to 100% of the scheme property in transferable securities and money market instruments which are:

- (a) admitted to or dealt in on an eligible securities market (as set out in Appendix 2); or
- (b) are recently issued transferable securities, provided that the terms of issue include an undertaking that application will be made to be admitted to an eligible market, and such admission is secured within a year of issue; or
- (c) money market instruments which are normally dealt in on the money market, are liquid and whose value can be accurately determined at any time, being an 'approved money market instrument' in accordance with COLL which fulfil the following requirements:
  - (i) the issuer or the issuer is regulated for the purpose of protecting investors and savings, and
  - (ii) the instrument is issued or guaranteed in accordance with COLL 5.2.10BR.

Not more than 20% in value of the property of the Funds may consist of transferable securities which do not fall within (a) to (c) above or which are money market instruments which are liquid and have a value which can be determined accurately at any time.

The Company may also invest in an approved money market instrument provided the issuer is a company whose capital and reserves amount to at least EUR 10 million and which presents and publishes its annual accounts in accordance with Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles (as defined in COLL) which benefit from a banking liquidity line (as defined in COLL).

The requirements of COLL 5.2.10BR are that the money market instrument must be:

- (a) issued or guaranteed by a central, regional or local authority or central bank of an EEA State or if the EEA State is a federal state, one of the members making up the federation, the European Central Bank, the European Union or the European Investment Bank, a non-EEA State, or in the case of a federal state, one of the members making up the federation, or by a public international body to which one or more EEA State belongs; or
- (b) an establishment subject to prudential supervision in accordance with criteria defined by Community law or an establishment which is subject to and complies with prudential rules governed by the FCA to be at least as stringent as those laid down by Community law; or
- (c) issued by a body, any securities of which are dealt in on an eligible market.

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.

Not more than 10% in value of the property of the Funds may consist of transferable securities or money market instruments issued by any single body subject to COLL 5.6.23R however, the limit of 10% is raised to 25% in respect of covered bonds.

#### **Covered bonds**

In general a covered bond is a bond that is issued by a credit institution which has its registered office in an EEA State and is subject by law to special public supervision designed to protect bondholders and in particular protection under which sums deriving from the issue of the bond must be invested in conformity with the law in assets which, during the whole period of validity of the bond, are capable of covering claims attaching to the bond and which, in the event of failure of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest, and which may be collateralised.

#### **Government and Public Securities**

The scheme property attributable to the Fund may consist of government and public securities provided no more than 35% in value of the scheme property attributable to the 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.

#### **Warrants**

Not more than 5% in value of the scheme property attributable to the Fund may consist of warrants.

Securities on which any sum is unpaid may be held provided that it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Company at any time when the payment is required without contravening COLL.

#### **Cash and near cash**

The scheme property attributable to the Fund may consist of cash or near cash to enable:

- (a) the pursuit of the Fund's investment objectives; or
- (b) the redemption of shares; or
- (c) the efficient management of the Fund in accordance with its objectives or any other purposes which may reasonably be regarded as ancillary to the objectives of the Fund.

The ACD does not anticipate the Fund consisting of more than 50% of cash or near cash at any one time. Liquidity may be at the upper end of, or even exceed this range under certain circumstances such as where large market movements and/or an exceptional number of redemptions are anticipated or the Company is in receipt of large cash sums upon the creation of shares or realisation of investments.

Cash forming part of the property of the Fund may be placed in any current or deposit account with the Depositary, the ACD or any investment adviser or any associate of any of them provided it is an eligible institution or approved bank and the arrangements are at least as favourable to the Fund concerned as would be those of any comparable arrangements effected on normal commercial terms negotiated at arm's length between two independent parties.

#### **Derivatives**

Whilst the Company may use derivatives for investment purposes, as at the date of this Prospectus the Fund only uses derivatives for the purpose of efficient portfolio management and hedging purposes as set out below under the heading "Derivatives – Efficient Portfolio Management". Subject to obtaining and maintaining the requisite permissions from the FCA under the Regulations, on giving no less than 60 days' prior written notice to all Shareholders in the Company, the

ACD will no longer solely operate the Fund under efficient portfolio management but may also utilise, derivatives and forward transactions for investment purposes as explained further under the heading "Derivatives General" below.

If the ACD elects to use derivatives in this way it is not intended that this will change or alter the overall risk profile of the Company.

#### *Derivatives – Efficient Portfolio Management*

The Fund may invest in derivatives for the purposes of efficient portfolio management (including hedging). Such derivatives will be covered and usually exchange-traded. Where derivatives are used for hedging or in accordance with efficient portfolio management techniques, this will not alter or change the risk profile of the Fund.

Efficient portfolio management enables the Fund to invest in derivatives and forward transactions (including futures and options) in accordance with COLL using techniques which relate to transferable securities and approved money market instruments and which fulfil the following criteria:

- (a) they are economically appropriate in that they are realised in a cost effective way;
- (b) they are entered into for one or more of the following specific aims;
  - (i) the reduction of risk;
  - (ii) reduction of cost;
  - (iii) generation of additional capital or income for the scheme with a risk level which is consistent with the risk profile of the scheme and the risk diversification rules laid down in COLL.

In relation to the generation of additional capital or income, there is an acceptably low level of risk in any case where the ACD reasonably believes that the Fund is certain (or certain barring events which are not reasonably foreseeable) to derive a benefit:

- (i) by taking advantage of pricing imperfections in relation to the acquisition and disposal (or disposal and acquisition) of rights in relation to the same or equivalent property, being property which the Company holds or may properly hold;
- (ii) by receiving a premium for the writing of a covered call option, even if that benefit is obtained at the expense of surrendering the chance of yet greater benefit.

To be economically appropriate to the Fund, the ACD must reasonably believe that:

- (i) for transactions undertaken to reduce risk or cost (or both), the transaction (alone or in combination) will diminish a risk or cost of a kind or level which it is sensible to reduce; and
- (ii) for transactions undertaken to generate additional capital or income, the Company is certain (or certain barring events which are not reasonably foreseeable) to derive a benefit from the transaction.]

A transaction may not be entered into if its purpose could reasonably be regarded as speculative.

Derivative transactions which would or could lead to delivery of property to the Depositary may be entered into only if such property can be held by the Company and the ACD reasonably believes that delivery of the property pursuant to the transaction will not lead to a breach of the Regulations. A permitted transaction may at any time be closed out.

Any forward transaction must be with an eligible institution or an approved bank.

#### *Derivatives General*

##### *Permitted Transactions (derivatives and forwards)*

A transaction in derivatives or a forward transaction must not be effected for the Company unless the transaction is of a kind specified below and the transaction is covered.

A derivatives transaction may be either an approved derivative (i.e. one which is traded or dealt in on an eligible derivatives market as set out in Appendix 3) or an over-the-counter derivative in accordance with the applicable FCA rules.

A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market.

The underlying assets of a transaction in a derivative may only consist of any one or more of the following:

- (a) transferable securities;
- (b) money market instruments;
- (c) deposits (permitted under COLL 5.2.26R);
- (d) derivatives and forward transactions (permitted under COLL 5.6.13R);
- (e) units in collective investment schemes (permitted under COLL 5.6.10R);
- (f) financial indices (which satisfy the criteria set out in COLL 5.2.20AR);
- (g) interest rates;
- (h) foreign exchange rates; and
- (i) currencies.

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. The ACD must ensure compliance with COLL 5.3.6R.

Any forwards transaction must be made with an eligible institution or an approved bank in accordance with COLL.

Where the Company invests in derivatives, the exposure to the underlying assets must not exceed the general spread limits in accordance with COLL 5.6.7R (Spread: general), COLL 5.6.8R (Spread: government and public securities) and COLL 5.6.5R(2), except for index-based derivatives where the following rules apply.

Where the Company invests in an index-based derivative, provided the relevant index falls within COLL 5.6.23R (Schemes replicating an index) the underlying constituents of the index do not have to be taken into account for the purposes of monitoring the spread requirements. The relaxation is subject to the ACD continuing to ensure that the property provides a prudent spread of risk.

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

A transaction in a derivative must not cause the Company to diverge from its investment objectives as stated in the instrument of incorporation and the most recently published version of this Prospectus.

All derivatives transactions are deemed to be free of counterparty risk if they are performed on an exchange where the clearing house is backed by an appropriate performance guarantee, and it is characterised by daily mark-to-market valuation of the derivative positions and an at least daily margining.

#### ***Over-the-counter ("OTC") transactions in derivatives***

Any transaction in an OTC derivative must be:

- (a) with an approved counterparty. A counterparty to a transaction in derivatives is approved only if the counterparty is an eligible institution or an approved bank, or a person whose permission (as published in the FCA register), or whose home state authorisation, permits it to enter into such transactions as principal off-exchange.
- (b) on approved terms. The terms of a transaction in derivatives are approved only if the ACD:
  - (i) to provide at least daily and at any other time at the request of the ACD or the Company, reliable and verifiable valuation in respect of that transaction corresponding to its fair value (being the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arms' length transaction) and which does not rely only on market quotations by the counterparty; and
  - (ii) that it or an alternative counterparty will, at the request of the ACD or the Company, enter into a further transaction to sell, liquidate or close out that transaction at any time, at a fair value at under the pricing model or reliable market value basis agreed under paragraph (c) below;
- (c) 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:

- (i) on the basis of an up-to-date market value which the ACD and the Depositary have agreed is reliable; or
  - (ii) if the value referred to in (i) is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and
- (d) 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:
- (i) 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
  - (ii) a department within the ACD which is independent from the department in charge of managing the scheme property and which is adequately equipped for such a purpose.

The Depositary must take reasonable care to ensure that the ACD has systems and controls that are adequate to ensure compliance with (a) to (d) above.

***Collateral required under OTC derivative transactions:***

The Fund's exposure in respect of an over the counter derivative may be reduced to the extent that collateral is held in respect of it if the collateral meets each of the conditions below such that the collateral must be:

- (a) marked -to -market on a daily basis and exceed the value of the amount of risk;
- (b) exposed only to negligible risks (e.g. government bonds of first credit rating or cash) and is liquid;
- (c) held by a third party custodian not related to the provider or is legally secured from the consequences of a failure of a related party; and
- (d) be fully enforceable by the Fund at any time.

OTC derivative positions with the same counterparty may be netted provided that;

- (a) The ACD is able legally to enforce netting agreements with the counterparty on behalf of the Fund; and
- (b) The netting agreements referred to above do not apply to any other exposures the Fund may have with that same counterparty.

***Risk Management: derivatives***

The ACD uses a risk management process, as reviewed by the Depositary, enabling it to monitor and measure as frequently as appropriate the risk of a Fund's positions and their contribution to the overall risk profile of the Company. However, the Investment Adviser's investment in derivative techniques has the overall intention of reducing the volatility of returns, reflecting the investment policy for the Company generally.

***Derivative exposure***

The Company may invest in derivatives and forward transactions only where the exposure to which the Company is committed by that transaction itself is suitably covered from within the Company's property. Exposure will include any initial outlay in respect of that transaction.

Cover ensures that the Company is not exposed to the risk of loss of property, including money, to an extent greater than the net value of the Company's property. Therefore, the Company must hold scheme property sufficient in value or amount to match the exposure arising from a derivative obligation to which the Company is committed. The detailed requirements for cover of the Company are set out below.

Cover used in respect of one transaction in derivatives or forwards transactions should not be used for cover in respect of another transaction in derivatives or a forward transaction.

***Cover for transactions in derivatives and forward transactions***

A transaction in derivatives or forward transaction is to be entered into only if the maximum exposure, in terms of the principal or notional principal created by the transaction to which the Company is or may be committed by another person, is covered globally.

Exposure is covered globally if adequate cover from within the scheme property is available to meet the Company's total exposure, taking into account the value of the underlying assets, any reasonably foreseeable market movement, counterparty risk, and the time available to liquidate any positions.

Cash not yet received into the scheme property of the Company but due to be received within one month is available as cover for these purposes.

Property which is the subject of a stock lending transaction is only available for cover if the ACD has taken reasonable care to determine that it is obtainable (by return or re-acquisition) in time to meet the obligation for which cover is required.

The total exposure relating to derivatives held in the Company may not exceed the net value of the property.

### ***Deposits***

The scheme property attributable to the Fund may consist of deposits (as defined in COLL) but only if it:

- is with an approved bank;
- is repayable on demand or has the right to be withdrawn; and
- matures in no more than 12 months.

### ***Immovable property***

The Company will not invest in immovable property.

### ***Gold***

The Company will not invest in gold.

### ***Spread – general***

In applying any of the restrictions referred to above:

- Not more than 10% in value of the scheme property of the Fund is to consist of transferable securities or money market instruments issued by any single body (subject to COLL 5.6.23R). In applying any limit to transferable securities or money market instruments, any certificates representing certain securities are to be treated as equivalent to the underlying security.
- The exposure to any one counterparty in an over the counter derivative transaction must not exceed 10% in value of the scheme property.
- Not more than 20% in value of the scheme property of the Fund is to consist of deposits with a single body.

The rules relating to the spread of investments will not apply during any period in which it is not reasonably practical to comply, provided that at all times the scheme property of the Company aims to provide a prudent spread of risk.

### ***Borrowing***

Subject to the Regulations, the Company may borrow to meet redemption and settlement mismatches, although it is not expected that significant use will be made of borrowing for the latter purpose. Such borrowing may only be made from an eligible institution or an approved bank and must be on a temporary basis only; no period of borrowing may exceed three months without the prior consent of the Depositary (which may give such consent only on conditions as appear to the Depositary appropriate to ensure that the borrowing does not cease to be on a temporary basis). The borrowing of the Company must not, on any business day, exceed 10% of the value of its property. As well as applying to borrowing in a conventional manner, the 10% limit applies to any other arrangement designed to achieve a temporary injection of money into the property of the Company, in the expectation that such will be repaid, for example by way of a combination of derivatives which produces an effect similar to borrowings.

The above provisions on borrowing do not apply to "back to back" borrowing for efficient portfolio management purposes, being an arrangement under which an amount of currency is borrowed from an eligible institution and an amount in another currency at least equal to the amount of currency borrowed is kept on deposit with the lender (or his agent or nominee).

Borrowings may be made from the Depositary, the ACD or any Investment Adviser or any associate of any of them provided that such lender is an eligible institution or approved bank and the arrangements are at least as favourable to the Company as would be those of any comparable arrangements effected on normal commercial terms negotiated at arm's length between two independent parties.

### ***Stock lending***

The Company or the Depositary may enter into a repo contract, or a stock lending arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992 but only if:

- (a) all the terms of the agreement under which securities are to be reacquired by the Depositary for the account of the Company are in a form which is acceptable to the Depositary and are in accordance with good market practice;
- (b) the counterparty is an authorised person or a person authorised by a home state regulator or a counterparty otherwise specified in COLL 5.4.4R(1)(b); and
- (c) collateral is obtained to secure the obligation of the counterparty under the terms referred to in (a) above, and is acceptable to the Depositary and must also be adequate and sufficiently immediate as set out in COLL. These requirements do not apply to a stock lending transaction made through Euroclear Bank SA/NV's Securities Lending and Borrowing Programme.

A stock lending arrangement is the disposal of a designated investment (such as shares or warrants by way of example) which is subject to an obligation or right to reacquire the same or a similar designated investment from the same counterparty.

### ***Leverage***

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

## **RISKS**

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

- (a) Past performance is not a guide to the future. The value of shares and the income derived from them can go down as well as up and as a result the investor may not get back the amount originally invested. This can be as a result of market movements and also of variations in the exchange rates between currencies. The ACD's preliminary charge (as set out "**Initial Charge**") is deducted from an investment at the outset and various other charges accrue daily, therefore an equivalent rise in the value of the shares is required before the original investment can be recovered;
- (b) For efficient portfolio management purposes only, in order to reduce or eliminate risk arising from fluctuations in interest or exchange rates and in the price of investments, the Investment Adviser may enter into certain derivatives transactions, including, without limitation, forward transactions, futures and options. The value of these investments may fluctuate significantly. By holding these types of investments there is a risk of capital depreciation in relation to certain Company assets. There is also the potential for capital appreciation of such assets. The ACD does not anticipate that the use of derivatives will have any significant impact on the risk profile of the Company;
- (c) The levels of relief from taxation will depend upon individual circumstances. Please note current tax levels and reliefs may change and their value will depend on the investor's individual circumstances;
- (d) The levels of income generated by the Company will fluctuate and are not guaranteed.
- (e) Subject to COLL, the Company may invest in unregulated collective investment schemes (including hedge funds). Investment in unregulated collective investment schemes carries additional risks as these schemes may not be under the regulation of a competent regulatory authority, may use leverage techniques and may carry increased liquidity risk as units/shares in such schemes may not be readily realisable.
- (f) Where a Fund's assets are held in custody, there may be a risk of loss resulting from the insolvency, negligence or fraudulent action of the custodian or sub-custodian;
- (g) Inflation may affect the real value of shareholder's savings and investments, which may reduce the buying power of the money a shareholder has saved and their investments;
- (h) Whilst equity investments carry potential for attractive returns over the longer term, the volatility of these returns can also be relatively high;

- (i) The Company's investments may be subject to liquidity constraints, which means that the investments may trade infrequently and in small volumes, or that a particular instrument is difficult to buy or sell. Normally liquid investments may also be subject to periods of disruption in difficult market conditions. As a result, changes in the value of investments may be unpredictable and, in certain circumstances, it may be difficult to deal an investment at the latest market price quoted or at a value considered by the ACD to be fair.
- (j) Leverage of the Company's assets is limited to the permanent borrowing referred to in the "Leverage" section of the "Investment, Borrowing Powers And Leverage" section of the Prospectus.

Some or all of any other charges and expenses may be treated as a capital expense in accordance with the Regulations, which may have the effect of eroding capital or constraining capital growth.

## **THE PROFILE OF A TYPICAL INVESTOR**

This Prospectus sets out below a description of the profile of the typical investor for whom the Fund has been designed. Please note however that this description is not the ACD's assessment of the target market for the Fund for the purposes of the EU's Product Governance regime which may be obtained separately by distributors and other intermediaries by accessing the ACD's website at [www.wayfunds.com/productgovernance](http://www.wayfunds.com/productgovernance).

The ACD considers that the shares in the Company are suitable for medium risk investors who see collective investment schemes as a convenient and cost-effective way of reducing the overall risks associated with participation in stock market investment and performance, whilst giving scope for worthwhile growth of capital over the medium to long-term. As the investment may occasionally experience periods of price volatility, the Company would be more suitable for investors who can afford to set aside the invested capital for a minimum period of 5 years. All investors in the Company should understand and appreciate the risks associated with investing in shares in the Company, and must be able to accept losses. The ACD recommends that investors seek suitable advice from an authorised independent intermediary before investing in Shares. Investors should also note the "Risk Factors" section above.

Investors and potential investors should note that neither the description of the typical investor profile as set out above nor any other information contained in this Prospectus constitutes investment advice and investors and potential investors should consult their own professional advisers concerning the acquisition, holding or disposal of shares in the Fund. Neither the Company, the ACD nor the Investment Adviser makes any statement or representation in relation to the suitability, appropriateness or otherwise any transaction in shares in the Fund.

## **WINDING UP OF THE COMPANY**

### **Winding up the Company**

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

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

- if an extraordinary resolution to that effect is passed; or
- if the FCA agrees to a request by the ACD for the winding up of the Company.

Winding up under the Regulations is carried out by the ACD, which will, as soon as practicable, cause the property of the Company to be realised and the liabilities of the Company to be met out of the proceeds. Provided that there are sufficient liquid funds available after making provision for the expenses of winding up and the discharge of the liabilities of the Company, the ACD may arrange for the Depositary to make one or more interim distribution(s) to shareholders: when all liabilities have been met, the balance (net of a provision for any further expenses of the Company) will be distributed to shareholders. The distributions out of the Company will be made to the holders of each class of shares, in proportion to the relative entitlements in the Company property which their shares represent (determined in accordance with the Instrument of Incorporation).

The Depositary will notify the FCA once winding up of the Company is completed and at that time the ACD or the Depositary must request the FCA to revoke the authorisation order. Any money (including unclaimed distributions) standing to the account of the Company shall be paid into court within one month of dissolution.

The ACD may make such a request, among other circumstances, if at any time after the first anniversary of the issue of the first shares linked to the Company the net value of the assets of the Company is less than £10,000,000.

## **OTHER INFORMATION**

### **Complaints**

Any complaint should be referred to the ACD at its head office. If a complaint cannot be resolved satisfactorily with the ACD it may be referred to the Financial Ombudsman Service at Exchange Tower, Harbour Exchange Square, London, E14 9SR. More details about the Financial Ombudsman Service and a copy of the ACD's complaints procedure are available on request.

### **Telephone calls and electronic communications**

Please note that the ACD and the Administrator will record telephone calls and electronic communications. The ACD will keep a copy of telephone calls and electronic communications. A copy of the record is available from the ACD on request. The records will be kept for up to five years and where requested by the FCA, for up to seven years.

### **Cancellation**

An applicant who is entitled to cancel and does so, will not get a full refund of the money paid by him if the purchase price of the shares falls before the cancellation notice is received by the ACD, because an amount equal to such fall (the "shortfall") will be deducted from the refund he would otherwise receive. Where the purchase price has not yet been paid the applicant will be required to pay the amount of the shortfall to the ACD. The deduction does not apply where the service of the notice of the right to cancel precedes the entering into of the agreement. Cancellation rights must be exercised by posting a cancellation notice to the ACD on or before the 14th day after the date on which the applicant receives the notice of the right to cancel.

A notice of an Applicant's right to cancel the agreement to purchase shares will be forwarded, where this is required by rules made under the Act.

### **Delegation**

The ACD and, subject to exceptions specified in the Regulations, the Depositary may retain (or arrange for the Company to retain) the services of other persons to assist them in the performance of their respective functions and, in relation to certain functions, the ACD or the Depositary (as applicable) will not be liable for the actions of the persons so appointed provided certain provisions of the Regulations apply.

### **Conflicts of interest**

The Depositary, the ACD or any associate of them may (subject to the Regulations) hold money on deposit from, lend money to, or engage in stocklending transactions in relation to, the Company, so long as the services concerned are provided on arm's-length terms (as set out in the Regulations) and in the case of holding money on deposit or lending money the Depositary, ACD or any associate of them is an eligible institution.

The Depositary, the ACD, or any associate of any of them may sell or deal in the sale of property to the Company or purchase property from the Company provided the applicable provisions of the Regulations apply and are observed.

The Depositary may, from time to time, act as trustee, depositary or custodian of other collective investment schemes. The ACD and the Investment Adviser (as applicable) may manage other accounts/portfolios with similar investment objectives to the Funds.

Subject to compliance with the Regulations the ACD may be party to or interested in any contract, arrangement or transaction to which the Company is a party or in which it is interested. The ACD is entitled in its own discretion to determine the terms of its appointment as such, and consequently to amend the terms of the Service Agreement referred to on page 7.

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

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

## **Liability and indemnity**

With the exceptions mentioned below:

- the ACD, the Depositary and the Auditors are each entitled under the Instrument of Incorporation of the Company to be indemnified against any loss, damage or liability incurred by them in or about the execution of their respective powers and duties in relation to the Company; and
- the ACD and the Depositary are, under the terms of their respective agreements with the Company, exempted from any liability for any loss or damage suffered by the Company.

The above provisions will not, however, apply in the case of:

- any liability which would otherwise attach to the ACD or the Auditors in respect of any negligence, default, breach of duty or breach of trust in relation to the Company;
- any liability on the part of the Depositary for any failure to exercise due care and diligence in the discharge of its functions;
- any breach by the ACD or the Depositary of their respective obligations under the Financial Services and Markets Act 2000 or any rules made under or in pursuance of that Act.

### *Professional Liability Risks*

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

## **Rebate of fees and commission**

The ACD may at its sole discretion (but subject to the Regulations) rebate its initial or periodic charges in respect of any application for, or holding of, shares. Similarly, the Company may rebate or waive its charges in relation to any exchange of shares. A proportion of the initial charge may be rebated to the introducer (the investor's financial intermediary) in the form of commission payment where permitted by the FCA rules. The investor should check with the intermediary the amount of commission he or she has received.

## **General**

- It is the ACD's intention that shares in the Company will qualify for investment by ISAs.
- All documents and remittances are sent at the risk of the shareholder.
- The address for service on the Company of notices or other documents required or authorised to be served on it is the ACD's Registered and Head Office address.
- Copies of this Prospectus and the Non-UCITS retail scheme Key Information Document may be inspected at, and obtained from, the ACD at the ACD's Registered and Head Office address between 9am and 5pm on any Business Day.
- Copies of the Instrument and any amendments thereto may be inspected and copies obtained from the ACD and the Depositary at their respective Registered and Head Office addresses. A fee may be charged for copies of the Instrument.
- This Prospectus describes the constitution and operation of the Company at the date of this Prospectus. In the event of any materially significant change in the matters stated herein or any materially significant new matter arising which ought to be stated herein this Prospectus will be revised. Investors should check with the ACD that this is the latest version and that there have been no revisions or updates.
- The ACD will provide, at the request of a shareholder, supplementary information to this Prospectus, including:
  - (a) the quantitative limits applying to the risk management of the Company;
  - (b) the methods used in relation to (a) above; and
  - (c) any recent development of the risk and yields of the main categories of investment.

- The Company will communicate with shareholders and serve notices on shareholders by post at the shareholder's nominated address or via an e-mail address provided by the shareholder. General notices may, in addition to being sent to shareholders, be published in a national newspaper.

### **Financial Services Compensation Scheme**

The Financial Services Compensation Scheme has been established under the rules of the FCA as a "rescue fund" for certain clients of firms authorised and regulated by the FCA which have gone out of business. The ACD will supply you with further details of the scheme on written request to its operating address. Alternatively, you can visit the scheme's website at [www.fscs.org.uk](http://www.fscs.org.uk) or by writing to the Financial Services Compensation Scheme, 7th Floor, Lloyds Chambers, Portsoken Street, London E1 8BN.

### **Data Protection - How your personal data is used**

By completing and submitting an application to invest in any of the Funds that WAY Fund Managers Limited ("we"/"us") operates, you will be giving your consent to the processing of your personal data (including any anti-money laundering verification check), by us for the administration of services in connection with your investment on a contractual basis. Additionally we may be requested to share your personal data with our regulator, the Financial Conduct Authority, or for wider compliance with any legal or regulatory obligation to which we might be subject.

If you have used an intermediary to submit the application we may also share information about your investment with them, to help them to continue to provide their services to you, unless you request us not to.

We may share your personal data with contracted third parties for the purposes mentioned above (however this does not entitle such third parties to send you marketing or promotional messages) and we do not envisage that this will involve your personal data being transferred outside of the European Economic Area.

We make every effort to maintain the registration of your holdings accurately. However, if you feel that we have incorrectly recorded any of your personal data, you may request its correction. You have the right to request copies of your personal data stored by us and can do so by using our contact details below.

Your data will be stored and processed securely for the period of your contract with us and for a minimum of seven years after our relationship ceases, for regulatory and legislation purposes only.

We are registered with the Information Commissioner's Office as a Data Controller and Data Processor for this purpose. Further information on how we manage your personal data can be found within our **Privacy Notice** which can be found on our website [www.wayfunds.com](http://www.wayfunds.com).

Should you wish to make a complaint or request further information on how we collect and process your personal data please contact us at:

**Data Protection Office**, WAY Fund Managers Limited, Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset, BH21 7SB.

Email: [DPO@wayfunds.com](mailto:DPO@wayfunds.com) Tel: 01202 855856.

Alternatively, if you have any concerns or complaints as to how we have handled your personal data, you may lodge a complaint to the Information Commissioner's Office through their website which can be found at <https://ico.org.uk/for-the-public/raising-concerns/>

### **Governing law**

The Company, the Instrument, this Prospectus and any matters arising out of or in connection with a shareholder's investment in shares in the Company and the establishment, management and administration of the Company shall be governed by and construed in accordance with the laws of England and Wales.

The rights of the shareholders and the construction and effect of the provisions of the Instrument and this Prospectus shall be subject to the exclusive jurisdiction of the courts of England and Wales.

### **Shareholder's rights**

Shareholders are entitled to participate in the Company on the basis set out in this prospectus (as amended from time to time).

Shareholders may have no direct rights against the service providers to the Company set out in this Prospectus.

Shareholders may be able to take action if the contents of this document are inaccurate or incomplete.

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

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

**Information available to Shareholders**

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

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

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

## APPENDIX 1

### Historical Performance

Below we have shown the historical performance, for the period to 31<sup>st</sup> December 2018. Where possible, we have shown the performance over and the last 5 years, for each complete year, to the last quarter end. However, where the Fund has been in existence for less than any of the above periods, we show the performance since the launch of the Fund, plus for each complete year, to last quarter end.

In respect of Income shares (where they are available), the performance shown will assume that any income has been reinvested.

#### WAY Global Growth Portfolio Fund - Class B Pounds Sterling (£) Accumulation shares

Percentage Growth year to 31 December 2014	Percentage Growth year to 31 December 2015	Percentage Growth year to 31 December 2016	Percentage Growth year to 31 December 2017	Percentage Growth year to 31 December 2018	Percentage Growth from Launch to 31 December 2018
2.38%	3.79%	13.50%	14.15%	-9.05%	69.27%

**Launch Date: 17 March 2008**

#### WAY Global Growth Portfolio Fund - Class B Pounds Sterling (£) Income shares

Percentage Growth year to 31 December 2014	Percentage Growth year to 31 December 2015	Percentage Growth year to 31 December 2016	Percentage Growth year to 31 December 2017	Percentage Growth year to 31 December 2018	Percentage Growth from Launch to 31 December 2018
2.38%	3.79%	13.53%	14.15%	-9.05%	51.51%

**Launch Date: 17 March 2008**

#### WAY Global Growth Portfolio Fund - Class E Pounds Sterling (£) Accumulation shares

Percentage Growth year to 31 December 2014	Percentage Growth year to 31 December 2015	Percentage Growth year to 31 December 2016	Percentage Growth year to 31 December 2017	Percentage Growth year to 31 December 2018	Percentage Growth from Launch to 31 December 2018
2.89%	4.31%	14.10%	14.73%	-8.60%	52.36%

**Launch Date: 31 December 2012**

#### WAY Global Growth Portfolio Fund - Class E Pounds Sterling (£) Income shares

Percentage Growth year to 31 December 2014	Percentage Growth year to 31 December 2015	Percentage Growth year to 31 December 2016	Percentage Growth year to 31 December 2017	Percentage Growth year to 31 December 2018	Percentage Growth from Launch to 31 December 2018
3.40%	1.87%	2.90%	14.72%	-8.59	37.45%

**Launch Date: 31 December 2012**

**WAY Global Growth Portfolio Fund - Class S Pounds Sterling (£) Income shares**

Percentage Growth year to 31 December 2014	Percentage Growth year to 31 December 2015	Percentage Growth year to 31 December 2016	Percentage Growth year to 31 December 2017	Percentage Growth year to 31 December 2018	Percentage Growth from Launch to 31 December 2018
2.83%	4.31%	14.09%	14.73%	-8.59%	30.43%

**Launch Date: 25 November 2013****WAY Global Growth Portfolio Fund - Class T Pounds Sterling (£) Income shares**

Percentage Growth year to 31 December 2014	Percentage Growth year to 31 December 2015	Percentage Growth year to 31 December 2016	Percentage Growth year to 31 December 2017	Percentage Growth year to 31 December 2018	Percentage Growth from Launch to 31 December 2018
2.59%	3.99%	13.76%	14.38%	-8.87%	49.65%

**Launch Date: 14 January 2013***Source of performance data: Morningstar Direct, in currency of share class***Investors and potential investors should note the following statements**

The figures shown above reflect the past performance of the Company and not a projection of the future performance. You should note that the price of units/shares, and the income from them, can go down as well as up as a result of changes in the value of the underlying securities and currency movements. You may not get back the amount originally invested.

Past performance is not necessarily a guide to future investment returns.

## APPENDIX 2

### ELIGIBLE SECURITIES MARKETS

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

- (a) a "regulated market" as defined in COLL;
- (b) a securities market established in any EEA State (which as at the date of this Prospectus includes the UK, Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden) which is regulated, operates regularly and is open to the public;;
- (c) any investments listed, quoted or dealt in on any stock exchange in the U.S., Australia, Canada, Japan, New Zealand or Switzerland which is a stock exchange within the meaning of the law of the country concerned relating to stock exchanges; or
- (d) the principal or only market established under the rules of any of the following investment exchanges:

Country	Market
Australia	Australian Securities Exchange (ASX)
Canada	Montreal Exchange Toronto Stock Exchange TSX Venture Exchange
Channel Islands	The Channel Islands Stock Exchange (CISX)
Hong Kong	Hong Kong Stock Exchange
Japan	Tokyo Stock Exchange Osaka Securities Exchange Nagoya Stock Exchange JASDAQ
Korea	Korea Stock Exchange
Mexico	Mexican Stock Exchange (Bolsa Mexicana de Valores)
New Zealand	New Zealand Stock Exchange
Singapore	SGX - Singapore Exchange
South Africa	Johannesburg Stock Exchange
Switzerland	SIX - Swiss Exchange
Thailand	The Stock Exchange of Thailand
United States of America	New York Stock Exchange NASDAQ Stockmarket NYSE MKT NASDAQ OMX BX National Stock Exchange Chicago Stock Exchange NYSE Arca NASDAQ OMX PHLX

The alternative investment market (AIM) of the International Stock Exchange of the UK and the Republic of Ireland Limited is also an eligible securities market for the purpose of the Fund.

### APPENDIX 3

#### ELIGIBLE DERIVATIVES MARKETS

Subject to its investment objectives and policy, the Company may deal through derivatives markets established in EEA States (which as at the date of this Prospectus includes the UK, Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden) on which transferable derivatives admitted to official listing in the member State are dealt in or traded.

Set out below are the additional derivatives markets through which the Company may invest or deal (subject to its investment objective and policy) when dealing in approved derivatives.

<b>Country</b>	<b>Market</b>
Australia	Australian Securities Exchange (ASX)
Canada	Montreal Exchange Toronto Stock Exchange
Hong Kong	Hong Kong Stock Exchange
Japan	Tokyo Stock Exchange Osaka Securities Exchange
New Zealand	New Zealand Futures and Options Exchange
Singapore	SGX - Singapore Exchange
South Africa	South Africa Futures Exchange (SAFEX)
United States of America	NYSE MKT Chicago Board of Trade (GLOBEX) Chicago Board Options Exchange (CBOE) Chicago Mercantile Exchange New York Futures Exchange New York Mercantile Exchange (NYMEX) New York Stock Exchange NYSE Arca NASDAQ OMX PHLX