

PROSPECTUS OF

TM Stonehage Fleming Global Equities Fund II

27 January 2020

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DEFINITIONS

In this Prospectus the following words and expressions shall have the following meanings:

ACD	Authorised Corporate Director
ACT	the Financial Services and Markets Act 2000
ADMINISTRATOR	the person to whom the administrative functions of the Fund are delegated from time to time being, as at the date of this Prospectus, Northern Trust Global Services SE, UK Branch
AFFECTED UNITS	the circumstances described under section entitled 'Restrictions, Compulsory Transfer and Redemption' of this Prospectus
AIF	Alternative Investment Fund as defined under the EU Alternative Investment Fund Managers Directive (No. 2011/61/EU)
AIFM	Alternative Investment Fund Manager as defined under the EU Alternative Investment Fund Managers Directive (No. 2011/61/EU)
AIFMD	Alternative Investment Fund Managers Directive (No. 2011/61/EU)
ANNUAL ACCOUNTING DATE	2 April
ANNUAL MANAGEMENT CHARGE	the charge payable to the Manager as set out in Appendix III
AUDITORS	the auditor to the Fund, being PriceWaterhouseCoopers LLP
BASE CURRENCY	the currency in which the Units, the accounts and the Unitholder's statement will be expressed (in each case GBP(£))
BUSINESS DAY	any day which is not a Saturday, a Sunday or a public holiday on which banks are ordinarily open for business in the City of London
CTA 2009	the Corporation Tax Act 2009
CUSTODIAN	the person responsible for the custodial functions of the Fund (which may be delegated from time to time to sub-custodians) being, as at the date of this Prospectus The Northern Trust Company, London Branch
CUT OFF POINT	12 noon on each Business Day being the point prior to which orders to subscribe, redeem, convert or switch Units must be received by the Manager in order for them to be actioned at the next valuation point;
DEPOSITARY	Northern Trust Global Services SE, UK Branch
EEA	the European Economic Area
EEA STATE	a member state of the European Union and any other state which is within the EEA

EPM	Efficient Portfolio Management
EU	European Union
FCA	the Financial Conduct Authority or any successor body
FUND	TM Stonehage Fleming Global Equities Fund II
GROSS DIVIDEND	the aggregate of a dividend distribution and its corresponding tax credit, as described under section entitled 'Taxation of Unitholders' of this Prospectus
INCOME UNIT	A Unit which distributes its income
INTERIM ACCOUNTING DATE	2 October
INVESTMENT MANAGER	Stonehage Fleming Investment Management Limited
MANAGER	Thesis Unit Trust Management Limited
NAV	net asset value
NEW UNITS	the units acquired by a Unitholder as a result of switching units, as described under section entitled 'Switching Units' of this Prospectus
NURS	Non-UCITS Retail Scheme, i.e. an authorised fund which is not a UCITS scheme
OCF	ongoing charges figure
OLD UNITS	the units disposed of by a Unitholder as part of a switch of units, as described under section entitled 'Switching Units' of this Prospectus
OTC	over the counter
PRN	the product reference number assigned by the FCA to identify each authorised fund;
REGISTRAR	the person who maintains the register, being Northern Trust Global Services SE, UK Branch and its successor or successors as registrar
RELEVANT CIRCUMSTANCES	the circumstances described under section entitled 'Restrictions, Compulsory Transfer and Redemption' of this Prospectus
RULES	the rules as set forth by the Financial Conduct Authority in its Handbook of Rules and guidance
SCHEME PROPERTY	all the scheme property of the Fund

SDRT	stamp duty reserve tax
THE SOURCEBOOK	that part of the FCA's Handbook which deals with regulated collective investment schemes
TRUST DEED	the document constituting the Fund
TRUSTEE	the Trustee to the Fund, being Northern Trust Global Services SE, UK Branch
UCITS	an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the UCITS IV Directive
UCITS DIRECTIVE	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS
UNIT(S)	a unit in a fund (or a fraction)
UNITHOLDER(S)	a holder of a Unit in a Fund
VAT	value added tax

Unless otherwise defined here or elsewhere in this Prospectus, words or expressions defined in or for the purposes of the Act or the Rules shall bear the same meanings in this Prospectus.

Trustee, Depositary, Administrator and Registrar	Northern Trust Global Services SE, UK Branch 50 Bank Street London E14 5NT
Custodian	The Northern Trust Company, London Branch 50 Bank Street London E14 5NT
Auditors	PriceWaterhouseCoopers LLP Southwark Towers 1 Embankment Place London Bridge Street London WC2N 6RH

INTRODUCTION

The TM Stonehage Fleming Global Equities Fund II is an authorised unit trust scheme established under the Act. It is a NURS as defined for the purposes of the Rules with PRN 200211. The Fund was authorised by the Financial Services Authority on 23 May 2003. As a NURS, the Fund is a regulated AIF as defined under the EU Alternative Investment Fund Managers Directive (No. 2011/61/EU).

The Fund is marketable to all retail investors. The Fund is a higher risk fund aiming to provide capital growth and an element of income predominantly through investment in a selection of Stonehage Fleming Investment Management Limited's and other fund managers' equity collective investment schemes. It may be suitable for investors who are seeking long-term growth potential by investing predominantly in equities, although the Fund can also invest in other asset classes as well. Investors should regard their investment as long-term and, before investing, investors should read the section in this prospectus under sub-heading 'General Information'.

MANAGER

The Manager of the Fund is Thesis Unit Trust Management Limited, a private company limited by shares, incorporated in England and Wales under the Companies Act 1985 on 6 February 1998 with company number 3508646. The Register and Head Office of the Manager is Exchange Building, St John's Street, Chichester, West Sussex PO19 1UP. The Manager has issued and paid up share capital of £5,673,167. The Manager is regulated by The FCA, 12 Endeavour Square, London E20 1JN.

The directors of the Manager are:

S R Mugford	Finance Director
D W Tyerman	Chief Executive Officer
S. E. Noone	Client Service Director
D K Mytnik	Non-Executive Director
V R Smith	Non-Executive Director
W D Prew	Independent Non-Executive Director
C J Willson	Independent Non-Executive Director
N C Palios	Non-Executive Chair

D W Tyerman and S R Mugford also hold directorships of other companies within the Thesis group and perform senior management roles within these companies, particularly Thesis Asset Management Limited, which acts as an investment manager for some authorised funds operated by the Manager.

D K Mytnik, V R Smith and N C Palios also hold non-executive directorships of other companies within the Thesis group. They are not engaged in other business activities that are of significance to the Fund. W D Prew is a director of Indos Financial Limited, the primary business of which is the provision of Alternative Investment Fund Managers Directive independent depositary services to alternative investment funds. Indos Financial Limited is not appointed as depositary on any alternative investment funds managed by the Manager.

The Manager has established and applies a remuneration policy, procedure and practice (together, the “**Remuneration Policy**”) which is consistent with, and promotes, sound and effective risk management, and does not encourage risk-taking that is inconsistent with the risk profile of the Manager or the Fund. The Remuneration Policy does not impair compliance with the Manager’s duty to act in the best interests of the Fund. Details of the up-to-date Remuneration Policy including, but not limited to, a description of how remuneration and benefits are calculated and the identity of persons responsible for awarding the remuneration and benefits, including the composition or the remuneration committee, are available on www.tutman.co.uk and a copy of such information can be obtained, free of charge, upon request at the offices of the Manager.

The Manager also acts as Manager/ACD to various other authorised funds listed in Appendix II.

INVESTMENT MANAGER

The Manager is responsible for the overall investment management and administration of the Fund. The Manager has delegated its day-to-day responsibility for investment management to Stonehage Fleming Investment Management Limited.

The appointment of the Investment manager has been made under an agreement between the Manager and the Investment Manager (the “**Investment Management Agreement**”). The Investment Manager has full discretionary powers over the investment of the part of the property of the Fund entrusted to it subject to the overall responsibility and right of veto of the Manager.

The Investment Management Agreement contains provisions to the following effect:

- a) the Manager will indemnify the Investment Manager against certain losses incurred by the Investment Manager but, in the absence of fraud, the Manager’s liability will be limited to the assets of the Fund available to meet such a claim;
- b) the Investment Manager will be liable for certain losses suffered by the Manager or the Fund;
- c) the Investment Manager shall not be liable for any non-performance of its obligations due to causes beyond its control; and
- d) the agreement is governed by English law and the parties submit to the exclusive jurisdiction of the English courts.

The Investment Manager’s main duties are to give its best advice about the management, purchase, sale or retention of investments for the Fund and to keep the Fund’s investments under constant review. The Investment Manager has responsibility for the selection of investments for the Fund and is permitted to make investment decisions on a day-to-day basis. The Investment Manager must give such advice and make such investment decisions as are consistent with the investment objective of the Fund, the terms of the Trust Deed and the Rules.

The Investment Manager is paid by the Manager from the Annual Management Charge for the Fund set out in Appendix III.

TRUSTEE AND DEPOSITARY

The Trustee and Depositary of the Fund is Northern Trust Global Services SE (UK branch), a UK branch of a European public limited liability company, registered on 1 March 2019 with registered number B232281. Northern Trust Global Services SE registered office is 6, Rue Lou Hemmer L - 1748 Senningerberg, Luxembourg and the Depositary's principal place of business is at 50 Bank Street, London E14 5NT, United Kingdom.

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 and is regulated by the Financial Conduct Authority in the conduct of its Depositary activities.

The Depositary'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 Depositary is responsible for the safekeeping of all the Scheme Property of the Fund and has a duty to take reasonable care to ensure that the Fund is managed in accordance with the Trust Deed and the provisions of the Sourcebook relating to the pricing of, and dealing in, Units 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 Fund, and must ensure that certain processes carried out by the Manager are performed in accordance with the Rules, this Prospectus and the Trust Deed.

Terms of Appointment

The appointment of the Depositary has been made under an agreement between the Fund, the Manager and the Depositary (the "**Depositary Agreement**").

The Depositary Agreement is terminable on receipt of six months' written notice given by either party. In the event that the Depositary indicates that it wishes to retire as trustee and depositary of the Fund, the Fund shall use its best endeavours promptly to appoint a duly qualified replacement for the Depositary. If no such person has been appointed to replace the Depositary by the expiry of 3 months from the end of the period of notice, the Manager will co-operate with the Depositary in giving notice to the FCA of a proposal to wind up the affairs of the Fund.

Subject to the Rules, the Depositary has full power under the Depositary Agreement to delegate (and authorise its delegate to sub-delegate) any part of its duties as Depositary. It has delegated custody services 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 and the Custodian will receive a fee from the Scheme Property of the Sub-funds as detailed in the section entitled "Expenses payable out of the property of the Fund".

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.

The Manager has delegated certain administrative functions to Northern Trust Global Services SE, UK Branch, including registrar, fund accounting, valuation, calculation and transfer agency services. Northern Trust Global Services SE, UK Branch has functionally and hierarchically separated the performance of its depositary functions from its administration tasks delegated to it by the Manager.

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 Fund and/or other funds managed by the Manager 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 Trust Deed, the Depositary Agreement and the Rules and, in particular, will use reasonable endeavours to ensure that the performance of its duties will not be impaired by any such involvement it may have and that any conflicts which may arise will be resolved fairly and in the best interests of Unitholders collectively so far as practicable, having regard to its obligations to other clients.

CUSTODIAN

The Depositary has delegated the custody function to the Northern Trust Company, whose registered office is 50 Bank Street, London, E14 5NT. The Depositary is responsible for custody of the Fund's property and, as such, is responsible for holding and safeguarding the Fund's assets and for arranging settlement of trades in securities as well as collection of income from assets and other duties such as administering corporate actions and providing information on securities and their issuers, for example on Annual General Meetings. The Custodian is responsible for losses flowing from its own fraud, negligence and wilful default.

ADMINISTRATOR AND REGISTRAR

The fund accounting and administration functions for the Fund are outsourced to Northern Trust Global Services SE, whose registered office is 50 Bank Street, London, E14 5NT. The Administrator maintains the Fund's accounting records and ensures all trades are captured in the books of account; asset valuations are current and calculated independently; and accruals are stated accurately, reflecting current knowledge of future cash flows.

The Registrar for the Fund is Northern Trust Global Services SE, UK Branch, whose registered office is 50 Bank Street, London, E14 5NT. The register for the Fund is maintained at the same address where it may be inspected. The Registrar maintains the Fund's register of Unitholders to record who has entitlement to the Fund's units.

AUDITORS

The Auditors for the Fund are PricewaterhouseCoopers LLP, Southwark Towers, 1 Embankment Place, London Bridge Street, London WC2N 6RH. The Auditor acts independently to review the Fund's financial statements produced by the Fund's Administrator to provide assurance they are free of material misstatements.

ACCOUNTS

Annual accounts for the Fund will be prepared as at the Annual Accounting Date and will be audited by the Auditors. Interim accounts will be prepared as at the Interim Accounting Date but will not be audited.

Long reports will be published annually and semi-annually within four months of the Annual Accounting Date and two months of the Interim Accounting Date. The Long reports will be available from the Manager on request.

INVESTMENT OBJECTIVE AND POLICY

The objective of the Fund is to achieve capital growth and an element of income. The Fund will generally only invest in Units in other regulated collective investment schemes. The Fund's assets will be invested predominantly in UK and international regulated equity funds. There may be some use of derivatives for EPM. In seeking to meet the investment objective, a portion of the Fund's property may be invested in units or shares of collective investment schemes managed or operated by the Investment Manager or an associate of the Investment Manager.

Performance Comparator

The Fund uses a composite benchmark of Morgan Stanley Capital International (MSCI) gross dividend indices - UK 45%, US 22%, Europe Ex UK 16%, Far East 10% Emerging markets 7%, for performance comparison purposes only and the benchmark is not a target benchmark and the fund is not constrained by it.

The indices have been selected as a benchmark for performance as a reflection of global equity markets and offer a clear comparator.

The ACD reserves the right to change the benchmark following consultation with the Depositary and in accordance with the rules of COLL. A change could arise, for example, where the ACD determines that an alternative may be more appropriate or a benchmark administrator has given notification of discontinuance of the benchmark. Unitholders will be notified of such a change, FCA approval will be applied for and the Prospectus updated and the change noted in the subsequent annual and half yearly reports.

The prospectus and other general information on collective investment schemes managed and operated by the Investment Manager can be obtained from the Investment Manager's website – www.stonehagefleming.com.

The property of the Fund will be invested so as to provide a prudent spread of risk. The Fund is a NURS.

To avoid any element of "double charging" the following items must be paid to the investee sub-fund within four Business Days of buying or selling units of those sub-funds:

- the amount of any initial charge on the issue of units in those sub-funds (or if that cannot be ascertained then the maximum amount of any charge which would be permitted);
- the amount of any redemption or exit charge made on the disposal of units in those sub-funds;
- the amount of any dilution levy or SDRT provision charged on buying or selling units in those sub-funds; and
- the amount of any charge made for switching units from one of those sub-funds to another.

Each of those sub-funds has a unit class which pays a 0% management fee to the Investment Manager. Where the Fund invests in those sub funds, it will ensure that it does so into this unit class.

However, for sub-funds managed by a third party investment manager, the fees of those third party investment managers for the sub funds and any applicable performance fees related to the performance of the sub funds will be deducted from the market value of that sub-fund.

MAXIMUM MANAGEMENT FEES

The Annual Management Charge is expressed as a percentage of the Fund's net asset value (NAV). It is calculated and accrued on a daily, weekly or other frequency using the average NAV of the Fund and is paid by the Fund on a set frequency, usually monthly, in arrears. The maximum level of Annual Management Charge that the Manager may charge to the Fund and that may be charged to the funds in which the Fund invests is 2 %.

The Investment Manager does not charge a performance fee to the Fund but the Investment Manager may invest the Fund in other funds that do have a performance fee. Where the Investment Manager invests the Fund into other funds that have a performance fee, there may be no limit (cap) on the performance fee.

The Annual Management Charge is not the maximum total fee that is charged to the Fund. The Fund is subject to other fees that are incurred in its operation and management and these are set out below under the sub-heading 'Expenses Payable out of The Property of The Fund'). The OCF expresses the costs of running the Fund as a single figure. This is the overall cost shown as a percentage of the value of the assets of the Fund. It comprises the Annual Management Charge and other additional charges including, but not limited to, the charges of the Depositary, Administrator, Custodian, Registrar and Auditors as well as any specified regulatory or legal fees. It does not include the costs of buying or selling investments.

REPORTING KEY INFORMATION TO INVESTORS

The Manager is required to inform investors how and when they intend to report key information to them. The Manager intends to provide the information set out below on at least an annual basis via the Fund's annual report or in some cases via the Manager's website – www.tutman.co.uk

CHANGES TO INVESTMENT STRATEGY OR POLICY

The Manager will inform investors of any material changes to investment strategy or policy in accordance with the Rules.

LIQUIDITY POLICY

This covers the percentage of the Fund's assets that are subject to any special arrangements arising from their illiquid nature as well as any new arrangements relating to the Fund's liquidity management.

RISK AND REWARD PROFILE AND RISK MANAGEMENT OF THE FUND

The Manager will disclose the Fund's current risk and reward profile which provides investors with an indication of where the Fund ranks in terms of its potential risk and return and is based on research of how its investments have performed in the past. It is not guaranteed and may change over time. The Fund's risk and reward rating is also detailed in the Key Investor Information document available at www.tutman.co.uk

The Manager, in consultation with the Investment Manager, has adopted a Risk Management Policy and processes to support the identification, measurement, monitoring and reporting of the Fund's risks to assess how the holdings and positions affect overall the Fund's risk profile.

FUND LEVERAGE

Leverage is a method of increasing a fund's exposure to investments by borrowing cash or securities, by investing in derivatives or by other means. The Fund's exposure and leverage levels represent, therefore, key information for investors and, where applicable, the Manager will disclose:

- the Fund's total amount of leverage
- the maximum leverage allowed for the Fund
- the right to re-use collateral or any guarantee provided under a leveraging arrangement

INVESTMENT AND BORROWING POWERS AND LIMITS

The investment objective and policy of the Fund is subject to the limits on investment and borrowing under the Sourcebook.

The Fund must not invest in units in a collective investment scheme (second scheme) unless the second scheme meets each of the following requirements:

1. the second scheme:
 - a. satisfies the conditions necessary for it to enjoy the rights conferred by the UCITS Directive; or
 - b. is a non-UCITS retail scheme (as defined by the Rules); or
 - c. is a recognised scheme (as defined by the Rules); or
 - d. 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 (as defined by the Rules); or
 - e. is a scheme not falling within (a) to (d) and in respect of which no more than 20% in value of the scheme property (including any transferable securities which are not approved securities) is invested;
2. the second scheme operates on the principle of the prudent spread of risk;
3. the second scheme is prohibited from having more than 15% in value of the property of that scheme consisting of units in collective investment schemes;
4. the participants in the second scheme must be entitled to have their units redeemed in accordance with the scheme at a price:
 - a. related to the net value of the property to which the units relate; and
 - b. determined in accordance with the scheme; and
5. where the second scheme is an umbrella, the provisions in (2) to (4) apply to each sub-fund as if it were a separate scheme.

Not more than 20% in value of the Fund's property may be invested in the units of any one regulated collective investment scheme.

DEPOSITS:

Up to 20% in value of the property of the Fund can consist of deposits with a single body. The Fund may only invest in deposits with an approved bank and which are repayable on demand, or have the right to be withdrawn, and maturing in no more than 12 months.

The Fund is also permitted to hold cash or “near cash” (meaning certain liquid instruments which can be converted to cash at relatively short notice). Cash and near cash may be held for the purposes of redemption of units or for the efficient management of the Fund in accordance with its investment objectives, or for other purposes which may be reasonably regarded as ancillary to the Fund’s investment objectives.

The Fund has the power to borrow money for the use of the Fund on terms that it is repayable out of the Scheme Property. Any borrowing may only be on a temporary basis and it must not exceed 10% of the value of the property of the Fund from time to time.

ADDITIONAL INVESTMENT POWERS:

As indicated above, the Fund will invest primarily in other collective investment schemes. Nevertheless, the Rules give the Fund the ability to invest in other financial instruments, as set out below.

The Fund may invest in approved securities which are transferable securities and are traded on eligible securities markets, warrants, money market instruments, deposits and derivatives and forward transactions.

It is intended that the Fund will be managed in such a way that units in it will be eligible for inclusion in ISAs.

ELIGIBLE MARKETS

Units or shares in the regulated collective investment schemes in which the Fund intends to invest are not generally listed or traded on any investment exchange. If any such scheme were so listed or traded then any securities market in an EEA State (excluding Cyprus and Malta) will be an eligible market for the purposes of the Fund.

The Fund may use derivatives as part of its investment strategy, although it will principally do so for purposes of EPM style techniques. See below. To the extent that the Fund does use derivatives then any derivatives market in an EEA State (excluding Cyprus and Malta) will be an eligible derivatives market for purposes of the Fund.

In order to qualify as an approved security, the market upon which securities traded must meet certain criteria as laid down in the Sourcebook. Eligible Markets generally include any market established in a member state of the EU or the EEA (“**an EEA State**”) on which transferable securities admitted to official listing in the member state are dealt in or traded. In the case of all other markets, in order to qualify as an eligible market, the Manager, after consultation with the Depositary, must be satisfied that the relevant market:

- is regulated;
- operates regularly;
- is recognised; and
- is open to the public.

The Manager, after consultation with the Depositary, has decided that the markets set out in Appendices IV and V meet these criteria.

USE OF DERIVATIVES

Derivative transactions may be used by the Fund for the purposes of EPM. These techniques aim to:

- reduce risk, volatility and/or costs; and/or
- produce additional capital or income in the Fund which is consistent with the risk profile of the scheme and the risk diversification rules laid down in the Rules

It is not intended that using derivatives for EPM will increase the volatility of the Fund. In some situations, however, the Fund's use of derivatives for EPM may become ineffective and the Fund may suffer significant loss as a result.

The Fund's ability to use EPM strategies may be limited by market conditions, regulatory limits and tax considerations. It is not intended that the use of derivatives for EPM within the Fund will materially alter the overall risk profile of the Fund.

There is no upper limit on the use of transactions in derivatives or forward transaction for the Fund but they must satisfy the following conditions:

A transaction in a derivative must:

1. be in an approved derivative;
2. be in a future, an option or a contract for differences which must be entered into with a counterparty that is acceptable in accordance with the Rules;
3. be on approved terms as to valuation and close out;
4. be capable of valuation;
5. have the underlying consisting of any or all of the assets to which the Fund is dedicated and which are permitted by the Sourcebook;
6. be effected on or under the rules of an eligible derivatives market;
7. not cause the Fund to diverge from its investment objectives;
8. 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, and
9. be with an eligible counterparty or an approved bank.

Use of derivatives must be supported by a risk management process maintained by the Manager which should take account of the investment objectives and policy of the Fund and the Rules. The types of derivative transactions that can be entered into by the Fund are those that are permitted under the EPM regime. The risk management process that is in place to monitor such transactions is therefore based on EPM which is designed to reduce risk and/or reduce cost or generate additional income or capital.

The Manager invests in derivatives for EPM purposes as a strategy to reduce risk (hedging, for example, by purchasing put options), to implement a strategy which is driven by cost budgets and liquidity considerations (to take a directional view, for example, by investing in futures) and where the use of derivatives is the only way to implement a strategy (to raise additional income, for example, through a dividend swap or by the writing of call options).

A transaction in derivatives or forward transaction is to be entered into only if the maximum exposure, in terms of the principal or notional principal created by the transaction to which the scheme is or may be committed by another person is covered under (1):

(1) Exposure is covered if adequate cover from within the property of the Fund is available to meet its 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.

(2) Cash not yet received into the property of the Fund, but due to be received within one month, is available as cover for the purposes of (1).

(3) Property the subject of a stock lending transaction is only available for cover if the Manager 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.

(4) The incremental exposure and leverage generated through the use of derivatives and forward transactions, may not exceed 100% of the net value of the Scheme Property.

The exposure to any one counterparty in an OTC derivative transaction must not exceed 10% in value of the property of the Fund. Transactions in OTC derivatives must comply with the conditions and limits set out in the Sourcebook. Counterparty risk exposures will be aggregated across both financial derivative instruments and EPM techniques.

Where the Fund invests in derivatives, the exposure to the underlying assets must not exceed the spread limits set out in the Sourcebook save that, subject to prudent spread of risk, where the Fund invests in an index based derivative (provided the relevant index's composition is sufficiently diversified, the index is a representative benchmark for the market to which it refers and is published in an appropriate manner) the underlying constituents of the index do not have to be taken into account for the purposes of complying with those spread limits. Where a transferable security or money market instrument embeds a derivative, this must be taken into account for the purposes of calculating any limits.

There is no guarantee that the performance of financial derivative instruments entered into for EPM will result in a positive effect for the Fund and its investors. The use of financial derivative instruments may result in losses for investors.

There is no guarantee that the Fund will achieve the objective for which it entered into a transaction in relation to EPM.

OTC Derivative Transactions

OTC Derivative Transactions must be:

- With an approved counterparty that is an eligible institution or approved bank, or with a person whose permission (including any requirements or limitations), as published in the FCA register, or whose Home State authorisation, permits it to enter into the transaction as principal off-exchange;
- On approved terms (as defined by the FCA Handbook);
- Capable of reliable valuation;
- Subject to verifiable valuation.

The Investment Manager maintains its own approved counterparty list of the agency broking firms with whom it is prepared to place orders into which it will enter the Fund.

The Investment Manager's policy requires that all counterparties are approved prior to trading and, therefore, a new counterparty cannot be added to the Investment Manager's list of approved counterparties unless it can first demonstrate that it meets the Investment Manager's selection criteria. This includes an undertaking from the counterparty to provide best execution. Other factors, such as the counterparty's reputation in the marketplace, their creditworthiness and whether they have suitable clearing and settlement facilities, are also key considerations.

The counterparties to the Fund's OTC derivative transactions do not assume any discretion on composition or management of the Fund or of the underlying financial derivative instruments, and the approval of counterparties is not required in relation to any of the Fund's transactions.

The Investment Manager uses collateral as a tool for managing counterparty exposure and has procedures for collateral management for OTC derivative transactions and posting margin in the form of cash payments for exchange traded futures. The Investment Manager may choose to control the exposure of the Fund to counterparties either through the receipt of collateral from the counterparty, or through other mechanisms. For example, the level of gross and net exposure within the Fund to each counterparty is measured and constantly monitored to the guidelines as outlined within The Sourcebook rules. Likewise the level of gain or loss on derivatives with the same counterparty is also monitored and reset before certain levels are met, as previously defined, in order to mitigate the extent of counterparty risk at any given time.

In the event the Investment Manager receives collateral, the Investment Manager's collateral will generally be of high quality and liquid, for example, cash and government securities. The Investment Manager will keep the types and levels of collateral under review and will apply additional restrictions to collateral as it deems appropriate.

Non-cash collateral will be subject to a discount in value which will vary depending on the class of asset received and its price volatility, for example, government bonds will have a smaller percentage discount than equities. The practice of applying a discount is known in the industry as a "haircut" and its purpose is to provide some protection against the risk that the market value of non-cash collateral received falls thereby reducing the level of security that the collateral is intended to provide.

All collateral received by the Investment Manager and used to reduce the Fund's counterparty risk will comply with the following criteria at all times:

- It must be highly liquid and traded on a regulated market;
- It must be valued at least daily;
- It must be of high quality;
- It will not be highly correlated with the performance of the counterparty;
- It will be sufficiently diversified in terms of country, markets and issuers (in accordance with ESMA's Guidelines on ETFs and other UCITS issues (ESMA/2012/832EN));
- It will be held by the Depositary or a third party custodian subject to prudential supervision who is unrelated to the provider of collateral;
- It will be capable of being fully enforced by the Investment Manager at any time without reference or approval from the counterparty;

Permitted collateral which may be received by the Investment Manager includes (where applicable):

- Cash
- Government or other public listed securities
- Certificates of deposit issued by "relevant institutions"; and

- Bonds or commercial paper issued by “relevant institutions”

Non-cash collateral received by the Investment Manager will not be sold, re-invested or pledged.

Cash collateral the Investment Manager receives will only be:

- Placed on deposit with entities that meet the requirements of article 50(f) of the UCITS Directive (2009/65/EC), or
- Invested in high-quality government bonds, or
- Invested in short term money market funds as defined in ESMA’s (formerly CESR’s) “Guidelines on a Common Definition of European Money Market Funds.

The exposure to a counterparty will, at all times, meet the general spread requirements per the Rules for NURSSs.

CHARACTERISTICS OF UNITS

Units in the Fund are income Units priced in pounds sterling which is the base currency of the Fund. All Units are registered Units.

As at the date of this Prospectus, the classes of Unit available, and the terms attaching to them, are as set out in Appendix III. Further classes of Unit may be issued with the approval of the FCA, the Depositary and in accordance with the Trust Deed. References to “Units” are to all classes of Units, unless specific classes of Unit are specified.

Each Unit class will be charged with the liabilities, expenses, costs and charges of the Fund attributable to that Unit class.

Each holder of a Unit is entitled to participate in the property of the Fund and any income arising from it. A Unitholder’s right, as represented by his Units, is a beneficial interest under a trust.

When more than one Unit class is available, Unitholders are entitled (subject to certain restrictions) to switch all or part of their Units in one class for Units of a different class. Details of this switching facility and the restrictions are set out below under the heading “Switching” and the charge for doing so is set out at Appendix III below under the heading “Switching Charge”.

Certificates are not issued to Unitholders. The register is the sole evidence of title. Details of register entries are available from the Manager on request.

Unitholders are not liable for the debts of the Fund.

UNITHOLDER ELIGIBILITY FOR UNIT CLASSES AND THE UNIT CLASS DIFFERENTIATOR

The Manager streams investors into one of two groups, namely:

1. Investors who are a portfolio management client of the Investment Manager – these investors are invested in Unit class A;
2. Investors who do not fit into the above category – these investors are invested in Unit class B.

The key differentiating factor of the two unit classes is the Annual Management Charge which is different for each Unit class because of the different types of investors in each Unit class as set out above. Unit class B has a higher Annual Management Charge than the other Unit class but this is

because the Investment Manager has separate charging structures for its portfolio management clients who pay their fees outside of the Fund.

DEALING IN UNITS

Units may normally be bought, sold, converted and switched on any UK working day between 9:00am and 5:00pm. Deals will be executed at a forward price (that is, the next price calculated after receipt of instructions). The Manager may, with prior agreement of the Depositary, or if the Depositary so requires, suspend the issue and redemption of Units temporarily and in exceptional circumstances, with the position being formally reviewed every 28 days if the Manager, or the Trustee, is of the opinion that there are exceptional circumstances giving reason to do so having regard to the interests of the Unitholders. The suspension will only be permitted to continue for as long as it is justified having regard to the interests of the Unitholders. The Manager and the Trustee must formally review the suspension at least every 28 days and inform the FCA of the result of this review with a view to ending the suspension as soon as practicable after the exceptional circumstances have ceased.

The Manager must notify the FCA of a suspension of dealings immediately, following this up with written notification including the reasons for the suspension as soon as possible. The Manager also will notify all Unitholders of the suspension in writing as soon as practicable and will publish details to keep Unitholders appropriately informed about the suspension, including its likely duration.

Re-calculation of the Unit price for the purpose of sales and purchases will commence on the next relevant valuation point following the ending of the suspension.

BUYING UNITS

The minimum initial investment for each class of Units and the minimum value of subsequent purchases in the Fund is set out in Appendix III. There is no maximum investment. Units may be bought through intermediaries or direct from the Manager. Units in the Fund can be bought by sending an application form to the Manager or by obtaining an application form by telephoning 0333 300 0375. Investors may make subsequent purchases of units by phoning 0333 300 0375. The Manager reserves the right to have cleared funds before investing.

A subscription request must be received by the Manager before the Cut Off Point. Subscription requests received after the Cut Off Point will be held over until the next Business Day.

The Manager will sell Units to holders free of commission, at not more than the offer price applicable at the time instructions are received, as calculated in accordance with the Rules. The Manager will also sell Units to an intermediary engaged independently by the Unitholder, and such intermediary may charge its own commission to the Unitholder.

A contract note confirming the purchase will be despatched by the Registrar within 24 hours of the deal being executed.

SELLING UNITS

The minimum value of any holding of Units in the Fund and the minimum value of Units in the Fund which may be sold is set out in Appendix III.

The Manager will buy back Units from holders free of commission, at not less than the bid price applicable at the time instructions are received, as calculated in accordance with the Rules. Units may also be sold back through an authorised intermediary who may charge commission.

Instructions for the sale of Units may be given in writing or by telephoning the Manager's dealing department on 0333 300 0375. An instruction for the sale of Units must be received by the Manager before the Cut Off Point. Instructions received after the Cut Off Point will be held over until the next Business Day. A contract note will be issued to confirm the transaction and will be despatched by the Registrar within 24 hours of the deal being executed. Payment is made within four working days of the Manager receiving properly completed documentation.

Sale proceeds will be payable only to one or more of the registered Unitholders. The Manager reserves the right, at all times, to require a form of renunciation to be completed. If this is necessary it will be issued with the contract note. The Manager also reserves the right to send sale proceeds by cheque to the registered address. If so requested, the Manager may arrange for cancellation of Units to be effected by the transfer of Fund property to the Unitholder. This option may be exercised by the Manager in any instance in which a Unitholder may request the redemption of a number of Units that represent 5% or more of the Fund's value.

SWITCHING UNITS

A Unitholder in the Fund may at any time switch all or some of his Old Units for New Units. The number of New Units issued will be determined by reference to the respective prices of New Units and Old Units at the valuation point applicable at the time the Old Units are sold and the New Units are issued. Switches may also be made through an intermediary, appointed independently by a Unitholder, who may charge commission.

Switching may be effected either by telephone to the Manager's dealing department on 0333 300 0375 or in writing to the Manager and the Unitholder may be required to complete a switching form (which, in the case of joint Unitholders must be signed by all the joint Unitholders). Units may, at the discretion of the Manager, be bought on the authority of an electronic communication. Further details are available from the Manager on request. A switching Unitholder must be eligible to hold the Units into which the switch is to be made. A contract note will be issued to confirm the transaction and will be despatched on the next Business Day after the deal is executed.

A switching request must be received by the Manager before the Cut Off Point. Instructions received after the Cut Off Point will be held over until the next Business Day.

The Manager may at its discretion charge a fee on the switching of Units between classes. These charges are set out in Appendix III.

If the switch would result in the Unitholder holding a number of Old Units or New Units of a value which is less than the minimum holding, the Manager may if it thinks it appropriate convert the whole of the applicant's holding of Old Units to New Units or refuse to effect any switch of the Old Units. No switch will be made during any period when the right of Unitholders to require the redemption of their Units is suspended. The general provisions on selling Units shall apply equally to a switch.

The Manager may adjust the number of New Units to be issued to reflect the imposition of any switching charge together with any other charges or levies in respect of the issue or sale of the New Units or repurchase or cancellation of the Old Units as may be permitted pursuant to the Rules.

Please note that, under current tax law, a switch of Units between different Unit classes in the same Fund should not be deemed to be a realisation for the purposes of capital gains taxation. A Unitholder who switches Units in one class for Units in any other class will not be given a right by law to withdraw from or cancel the transaction.

CONVERSION OF UNITS

If applicable, a holder of Units in a class ("**Old Class Units**") of a Fund may exchange all or some of his or her Units for Units of a different class within the same Fund ("**New Class Units**"). An exchange of Old Class Units for New Class Units will be processed as a conversion ("**Unit Class Conversion**"). Unlike a switch, a conversion of Old Class Units into New Class Units will not involve a redemption and issue of Units. For the purposes of income equalisation the New Class Units will receive the same treatment as the Old Class Units.

The number of New Class Units issued will be determined by a conversion factor calculated by reference to the respective prices of New Class Units and Old Class Units at the valuation point applicable at the time the Old Class Units are converted to New Class Units.

Conversions may be effected either by telephone to the Manager's dealing department on 0333 300 0375 or in writing to the Manager and the Unitholder may be required to complete a conversion form (which, in the case of joint Unitholders must be signed by all the joint Unitholders). Units may, at the discretion of the Manager, be bought on the authority of an electronic communication. Further details are available from the Manager on request. A converting Unitholder must be eligible to hold the Units into which the conversion is to be made. A contract note will be issued to confirm the transaction and will be despatched on the next Business Day after the deal is executed.

A conversion request must be received by the Manager before the Cut Off Point. Instructions received after the Cut Off Point will be held over until the next Business Day.

A converting Unitholder must be eligible to hold the Units into which the conversion is to be made. If the conversion would result in the Unitholder holding a number of Old Class Units or New Class Units of a value which is less than the minimum holding in the Unit class concerned, the Manager may, if it thinks fit, convert the whole of the applicant's holding of Old Class Units to New Class Units or refuse to effect any conversion of the Old Class Units. No conversion will be made during any period when the right of Unitholders to require the conversion of their Units is suspended. The general provisions on selling Units shall apply equally to a conversion.

Please note that, under current tax law, a conversion of Units between different Unit classes in the same Fund will not be deemed to be a realisation for the purposes of capital gains taxation. A Unitholder who converts their Units in one Unit class to Units in a different Unit class in the same Fund will not be given a right by law to withdraw from or cancel the transaction.

RESTRICTIONS, COMPULSORY TRANSFER AND REDEMPTION

The Manager may from time to time impose such restrictions as it thinks necessary for the purpose of ensuring that no Units in the Fund are acquired or held by any person in the Relevant Circumstances which constitute a breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory or which would (or would if other units were acquired or held in like circumstances) result in the Fund 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). In this connection, the Manager may, inter alia, reject at its discretion any application for the purchase, sale, transfer or switching of Units.

If it comes to the notice of the Manager that any Affected Units have been acquired or are being held, beneficially or otherwise, in any Relevant Circumstances or if it reasonably believes this to be the case,

the Manager may give notice to the holder(s) of the Affected Units requiring (at the discretion of the Manager) either:

- the switching of the Affected Units to any other class which the Unitholder is still eligible to hold;
- the transfer of such Affected Units to a person who is qualified or entitled to own them; or
- that a request in writing be given for the redemption or cancellation of such Units in accordance with the Rules.

If any person upon whom such a notice is served does not within thirty days after the date of such notice switch his Affected Units to a class which he is still eligible to hold, transfer his Affected Units to a person qualified to own them, or give such a request or establish to the satisfaction of the Manager (whose judgement is final and binding) that he (and, if any, the beneficial owner) is qualified and entitled to own the Affected Units, he shall be deemed upon the expiration of that thirty day period to have given a request in writing for the switching, redemption or cancellation (at the discretion of the Manager) of all the Affected Units in accordance with the Rules.

A person who becomes aware that he is holding or owns Affected Units in any Relevant Circumstances, shall forthwith, unless he has already received a notice as aforesaid, either switch all his Affected Units into a class he is still eligible to own, transfer all his Affected Units to a person qualified to own them, or give a request in writing for the redemption or cancellation of all his Affected Units in accordance with the Rules.

The Manager may also, in its sole discretion, convert some or all of the Units held by any Unitholder from one class to another class, provided that the terms of the original Units are substantially similar to the new Units and, in any event, the conversion does not materially prejudice any such Unitholder. The Manager will provide the Unitholder with 60 days' prior written notice of any such conversion. Please note that, under current tax law, a conversion of Units between different classes in the same fund will not be deemed to be a realisation for the purposes of capital gains taxation.

PROTECTION OF UNITHOLDER CASH

When an investor subscribes for Units in the Fund, there is a window of time between the Manager receiving the subscription money from the investor and transferring it to the Trustee to be used to settle the creation of Units.

If the Manager transfers the subscription money to the Trustee by the close of business on the Business Day following receipt (the "**Window**"), the Manager is permitted to rely on an exemption (the "**Exemption**") in the Rules which means the Manager is not required to ensure that money is segregated from its own money and protected in a ring-fenced bank account. If the Manager transfers the subscription money to the Trustee outside of the Window then it is required to segregate the money from its own and protect it in a ring-fenced bank account.

During the Window the investor may not yet own the Units and they may also not have their cash either. This represents a small risk that, if the transaction should fail to complete, the investor might lose the value of their investment.

When a Unitholder sells (redeems) Units, all cash due to be paid to them will be segregated from the Manager's own money and protected in a ring-fenced bank account until it is transferred to the Unitholder.

VALUATION

The property of the Fund will be valued on both an issue and a cancellation basis at each valuation point in order to calculate the prices at which Units in the Fund are to be issued, cancelled, bought and sold. The valuation is at 10.30 pm daily (the “**valuation point**”). The Manager may at any time during a dealing day revalue the Fund if it considers it desirable to do so. The Manager reserves the right not to value on the last working day before Christmas Day and New Year’s Day.

The property of the Fund will be valued in accordance with the provisions set out in Appendix I, for the purpose of determining prices at which Units may be sold and redeemed by the Manager. Where no appropriate price is quoted or obtainable, the property of the Fund will be valued at a price which, in the opinion of the Manager and the Depositary, is a fair and reasonable mid-market price for that security adjusted to take account of dealing sizes and other relevant factors.

Prices are calculated on an offer basis (for the purposes of calculating the issue price of a Unit) or bid basis (for the purposes of calculating the cancellation price of a Unit) respectively. The price at which the Manager sells Units (the offer price), may not exceed the issue price of Units plus the Manager’s initial charge. The price at which the Manager redeems Units (the bid price) will not be less than the cancellation price (less any redemption charge and any SDRT provision). The bid price will not exceed the relevant issue price.

The Manager will, upon completion of each valuation, notify the Depositary of the issue price, the cancellation price, the maximum offer price and the minimum bid price of Units of each class.

The price at which Units are issued or cancelled is calculated by taking the proportion, attributable to the Units of the class in question, of the value on the issue basis (when calculating the issue price per Unit) or the cancellation basis (when calculating the cancellation price per Unit) of the Scheme Property by reference to the most recent valuation, computing the number of Units of the relevant class in issue immediately before that valuation, dividing the total by that number of Units. Any initial charge or redemption charge, (or SDRT on a specific deal, if applicable) is payable in addition to the price or deducted from the proceeds and is taken from the gross subscription or redemption monies.

The Manager may change the time for the valuation point after having given notice to the Depositary. The Manager reserves the right to revalue the property of each Fund at any time at its discretion. Valuations are in two parts, one on an offer basis (which will form the basis for the price at which Units are sold) and the other on a bid basis (which will form the basis for the price at which Units are redeemed). For the purposes of calculating the Manager’s and the Depositary’s periodic charges, the property of the Funds is valued on a mid-market basis.

Where permitted and subject to the Regulations, the Manager may, in certain circumstances (for example where a significant event has occurred since the closure of a market) substitute a price with a more appropriate price which in its opinion reflects a fair and reasonable price for that investment.

The most recent prices will appear daily on the Trustnet website at www.trustnet.com and can also be obtained by telephone on 01483 783 900.

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

The cancellation price last notified to the Depositary is available from the Manager upon request.

STAMP DUTY RESERVE TAX (“SDRT”)

SDRT is generally charged on any agreement to transfer Units (other than transactions handled by the Manager) to third parties at a rate of 0.5% of the consideration.

No SDRT charge is levied on redemption of Units unless the redemption is a non pro-rata in specie redemption. In those cases the underlying stock or marketable securities of the Fund are chargeable to SDRT by reference to the surrendered Units which constitute the consideration.

MANAGEMENT CHARGES

The Trust Deed for the Fund permits the Manager to include in the offer price of Units an initial charge not exceeding 5.25%. The Trust Deed also permits the Manager to make a charge on redemption of units not exceeding 5.25%. As at the date of this Prospectus, the initial charge and redemption charge for each class of Unit is set out in Appendix III. Both the initial charge and the redemption charge may be waived at the discretion of the Manager.

In addition, the Manager is entitled to an annual charge, the Annual Management Charge, payable out of the property of the Fund. This accrues and is reflected in the offer and bid price of Units in the Fund daily. It is calculated on the mid-market value of the Fund daily at the valuation point (10.30 pm).

ALLOCATION OF THE MANAGER’S ANNUAL MANAGEMENT CHARGE

The Manager's current Annual Management Charge for the Fund is charged to the capital account of the Fund. The amount charged to capital will increase the distribution income of the Fund by that amount and reduce the capital by a similar amount. This practice may constrain capital growth. The Manager may vary the proportion charged to the capital account at his discretion.

INVESTMENT MANAGER’S FEE

The Investment Manager is paid by the Manager out of its Annual Management Charge. Research costs will be paid for by the Investment Manager out of the remuneration it receives and shall not be borne by the Fund.

EXPENSES PAYABLE OUT OF THE PROPERTY OF THE FUND

The following may be paid out of the property of the Fund: -

- The Annual Management Charge referred to under the heading “Management Charges” above.
- Broker’s commission (excluding research costs), fiscal charges and any other disbursements which are necessarily incurred in effecting transactions for the Fund and normally shown on contract notes, confirmation notes and difference accounts as appropriate.
- Any costs incurred in modifying the Trust Deed, including costs incurred in respect of meetings of Unitholders convened for purposes which include the purpose of modifying the Trust Deed, where the modification is necessary to implement, or necessary as a direct consequence of, any change in the law, or is expedient having regard to any change in the law made by or under any fiscal enactment and which the Manager and the Depositary agree is in the interest of Unitholders or to remove from the Trust Deed any obsolete provisions.

- Any costs incurred in respect of meetings of Unitholders convened on a requisition by Unitholders not including the Manager or an associate of the Manager.
- Interest on permitted borrowings of the Fund and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings.
- Taxation and duties payable in respect of the property of the Fund, the Trust Deed or the issue of units and any stamp duty reserve tax (SDRT) charged in accordance with Schedule 19 of the Finance Act 1999.
- The fees of the Auditor payable (including Value Added Tax thereon) and any proper expenses of the Auditor.
- The fees of the FCA in respect of the Fund, or any corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which units in the Fund may be marketed.
- The fees of the maintenance of the register of Unitholders.
- The fees for the publication of the Unit price of the Fund.
- The fees associated with the provision of legal, tax, or other professional services incurred by the Manager regarding the Fund's assets.
- The administration fees and charges of the Fund, including:
 - The annual fee of 0.04% of the net asset value of the Fund's assets up to the value of £50,000,000, 0.03% of the net asset value of all assets between £50,000,000 and £100,000,000 and 0.02% of the net asset value of all assets over £100,000,000, subject to a minimum fee of £25,000 per annum, payable to Northern Trust Global Services SE, UK Branch for performing the fund accounting function.

TRANSFER AGENCY		
Fund maintenance charge	£9,000	per fund p.a.
Account investor registration / servicing fee	£15	per investor p.a.
Account investor servicing fee for ISA accounts	£15	per investor p.a.
Investor transaction fee - manual transactions	£16	per transaction
Investor transaction fee - automated transactions	£10	per transaction
Distribution fee	£3500	per annum
Please note ad hoc Transfer Agency fees may apply in certain situations.		

- The Depositary's fee which consists of an annual fee of 0.03% of the net asset value of the Fund on assets up to the value of £100,000,000, 0.0275% of the net asset value of all assets between £100,000,000 and £150,000,000, 0.025% of the net asset value of all assets between £150,000,000 and £200,000,000 and 0.02% of the net asset value of all assets over £200,000,000, subject to a minimum fee of £7,500 per annum.

- Where relevant, the Depositary may apply additional charges for the following: (i) market costs (such as delivery and receipt charges); (ii) costs related to AML/CRS re-verification and remediation required in order to meet regulatory standards; (iii) any costs related to data enrichment i.e. clean-up including “Welcome Letters” and any associated data collection), (iv) detailed due diligence for services such as Diversification and Prudent segregation and Investment Trust processing; (v) out of pocket expenses incurred in providing administration services such as fund set-up costs, telephone, fax, postage, courier charges etc.; (vi) services associated with special events, such as termination of the Manager, mergers, spin-offs, fund conversions, creating tailored reports, developing custom downloads, and delivering accounting data to any third party performance organisation. The Depositary may charge service and transactions fees associated with each event. In addition, the Depositary may pass through to the client evaluation and/or consulting fees necessitated by an event. The Depositary will discuss charges related to an event with the Manager in advance; (vii) any unique service requirements, IT interfaces, custom technology and report development; (viii) implementation; and (ix) any applicable VAT charges.
- Transaction charges vary from country to country and the actual charges are broken down by area below. The cost of overseas custody generally depends upon the value of the stock involved and currently ranges between 0.005 per cent and 0.7 percent per annum of market value. However, in some countries, custody charges are based on a charge per holding and these fees are currently in the range of £8 - £200.

RANGES OF CHARGES

AREA	TRANSACTION CHARGE	CUSTODY CHARGE (BASED ON QUARTER END MARKET VALUE) P.A.
Europe	£8 - £200	0.005 % - 0.70 %
Asia & Australasia	£15 - £100	0.02% - 0.40%
North America	£8 - £50	0.005% - 0.08%
South America	£50- £100	0.07% - 0.40%

- As the Fund invests primarily in other UK unit trusts, it is unlikely that any of these transactions or custody changes will be incurred.
- The OCF expresses the costs of running the Fund as a single figure. This is the overall cost shown as a percentage of the value of the assets of the Fund. It comprises the Annual Management Charge and other additional charges including, but not limited to, the charges of the Depositary, Administrator, Custodian, Registrar and Auditors as well as specified regulatory and legal costs. It does not include the costs of buying or selling investments.
- Liabilities on unitisation, amalgamation or reconstruction arising where the property of a body corporate or another collective investment scheme is transferred to the Depositary in consideration for the issue of Units in the Fund to shareholders in that body or to participate in that other scheme, provided that any liability arising after the transfer could have been paid out of that other property had it arisen before the transfer and proper provision was made for meeting such liabilities as were known or could reasonably have been anticipated at the time of transfer.

DETERMINATION AND DISTRIBUTION OF INCOME

Each holder of Income Units is entitled, on the relevant income allocation date, to the net income attributable to his holding. Distributions will be paid direct to Unitholders or their bank or building society accounts after deduction of tax. A final distribution will normally be made on or about 31 May

in each year, with interim distributions being made on or about 28 February, 31 August and 30 November.

Distribution amounts are calculated by dividing the total amount of income that has accrued in the income account(s) since the last accounting date, by the number of Units in issue; taking account of equalisation.

Any distribution payment which remains unclaimed after a period of six years from the date of payment will be transferred to and become part of the Fund's capital property. Thereafter neither the Unitholder nor any successor will have any right to it except as part of the capital property.

The Trust Deed allows for income equalisation. Part of the purchase price of a Unit reflects the relevant portion of accrued income received or to be received by the Fund. This capital sum is returned to a Unitholder with the first allocation of income in respect of a Unit issued during an accounting period.

The amount of income equalisation is either the actual amount of income included in the issue price of that Unit or is calculated by dividing the aggregate of the amounts of income included in the price of Units issued or sold to Unitholders in an annual or interim accounting period by the number of those Units and applying the resultant average to each of the Units in question.

UNITHOLDERS' VOTING RIGHTS

At meetings of Unitholders of the Fund, on a show of hands every Unitholder who (being an individual) is present in person or (being a corporation) is present by one of its officers as its representative has one vote. On a poll, every Unitholder who is present in person or by proxy has one vote for every complete undivided Unit of the Fund's property (and a further part of one vote proportionate to any fraction of an undivided Unit of the Fund's property), represented by the Units of which he is the Unitholder. A Unitholder entitled to more than one vote need not, if he votes, cast all his votes or cast all his votes in the same way. In order to be carried, any resolution must be passed by a majority consisting of 75% or more of the total number of votes cast for and against that resolution.

In the case of joint Unitholders, the vote of the senior who tenders a vote, whether in person or by proxy, is accepted to the exclusion of the votes of the other joint Unitholders and for this purpose seniority is determined by the order in which the names stand in the register of Unitholders.

On a poll, votes may be given either personally or by proxy. A person appointed to act, as a proxy need not be a Unitholder.

The Manager is entitled to receive notice of and attend any meeting of Unitholders of the Fund but is not entitled to vote or be counted in the quorum. Any associate of the Manager may attend and be counted in the quorum but no associate is entitled to vote at any such meeting, other than an associate which holds units as bare trustee or nominee on behalf of a person (who would be entitled to vote if a registered Unitholder) from whom it has received voting instruction.

CLASS MEETINGS

The above provisions apply, unless the context otherwise requires, to Unit class meetings as they apply to general meetings of Unitholders.

NOTICES TO UNITHOLDERS

Notices to Unitholders will normally be given in writing sent by normal post to the Unitholder's registered address (or, at the discretion of the Manager, such other address which may be held for the purposes of correspondence with Unitholders).

TERMINATION AND AMALGAMATION

The Fund will be wound up upon the happening of any of the following events:

- the order declaring the Fund to be an authorised unit trust scheme is revoked; or
- the FCA agreeing to a request by either the Manager or the Depositary for the revocation of the order declaring the Fund to be an authorised unit trust scheme; or
- the effective date of an approved scheme of amalgamation; or
- the effective date of an approved scheme of reconstruction, which results in all the property of the Fund becoming the property of two or more authorised or recognised schemes.

Upon the happening of any of those events the Depositary will cease to issue and cancel units in the Fund; the investment and borrowing powers will cease to apply to the Fund; the Manager will cease to offer and redeem units in the Fund and the Depositary will proceed to wind-up the Fund as follows:-

- in the case of an approved scheme of amalgamation or reconstruction, the Depositary will wind up the Fund in accordance with the scheme
- in any other case the Depositary will as soon as practicable realise the property of the Fund and, after paying out of it all liabilities properly so payable and retaining provision for the costs of the winding up, distribute the proceeds to the Unitholders and the Manager proportionately to their respective interests in the Fund. Any unclaimed net proceeds or other cash held by the Depositary after the expiry of twelve months from the date on which the same became payable will be paid by the Depositary into court subject to the Depositary having a right to retain any expenses incurred by him in making that payment.

TAXATION

GENERAL

The information outlined below is intended as a general guide only and is based on current United Kingdom taxation law and HM Revenue and Customs practice which apply to the Fund, both of which are subject to change. It summarises the tax position of the Fund and of Unitholders who are UK resident for tax purposes and who are the beneficial owners of Units which are held as investments. The summary may not apply to certain classes of investor (such as financial institutions and dealers in securities). Unitholders who are in any doubt about their tax position are recommended to seek professional advice.

TAXATION OF THE FUND

INCOME

The Fund will be liable to corporation tax on its taxable income (including any offshore income gains arising from a disposal of a relevant interest in non-reporting offshore funds) after deducting management and other allowable expenses (including the gross amount of any interest distributions the Fund makes or is deemed to make). The rate of corporation tax applicable to the Fund is equal to the basic rate of income tax, currently 20%. Dividend income received by the Fund will not normally be taxed provided it falls within one of the exempt classes set out in Part 9A of CTA 2009. Where the Fund suffers foreign tax on income it receives, this may, in certain circumstances, be deducted from any UK tax which is due on that income.

CAPITAL GAINS

The Fund is generally exempt from UK tax on capital gains arising on the disposal of its investments.

TAXATION OF UNITHOLDERS

INCOME

INDIVIDUAL UNITHOLDERS

The Fund will generally make dividend distributions which broadly reflect any income arising from its investments.

Since April 2016, individuals who are resident in the UK for tax purposes have no longer received a dividend tax credit. Instead, all individuals receive a dividend allowance of £2,000 (which was reduced from £5,000 in April 2018), taxed at 0%. Any dividend income above £2,000 is taxed at 7.5% for basic rate taxpayers, 32.5% for higher rate taxpayers and 38.1% for additional rate taxpayers.

NON-RESIDENTS

Non-UK resident Unitholders should generally not be liable to UK tax on dividends. No withholding tax is currently levied in the UK on a dividend distribution by the Fund. Non-UK resident Unitholders 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.

CORPORATE UNITHOLDERS

Dividend distributions received by corporate Unitholders chargeable to UK corporation tax will need to be streamed into 'franked' and 'unfranked' income according to the underlying gross income of the Fund.

In broad terms, the portion treated as being 'franked' will be such proportion of the Fund's total income (brought into account when determining the distribution for the period in question) which consists of dividend income received which is treated as exempt under Part 9A of CTA 2009. The 'franked' portion will be treated as exempt dividend income when received by a UK resident corporate Unitholder (unless the Unitholder is treated as a dealer in securities for tax purposes). A UK resident corporate Unitholder will not be able to reclaim the tax credit attached to the dividend from HM Revenue and Customs. The 'unfranked' portion will be treated as an annual payment from which income tax at a rate of 20% has been deducted. A UK resident corporate Unitholder will, therefore, be

subject to corporation tax but with credit for the income tax deducted. Such unitholders may, therefore, be liable to further tax and any ability to claim repayment of the income tax credit will be limited to the corporate Unitholder's portion of the Fund's liability to corporation tax for the distribution period in question.

With effect from April 2017, there will no longer be a requirement to deduct UK income tax at source from interest distributions from the Fund. Legislation may be introduced in the future which also change the rules relating to unfranked dividend income.

CAPITAL GAINS

Unitholders who are resident in the UK for tax purposes may, depending on their personal circumstances, be liable to capital gains tax or, if a corporate Unitholder, corporation tax on gains arising from the redemption, transfer or other disposal of Units.

Individual Unitholders will find further information in HM Revenue & Customs' Help Sheets, available at www.hmrc.gov.uk/sa/forms/content.htm or from the helpline 0300 200 3310 to help them complete their tax returns.

This summary on tax issues relating to the Fund is an overview only and investors should consult their own tax adviser for a more detailed analysis of tax issues arising for them from investing in the Fund.

GENERAL INFORMATION

The price of Units, and any income from them, can go down as well as up, and Unitholders may get back less than they invested. Exchange rates may also cause the value of underlying overseas investments to go down or up. Bonds with lower credit ratings may have a higher risk of defaulting, which may in turn adversely affect the Fund.

Copies of the Trust Deed, any deeds supplemental to it and the annual and half yearly long reports are kept and may be inspected at and obtained from Exchange Building, St John's Street, Chichester, West Sussex PO19 1UP. A charge currently of £10 will be levied for each copy of a Trust Deed.

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

CONFLICTS OF INTEREST

The Manager and the Depositary are or may be involved in other financial, investment and professional activities which may, on occasion, cause conflicts of interest with the management of the Fund.

In the normal course of business, circumstances resulting in conflicts of interest may arise. We will identify the types of conflicts that may arise between the interests of investors and those of our own with reference to:

- the likelihood of making a financial gain or avoiding a loss at the expense of an investor;
- whether we have an interest in the outcome of a service or transaction we provide to investors;
- whether there is a financial or other incentive to favour the interest of one investor over the interests of other investors;
- whether we carry out the same activities performed by investors; and
- whether there are inducements deriving from sources other than investors in relation to the services we provide, in the form of monies, goods or services, other than standard commission or fees for the service(s) in question.

Where a potential conflict arises, we are committed to managing these to prevent abuse and protect employees, clients and other counterparties and to ensure that transactions and services are effected on terms which are not materially less favourable than had the potential conflict not existed.

The circumstances in which conflicts of interest might arise include, but are not restricted to, where we deal on an investor's behalf with another company in the Manager, where we act for other investors with an interest in such investments or where the transactions are in units of a fund for which a company in the Manager is the manager.

We are required to identify, manage, record and, where relevant, disclose actual or potential conflicts of interest between ourselves and our clients and between one client and another and to have a written policy in place. Where a conflict of interest cannot be avoided, the Manager will ensure that the Fund is fairly treated. Further detail on our conflicts of interest policy is available on request.

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

The Manager may carry out any transaction in which it has a material interest or which may involve a conflict with its duty to Unitholders, but will not knowingly do so unless it is satisfied that each transaction is not precluded by law or the Rules and reasonable steps have been taken to ensure fair treatment of the Unitholders at all times.

RISK FACTORS

An investment in the Fund involves a degree of risk and the risk factors which potential investors should consider before investing include the following:

- Collective investment schemes should be regarded as long term investments.
- The value of the Units in the Fund is based upon the value of the underlying investments.
- The value of those investments and the income from them and consequently the value of the Units and the income from them can go down as well as up and are not guaranteed.
- Past performance is not necessarily a guide to future performance.
- The Fund may invest in currencies other than sterling. As a result, exchange rate changes may cause the value of overseas investments to rise or fall, and the value of the Units to go up or down.
- Investors may not get back the amount originally invested.
- Taxation Risk - Whilst every effort is made to ensure that the taxation information provided herein is accurate and up to date, some of the information may be rendered inaccurate by changes in applicable laws and regulations. For example, the levels and bases of taxation may change. Any reference to taxation relies upon information currently in force. You should note that the bases and rates of taxation may change at any time. A change to the Fund's tax status or changes to the applicable tax legislation in the markets to which the Fund has exposure could affect the value of a Unitholder's Units.

- **Smaller Companies Risk** - A fund which invests in smaller companies may fluctuate in value more than other funds. Smaller companies may offer greater opportunities for capital appreciation than larger companies, but may also involve certain special risks. They are more likely than larger companies to have limited product lines, markets or financial resources, or to depend on a small, inexperienced management group. Securities of smaller companies may, especially during periods where markets are falling, become less liquid and experience short-term price volatility and wide spreads between dealing prices. They may also trade in the OTC market or on a regional exchange, or may otherwise have limited liquidity. Consequently investments in smaller companies may be more vulnerable to adverse developments than those in larger companies and more difficulty may be encountered establishing or closing out securities positions in smaller companies at prevailing market prices. Also, there may be less publicly available information about smaller companies or less market interest in the securities, and it may take longer for the prices of the securities to reflect the full value of the issuers' earning potential or assets.
- **Emerging Market Risk** - The Fund may invest in other funds that have exposure to investments in emerging markets and this may involve a higher than average risk. Companies in emerging markets may not be subject

- to accounting, auditing and financial reporting standards, practices and disclosure requirements comparable to those applicable to companies in major markets; or
- to the same level of government supervision and regulation of stock exchanges as countries with more advanced securities markets.

Accordingly, certain emerging markets may not afford the same level of investor protection as would apply in more developed jurisdictions. Substantial government involvement in, and influence on, the economy may affect the value of securities in certain emerging markets. The reliability of trading and settlement systems in some emerging markets may not be equal to that available in more developed markets, which may result in delays in realising investments.

- **Liquidity Risk** - Liquidity risk exists when particular investments are difficult to purchase or sell. Investments in illiquid securities may reduce the returns of the Fund because it may not be possible to sell the illiquid securities at an advantageous time or price. Investments in foreign securities, derivatives or securities with substantial market and/or credit risk tend to have the greatest exposure to liquidity risk. Illiquid securities may be highly volatile and difficult to value.
- **Risks associated with Tax Reporting** - The Fund is required to comply with extensive reporting and withholding requirements under the International Tax Compliance Regulations 2015 (the “**Tax Compliance Regulations**”) and Unitholders may be requested to provide additional information to the Fund to enable the Fund to satisfy these obligations. The Tax Compliance Regulations give effect to an intergovernmental agreement between the US and the United Kingdom in relation to the Foreign Account Tax Compliance Act which is designed to inform the US department of Treasury of US-owned foreign investment accounts. Failure to comply with these requirements will subject the Fund to US withholding taxes on certain US-sourced income and gains. The US Department of Treasury may issue new requirements on the mechanics and scope of this reporting and withholding regime. There can be no assurance as to the timing or impact of any such guidance on future operations of the Fund. The Tax Compliance Regulations also give effect to reporting obligations under the Organisation for Economic Co-Operation and Development’s Common Reporting Standard for the Automatic Exchange of Financial Account Information (the “**CRS**”). Under the CRS, the Fund is required to identify accounts maintained for account holders who are tax resident in the EU or jurisdictions with which the UK has entered into an agreement to automatically exchange tax information and collect and report such information to HM Revenue and Customs.
- **Derivative Risk** - There is no guarantee that the performance of financial derivative instruments invested in will result in a positive effect for the Fund and its investors. The use of financial derivative instruments may result in losses for investors. There is no guarantee that the Fund will achieve the objective for which it entered into a transaction in relation to EPM.
- **Counterparty Risk** - Many of the instruments that the Fund expects to hold may be subject to the risk that the other party to a contract will not fulfil its contractual obligations. The Fund may enter into derivatives transactions or place cash in bank deposit accounts, which would expose the Fund to the credit of its counterparties and their ability to satisfy the terms of such contracts. In the event of a bankruptcy or insolvency of a counterparty, the Fund could experience delays in liquidating positions and significant losses, including declines in the value of investments during the period in which the Fund seeks to enforce its rights, inability to realise any gains on its investments during such period and fees and expenses incurred in enforcing its rights.
- **Counterparty Risk in OTC Derivative Transactions** - Where the Fund invests in over-the-counter derivatives, there is increased risk that a counterparty may fail to honour its contract. If a counterparty defaults, the Fund may suffer losses as a result.

- Warrants Risk - The Fund may, subject to the Rules, invest in warrants. A warrant is a time-limited right (but not an obligation) to subscribe for shares, debentures, loan stock or government securities and is exercisable against the original issuer of the underlying securities. A relatively small movement in the price of the underlying security results in a disproportionately large movement, unfavourable or favourable, in the price of the warrant. The prices of warrants can therefore be highly volatile.
- Legal Risk – where contractual relationships are entered into for the purpose of investment, the Manager endeavours to enter into agreements that are based on the laws of England and Wales but it is recognised that in a global environment this cannot always be achieved.
- Leverage risk - this exists when the Fund purchases or sells an instrument or enters into a transaction without investing cash in an amount equal to the full economic exposure of the instrument or transaction and the Fund could lose more than it invested. Leveraged transactions multiply the risk of potential losses when position results are contrary to expected market directions, compared to direct holdings, and may add significant risks because of added payment obligations.

COMPLAINTS HANDLING

Any complaint about the operation of the Fund should be made initially to the Manager at Thesis Unit Trust Management Limited, Exchange Building, St John’s Street, Chichester, West Sussex PO19 1UP.

The Manager aims to resolve all complaints as quickly as possible. Unitholders can request a copy of the Manager’s written internal complaints procedure by writing to the above address. Unitholders may also have the right to refer the complaint to the Financial Ombudsman Service, Exchange Tower, London, E14 9SR.

FINANCIAL SERVICES COMPENSATION SCHEME (‘FSCS’)

A statement of Unitholders rights to compensation in the event of the Fund being unable to meet its liabilities is available from the Financial Services Compensation Scheme. Further details can be found at www.fscs.org.uk.

INVESTORS’ CANCELLATION RIGHTS

Cancellation rights are accorded to retail investors in situations where they have received advice from an intermediary. Investors who have cancellation rights are identified at the time of dealing in units and are provided with a Cancellation Notice explaining their right to withdraw. Investors who have the right to withdraw must complete and return a Cancellation Request Form (provided with the Cancellation Notice) to the Administrator on or before the 14th day after the day on which the investor receives the Cancellation Notice. When an investor decides to withdraw, they are entitled to receive repayment of any money paid to the Administrator subject to a deduction of the amount (if applicable) by which the value of their investment has fallen at the time the Cancellation Request Form is received by the Administrator. Investors who have received any payments already made to them under the contract will have to repay such amounts.

COVER FOR PROFESSIONAL LIABILITY RISKS

As a full scope UK AIFM, the Manager has chosen to cover potential professional liability risks, as set out in Article 12 of the AIFMD level 2 regulation (professional liability risks), via an additional capital

requirement in line with Article 14 of the AIFMD level 2 regulation (additional own funds). The additional requirement is 0.0001% of the total funds under management of the Manager.

BEST EXECUTION

When executing orders on behalf of the Fund, in relation to financial instruments, the Investment Manager will take all reasonable steps to achieve “best execution” by following policy and procedures which are designed to achieve the best possible execution result, taking into consideration the nature of the Fund’s orders, the priorities the Fund places upon filing the orders and the market in question and which provides, in the reasonable opinion of the Investment Manager, the best balance across a range of sometimes conflicting factors. The Investment Manager’s order execution policy is available upon request.

VOTING STRATEGY

Information on the Investment Manager’s strategy for exercising the Fund’s voting rights in relation to its underlying investments is available to Unitholders upon request.

MANAGER’S TRADING PROFITS

The Manager is under no obligation to account to the Depositary or to Unitholders for any profit made by the Manager on the issue of Units to any of the Fund or on the re-issue or cancellation of Units previously redeemed by the Manager.

PERFORMANCE DATA

THE HISTORICAL PERFORMANCE OF THE FUND IS AS FOLLOWS:

Past performance is not necessarily a guide to future performance. The value of investments and the income from them can go down as well as up and investors may not get back the amount originally invested.

Source:		2018	2017	2016	2015	2014
<p>[‡] <i>Manager using Bank of Mellon data September Northern thereafter, Net Asset net dividend reinvested</i></p>	<p>TM Stonehage Fleming Global Equities Fund II [†] Net dividend reinvested NAV (after fees) [‡]</p>	-10.0%	12.4%	18.7%	3.1%	2.4%
						<p><i>calculations New York up to 2009 and Trusts data offer-to-offer Value (NAV),</i></p>

[§] *Manager calculations using Bloomberg data, net dividends reinvested.*

APPENDIX I - VALUATION AND PRICING

There are two ways that funds can be priced: singled priced or dual priced.

A single priced fund has a single price for buying and selling Units on any Business Day (the “**Mid Market Value**”) and may be subject to the imposition of a dilution adjustment after which the price to be applied is known as the “Dealing Price”.

A dual priced fund has one price at which the investor buys (the “**Buying Price**”) and another (lower) price at which an investor can sell (the “**Selling Price**”).

The Fund is dual priced.

Units will be bought or sold on a forward price basis being the price calculated at the next valuation following receipt of investors’ instructions by the Manager.

The value of the property of the Funds shall be the value of its assets less the value of its liabilities determined in accordance with the provisions set out below:

- All the property of the Fund (including receivables) is to be included, subject to the criteria detailed below.
- The valuation of the property of the Fund shall consist of two parts, one on an issue basis and one on a cancellation basis calculated in accordance with the following provisions.

1. THE VALUATION OF PROPERTY FOR THAT PART OF THE VALUATION WHICH IS ON AN ISSUE BASIS.

Property which is not cash (or other assets referred to in paragraphs 3 and 4 below) shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:

1.1. units or shares in a collective investment scheme:

- a. if separate buying and selling prices are quoted, the most recent maximum sale price, less any expected discount (plus any dealing costs, which means any fiscal charges, commission or other charges (but excluding any preliminary charges on sale of Units in a collective investment scheme)) payable in the event of the Fund carrying out the transaction in question, assuming that the commission and charges (other than fiscal charges) which would be payable by the Fund are the least that could reasonably be expected to be paid in order to carry out the transaction; but where the Manager, or an associate of the Manager, is also the manager or ACD of the collective investment scheme whose Units are held by the Fund, the issue price shall be taken instead of the maximum sale price; or
- b. if a single price for buying and selling Units or shares is quoted, at that price (plus any dealing costs, which means any fiscal charges, commission or other charges (including any preliminary charge)) payable in the event of the Fund carrying out the transaction in question, assuming that the commission and charges (other than fiscal charges) which would be payable by the Fund are the least that could reasonably be expected to be paid in order to carry out the transaction and including any dilution levy or SDRT provision which would be added in the event of a purchase by the Fund of the Units/shares in question (except that, where the Manager, or an associate of the Manager, is also the manager or ACD of the collective investment scheme whose Units are held by the Fund, dealing costs

must not include a preliminary charge which would be payable in the event of a purchase by the Fund of those Units); or

- c. if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a buyer's price which, in the opinion of the Manager, is fair and reasonable;

1.2. any other investment

- a. the best available market dealing offer price on the most appropriate market in a standard size (plus any dealing costs, which means any fiscal charges, Commission or other charges payable in the event of the Fund carrying out the transaction in question, assuming that the commission and charges (other than fiscal charges) which would be payable by the Fund are the least that could reasonably be expected to be paid in order to carry out the transaction); or
- b. if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a buyer's price which, in the opinion of the Manager, is fair and reasonable.

- 1.3. if any other property, or no price exists under 2.1(c) or 2.2(b), the Manager's reasonable estimate of a buyer's price (plus any dealing costs, which means any fiscal charges, commission or other charges payable in the event of the Fund carrying out the transaction in question, assuming the commission and charges (other than fiscal charges) which would be payable by the Fund are the least that could reasonably be expected to be paid in order to carry out the transaction but excluding any preliminary charge on sale of Units in a collective investment scheme). The buyer's price is the consideration which would be paid by the buyer for an immediate transfer or assignment (or, in Scotland, assignation) to him at arm's length.

2. THE VALUATION OF PROPERTY FOR THAT PART OF THE VALUATION WHICH IS ON A CANCELLATION BASIS IS AS FOLLOWS:

Property which is not cash (or other assets dealt with in paragraphs 3 and 4 below) shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:

2.1. Units or shares in a collective investment scheme:

- a. if separate buying and selling prices are quoted, the most recent minimum redemption price (less any dealing costs, which means any fiscal charges, commission or other charges payable in the event of the Fund carrying out the transaction in question, assuming that the commission and charges (other than fiscal charges) which would be payable by the Fund are the least that could reasonably be expected to be paid in order to carry out the transaction and any charge payable on the sale of Units in a collective investment scheme (except that, where the Manager, or an associate of the Manager, is also the manager or ACD of the collective investment scheme which units are held by the Fund, dealing costs must not include a redemption charge which would be payable in the event of a sale by the Fund of those Units), less any expected discount);
- b. if a single price for buying and selling units or shares is quoted, at that price (less any dealing costs, which means any fiscal charges, commission or other charges payable in the event of the Fund carrying out the transaction in question, assuming that the commission and

charges (other than fiscal charges)) which would be payable by the Fund are the least that could reasonably be expected to be paid in order to carry out the transaction, any redemption charge payable on sale of units in a collective investment scheme, taking account of any expected discount, any dilution levy or SDRT, provision which would be deducted in the event of a sale by the Fund of the Units in question (except that, where the Manager, or an associate of the Manager, is also the manager or ACD of the collective investment scheme whose units are held by the Fund, dealing costs must not include a redemption charge which would be payable in the event of a sale by the fund of those Units); or

- c. if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a buyer's price which, in the opinion of the Manager, is fair and reasonable;

2.2. any other investment:

- a. the best available market dealing bid price on the most appropriate market in a standard size (less any dealing costs, which means any fiscal charges, Commission or other charges payable in the event of the Fund carrying out the transaction in question, assuming that the commission and charges (other than fiscal charges)) which would be payable by the Fund are the least that could reasonably be expected to be paid in order to carry out the transaction); or
- b. if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a buyer's price which, in the opinion of the Manager, is fair and reasonable.

if any other property, or no price exists under 2.1(c) or 2.2(b), the Manager's reasonable estimate of a seller's price (less any dealing costs, which means any fiscal charges, commission or other charges payable in the event of the Fund carrying out the transaction in question, assuming that the commission and charges (other than fiscal charges) which would be payable by the Fund are the least that could reasonably be expected to be paid in order to carry out the transaction but excluding any redemption charge payable on sale of units in a collective investment scheme, taking account of any expected discount, any dilution levy or SDRT provision which would be deducted in the event of a sale by the Fund of the units in question (except that, where the Manager, or an associate of the Manager, is also the manager or ACD of the collective investment scheme whose units are held by the Fund, dealing costs must not include a redemption charge which would be payable in the event of a sale by the Fund of those units).

3. PROPERTY WHICH IS A DERIVATIVE TRANSACTION SHALL BE TREATED AS FOLLOWS:

- a. if a written option, (and the premium for writing the option has become part of the fund property) deduct the amount of the net valuation of premium (estimated on the basis of writing an option of the same series on the best terms then available on the most appropriate market on which such options are traded, but (in the case of the calculation of the issue basis) deduct and (in the case of the calculation of the cancellation basis) add, dealing costs); but if it is an OTC derivative, the valuation methods in the Sourcebook shall be used; or
- b. if an off-exchange future, include at the net value of closing out (in the case of the calculation of the issue basis and cancellation basis, estimated on the basis of the amount of profit or loss receivable or incurable by the Fund on closing out the contract and deducting

minimum dealing costs in the case of profit and adding them in the case of loss; but if it is an OTC derivative, the valuation methods in the Sourcebook shall be used; or

- c. if any other form of derivative transaction, include at the net value of margin on closing out (estimated on the basis of the amount of margin (whether receivable or payable by the Fund on closing out the contract) on the best terms then available on the most appropriate market on which such contracts are traded and including minimum dealing costs so that the value is the figure as a negative sum); but if it is an OTC derivative, the valuation methods in the Sourcebook shall be used.

4. CASH AND AMOUNTS HELD IN CURRENT AND DEPOSIT ACCOUNTS SHALL BE VALUED AT THEIR NOMINAL VALUES.

- In determining the value of the Scheme Property, all instructions given to the Depositary to issue or cancel Units shall be assumed (unless the contrary is shown) to have been carried out and any cash paid or received and all required consequential action required by the Regulations or the Trust Deed shall be assumed (unless the contrary is shown) to have been taken.
- Subject to paragraphs 7 and 8 below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the Manager, their omission shall not materially affect the final net asset amount.
- Future or contracts for difference which are not yet due to be performed and unexpired written or purchased options which have not been exercised shall not be included under paragraph 6.
- All agreements are to be included under paragraph 6 which are, or ought reasonably to have been, known to the person valuing the property assuming that all other persons in the Manager's employment take all reasonable steps to inform it immediately of the making of an agreement.
- Deduct an estimated amount for anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the property of the Fund; on realised capital gains in respect of previously completed and current accounting periods; and on income where liabilities have accrued) including (as applicable and without limitation) capital gains tax, income tax, value added tax, stamp duty and stamp duty reserve tax.
- Deduct an estimated amount for any liabilities payable out of the property of the Fund and any tax thereon (treating periodic items as accruing from day to day).
- Deduct the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings.
- In the case of a margined contract, deduct any amount reasonably anticipated to be paid by the way of variation margin.
- Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.
- Add any other credits due to be paid into the property of the Fund.

- In the case of a margined contract, add any amount reasonably anticipated to be received by way of variation margin.
- Add a sum representing any interest or any income accrued due or deemed to have accrued but not received and any stamp duty reserve tax provision anticipated to be received.
- The valuation is in the Fund base currency. To convert to the base currency the value of the property which would otherwise be valued in another currency the Manager will either:
- select a rate of exchange which represents the average of the highest and lowest rates quoted at the relevant time for conversion of that currency into base currency on the market on which the Manager would normally deal if it wished to make such a conversion; or
- invite the Depositary to agree that it is in the interests of the Unitholders to select a different rate, and, if the Depositary so agrees, use that other rate.

APPENDIX II - LIST OF OTHER AUTHORISED COLLECTIVE INVESTMENT SCHEMES MANAGED BY THE MANAGER

List of other authorised Collective Investment Schemes managed by the Manager:

Authorised Investment Companies with Variable Capital

Abaco Fund ICVC
Bryth ICVC
Destiny Fund ICVC
Farnborough Equity Fund
Harroway Capital ICVC
Liberio Portfolio Fund
Skiwi Fund
The Ambrose Fund
The Capital Link Growth Fund
The Diversification Fund ICVC
The Dunnottar Fund
The Global Balanced Strategy Fund
The Global Multi Asset Fund
The Hector Fund
The Juniper Fund
The Lockerley Fund
The Motim Fund
The Northern Lights Fund
The Oenoke Fund
The Ord Fund ICVC
The Saint Martins Fund
The Staderas Fund
The Stratford Fund
The Sun Portfolio Fund
The TBL Fund
The TM Lancewood Fund
The TM Levitas Funds
The TM Overstone UCITS Fund
The Vinings Fund
The Wharton Fund
Thesis JDS Fund
TM Balanced Growth Fund
TM Cerno Investment Funds
TM Credit Suisse Fund
TM First Arrow Investment Funds
TM Hearthstone ICVC
TM Lime Fund
TM Neuberger Berman UCITS Funds
TM Oak Fund
TM RWC Funds
TM Sanditon Funds
TM Stonehage Fleming Global Multi-Asset Umbrella Fund
TM Total Return Fund
TM UBS (UK) Fund
Trowbridge Investment Funds

Authorised Unit Trusts

BPM Trust
Eden Investment Fund
Elfynn International Trust
Glenhuntley Portfolio Trust
Hawthorn Portfolio Trust
KES Diversified Trust
KES Equity Fund
KES Growth Fund
KES Income and Growth Fund
KES Strategic Investment Fund
Latour Growth Fund
Lavaud Fund
Palm Fund
Pippin Return Fund
The Darin Fund
The Eldon Fund
The Iceberg Trust
The Maiden Fund
The Palfrey Fund
The TM Stockwell Fund
Thesis Allweather Fund
Thesis Headway Fund
Thesis Lion Growth Fund
Thesis Optima Fund
Thesis PM A Fund
Thesis PM B Fund
Thesis Thameside Managed Fund
The TUTMAN B&CE Contracted-out Pension Scheme
TM Balanced Fund
TM Balanced Return Fund
TM Growth Fund
TM Hearthstone UK Residential Feeder Fund
TM Managed Fund
TM Masonic Charitable Foundation Investment Fund
TM New Court Fund
TM New Court Equity Growth Fund
TM Preservation Fund
TM Private Portfolio Trust
TM Stonehage Fleming Global Equities Fund
TM Stonehage Fleming Global Equities Umbrella Fund
TM Stonehage Fleming Multi-Manager Global Equities Fund

APPENDIX III - UNIT CLASSES AND CHARACTERISTICS

Unitholders are entitled to participate in the property of the Fund and the income from that property in proportion to their number of Units held by them in the Fund. The nature of the right represented by Units is that of a beneficial interest under a trust.

The Trust Deed permits the issue of a number of different classes and types of Units. At the moment, each class is available as either Class A or class B Income Units. An Income Unit represents one undivided Unit.

Each class of Unit may vary by factors such as whether it pays out income or attracts different fees and expenses, and as a result of this monies may be deducted from classes in different proportions. In these circumstances the proportionate interests of the classes within the Fund will be adjusted in accordance with the provisions of the Trust Deed of the Fund.

The Depositary may create one or more classes of Units as instructed from time to time by the Manager. The creation of additional Unit classes will not result in any material prejudice to the interests of Unitholders of existing Unit classes.

UNIT CLASS	CLASS A	CLASS B
Eligible unitholders	Clients of the Investment Manager whose fees are separately negotiated with the Investment Manager, outside the Fund	No restrictions.
Initial charge	Up to 5.25%. Currently no initial charge is made.	Up to 5.25%. Currently no initial charge is made.
Redemption charge	Up to 5.25%. Currently no redemption charge is made.	Up to 5.25%. Currently no redemption charge is made.
Switching charge	Currently no switching charge is made.	Currently no switching charge is made.
Annual Management Charge	0.71%	1.06%
Performance fee	None*	None*
Investment minima:		
• initial	£50,000	£50,000
• holding	£1,000	£1,000
• top-up	£1,000	£1,000
• redemption	£1,000	£1,000

*The Investment Manager does not charge a performance fee directly to the Fund's units in this class but the Fund may invest in other funds which are themselves subject to a performance fee and this will consequently impact the value of the Fund's units and is therefore a cost borne indirectly by Unitholders in this class.

APPENDIX IV – ELIGIBLE MARKETS

ELIGIBLE MARKET LIST

In order to qualify as an approved security, the market upon which securities are traded must meet certain criteria as laid down in the Collective Investment Schemes Sourcebook.

Eligible Markets generally include any market established in a member state of the EU or the EEA on which transferable securities admitted to official listing in the member state are dealt in or traded.

In the case of all other markets, in order to qualify as an eligible market, the Manager, after consultation with the Depositary, must be satisfied that the relevant market:

- a. is regulated;
- b. operates regularly;
- c. is recognised as a market or exchange or as a self-regulating organisation by an overseas regulator;
- d. is open to the public;
- e. is adequately liquid; and
- f. has adequate arrangements for unimpeded transmission of income and capital to, or to the order of, investors.

The Manager, after consultation with the Depositary, has decided that the following non-EEA securities exchanges are eligible markets in the context of the investment policy of the Fund.

Australian	-	Australian Securities Exchange
Canada	-	Toronto Stock Exchange
Hong Kong	-	Hong Kong Stock Exchange
Japan	-	Tokyo Stock Exchange
	-	Osaka Securities Exchange
	-	Nagoya Stock Exchange
	-	Sapporo Securities Exchange
Korea	-	Korea Exchange
Malaysia	-	Bursa Malaysia
Mexico	-	Mexican Stock Exchange
New Zealand	-	New Zealand Exchange
Philippines	-	Philippine Stock Exchange

Singapore	-	Singapore Exchange
Switzerland	-	SIX Swiss Exchange
Thailand	-	Stock Exchange of Thailand
Turkey	-	Istanbul Stock Exchange
United States of America		
	-	New York Stock Exchange
	-	NASDAQ Stock Market
	-	OTC Bulletin Board (OTCBB)
	-	Chicago Stock Exchange

APPENDIX V – ELIGIBLE DERIVATIVES MARKETS

An “approved derivative” is one which is traded or dealt on an “eligible derivatives market”.

An “eligible derivatives market” is:

- a regulated market within the meaning of FCA regulations;
- a market established in an EEA State (with the exception of Malta and Cyprus) which is regulated, operates regularly and is open to the public; or
- any of the following markets:

Australia	-	Australian Securities Exchange
Hong Kong	-	Hong Kong Stock Exchange
Japan	-	Osaka Securities Exchange
	-	Tokyo Stock Exchange
New Zealand	-	New Zealand Exchange
Singapore	-	Singapore Exchange
United States of America	-	New York Stock Exchange
	-	Chicago Mercantile Exchange

APPENDIX VI – TRUSTEE’S DELEGATES

Jurisdiction	Subcustodian	Subcustodian Delegate
Argentina	Citibank N.A., Buenos Aires Branch	
Australia	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Australia Limited
Austria	UniCredit Bank Austria AG	
Bangladesh	Standard Chartered Bank	
Belgium	Deutsche Bank AG	
Bermuda	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Bermuda Limited
Bosnia and Herzegovina (Federation of Bosnia-Herzegovina)	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH
Bosnia and Herzegovina (Republic of Srpska)	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH
Botswana	Standard Chartered Bank Botswana Limited	
Brazil	Citibank N.A., Brazilian Branch	Citibank Distribuidora de Titulos e Valores Mobiliarios S.A ("DTVM")
Bulgaria	Citibank Europe plc, Bulgaria Branch	
Canada	The Northern Trust Company, Canada	
Canada*	Royal Bank of Canada	
Chile	Citibank N.A.	Banco de Chile
China B Share	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (China) Company Limited
Clearstream	Clearstream Banking S.A.,	
Colombia	Cititrust Columbia S.A. Sociedad Fiduciaria	
Costa Rica	Banco Nacional de Costa Rica	
Croatia	UniCredit Bank Austria AG	Zagrebacka Banka d.d.
Cyprus	Citibank Europe PLC	
Czech Republic	UniCredit Bank Czech Republic and Slovenia, a.s.	
Denmark	Nordea Bank Abp	
Egypt	Citibank N.A., Cairo Branch	
Estonia	Swedbank AS	
Eswatini (formerly Swaziland)	Standard Bank Swaziland Ltd	
Finland	Nordea Bank Abp	
France	The Northern Trust Company	
Germany	Deutsche Bank AG	
Ghana	Standard Chartered Bank Ghana Limited	
Greece	Citibank Europe PLC	
Hong Kong	The Hongkong and Shanghai Banking Corporation Limited	
Hong Kong (Stock Connect Shanghai/Shenshen)	The Hongkong and Shanghai Banking Corporation Limited	

Hungary	UniCredit Bank Hungary Zrt.	
Iceland	Landsbankinn hf	
India	Citibank N.A.	
Indonesia	Standard Chartered Bank	
Ireland	Euroclear UK and Ireland Limited (Northern Trust self-custody)*	
Israel	Bank Leumi Le-Israel B.M.	
Italy	Deutsche Bank SpA	
Japan	The Hongkong and Shanghai Banking Corporation Limited	
Jordan	Standard Chartered Bank	
Kazakhstan	Citibank Kazakhstan JSC	
Kenya	Standard Chartered Bank Kenya Limited	
Kuwait	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
Latvia	Swedbank AS	
Lithuania	AB SEB bankas	
Luxembourg	Euroclear Bank S.A./N.V.	
Malaysia	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Malaysia Berhad
Mauritius	The Hongkong and Shanghai Banking Corporation Limited	
Mexico	Banco Nacional de Mexico S.A. integrante del Grupo Financiero Banamex	
Morocco	Société Générale Marocaine de Banques	
Namibia	Standard Bank Namibia Ltd	
Netherlands	Deutsche Bank AG	
New Zealand	The Hongkong and Shanghai Banking Corporation Limited	
Nigeria	Stanbic IBTC Bank Plc	
Norway	Nordea Bank Abp	
Oman	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Oman S.A.O.G
Pakistan	Citibank N.A., Karachi Branch	
Panama	Citibank N.A., Panama Branch	
Peru	Citibank del Peru S.A.	
Philippines	The Hongkong and Shanghai Banking Corporation Limited	
Poland	Bank Polska Kasa Opieki Spółka Akcyjna,	
Portugal	BNP Paribas Securities Services	
Qatar	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
Romania	Citibank Europe PLC	
Russia	AO Citibank	
Saudi Arabia	The Hongkong and Shanghai Banking Corporation Limited	HSBC Saudi Arabia
Serbia	UniCredit Bank Austria A.G.	UniCredit Bank Serbia JSC

Singapore	DBS Bank Ltd	
Slovakia	Citibank Europe PLC	
Slovenia	UniCredit Banka Slovenija d.d.	
South Africa	The Standard Bank of South Africa Limited	
South Korea	The Hongkong and Shanghai Banking Corporation Limited	
Spain	Deutsche Bank SAE	
Sri Lanka	Standard Chartered Bank	
Sweden	Svenska Handelsbanken AB (publ)	
Switzerland	Credit Suisse (Switzerland) Ltd	
Taiwan	Bank of Taiwan	
Tanzania	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Tanzania Limited
Thailand	Citibank N.A., Bangkok Branch	
Tunisia	Union Internationale De Banques	
Turkey	Deutsche Bank AG & Deutsche Bank AS	
Uganda	Standard Chartered Bank Uganda Limited	
United Arab Emirates (ADX)	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
United Arab Emirates (DFM)	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
United Arab Emirates (NASDAQ)	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
United Kingdom	Euroclear UK and Ireland Limited (Northern Trust self-custody)	
United States	The Northern Trust Company	
Uruguay	Banco Itau Uruguay S.A.	
Vietnam	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (Vietnam) Ltd
Zambia	Standard Chartered Bank Zambia PLC	

* The Royal Bank of Canada serves as Northern Trust's Sub-Custodian for securities not eligible for settlement in Canada's local central securities depository.