

# **Mazarin OEIC**

**An Investment Company with Variable Capital**

## **Prospectus**

Prepared in accordance with the Collective Investment Schemes Sourcebook  
Dated and valid as at 21 April 2023

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**Authorised Corporate Director (ACD)**

Investment Fund Services Limited  
Registered Office and Operating Address:  
Marlborough House  
59 Chorley New Road  
Bolton, BL1 4QP  
(Authorised and regulated by the Financial Conduct Authority)

**Registered and Head Office of the Company**

Marlborough House  
59 Chorley New Road  
Bolton, BL1 4QP

**Investment Manager**

Titan Asset Management Ltd  
101 Wigmore Street  
London, W1U 1QU  
(Authorised and regulated by the Financial Conduct Authority)

**Depository**

NatWest Trustee and Depository Services Limited  
250 Bishopsgate  
London, EC2M 4AA  
(Authorised and regulated by the Financial Conduct Authority)

**Custodian**

RBC Investor Services Trust  
100 Bishopsgate  
London, EC2N 4AA  
(Authorised and Regulated by the Financial Conduct Authority)

**Administrator**

Investment Fund Services Limited  
Registered Office and Operating Address:  
Marlborough House  
59 Chorley New Road  
Bolton, BL1 4QP  
(Authorised and regulated by the Financial Conduct Authority)

**Solicitors**

Burges Salmon LLP  
One Glass Wharf  
Bristol, BS2 0ZX

**Auditors**

Ernst & Young LLP  
Atria One  
144 Morrison Street  
Edinburgh, EH3 8EX

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**THIS PROSPECTUS IS IMPORTANT. IF YOU ARE IN ANY DOUBT AS TO THE MEANING OF ANY INFORMATION CONTAINED IN THIS PROSPECTUS, YOU SHOULD CONSULT THE ACD OR YOUR FINANCIAL ADVISER.**

No person has been authorised by the Company or the ACD to give any information or to make any representations in connection with the offering of shares other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been made by the Company or the ACD. The delivery of this Prospectus (whether or not accompanied by any reports) or the issue of shares shall not, under any circumstances, create any implication that the affairs of the Company have not changed since the date hereof.

This Prospectus is intended for distribution in the United Kingdom. Its distribution may be restricted in other countries. Persons into whose possession this Prospectus comes are required by the Company to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is unlawful or in which the person making such offer or solicitation is not qualified so to do, or to anyone to whom it is unlawful to make such an offer or solicitation.

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

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

Shareholders are deemed to have taken notice of the provisions of the Instrument of Incorporation which is binding on each of the Shareholders. A copy of the Instrument is available on request from the ACD.

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

This Prospectus is based on information, law and practice as at the "valid as at date" which appears on the front cover and below. The Company and the ACD cannot be bound by a prospectus which is out of date when a new version has been issued. Investors should check with the ACD that this is the latest version and that there have been no revisions or updates.

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

The Company is required to comply with certain reporting requirements in order to avoid a 30% US withholding tax on interest income and the proceeds of sales of US securities and other US financial instruments. Complying with such requirements may require the Company to request certain information and documentation from Shareholders, and to agree to provide such information and documentation to the IRS if requested to do so. Any Shareholder that fails to provide the required information may be subject to a compulsory redemption of their shares and/or mandatory penalties.

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

A "U.S Person" means any citizen or resident of the United States of America, its territories and possessions including the State and District of Columbia and all areas subject to its jurisdiction (including the Commonwealth of Puerto Rico), any corporation, trust, partnership or other entity created or organised in or under the laws of the United States of America, any state thereof or any

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estate or trust the income of which is subject to United States federal income tax, regardless of source. The expression also includes any person falling within the definition of the term "U.S Person" under Regulation S promulgated under the United States Securities Act of 1933.

This Prospectus is dated and valid as at 21<sup>st</sup> April 2023.

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## 1 INTERPRETATION

In this Prospectus the words and expressions set out in the first column below shall have the meanings set opposite them unless the context requires otherwise. Words and expressions contained in this Prospectus but not defined herein shall have the same meanings as in the Act or Regulations (as defined below) unless the contrary is stated. The definitions are as follows:

"ACD"	the Authorised Corporate Director of the Company holding office from time to time pursuant to the Regulations being Investment Fund Services Limited at the date of this Prospectus;
"Act"	the Financial Services and Markets Act 2000, as amended, restated, re-enacted or replaced from time to time;
"Administrator"	Investment Fund Services Limited;
"AIFM Directive" or "AIFM"	The Directive 2011/61/EU of the European Parliament and the Council of 08 June 2011 on Alternative Investment Fund Managers and amending Directives 2004/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010;
"AIFMD Level 2 Regulation"	means the UK version of Commission delegated regulation (EU) No 231/2013 supplementing Directive 2011/16/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision, which is part of UK law by virtue of the EUWA;
"Applicant"	means any person applying for shares issued by the Company in respect of the Funds;
"Business Day"	Monday to Friday excluding UK public and bank holidays or any day on which the London Stock Exchange is not open and excluding the last trading day before the 25th December or any day on which the ACD has notified the Depositary that it is not open for normal business or otherwise agreed between the ACD and the Depositary;
"Collective Investment Schemes Sourcebook" or "COLL"	the Collective Investment Schemes Sourcebook issued by the FCA pursuant to the Act, as amended or replaced from time to time;
"Company"	<b>Mazarin OEIC;</b>
"Custodian"	means RBC Investor Services Trust;
"Dealing Day"	means 9 a.m. to 5 p.m. on any Business Day;
"Depositary"	means the person appointed from time to time by the Company or otherwise as depositary pursuant to the Regulations, being NatWest Trustee and Depositary Services Limited as at the date of this Prospectus;

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<b>"EEA"</b>	means the European Economic Area;
<b>"EUWA"</b>	means the European Union (Withdrawal) Act 2018;
<b>"FCA"</b>	means the Financial Services Authority in respect of matters prior to 1 April 2013 and, in respect of matters after that date, the Financial Conduct Authority or any successor entity from time to time;
<b>"FCA Handbook"</b>	means the handbook of rules of guidance published by the FCA from time to time;
<b>"FCA Rules"</b>	the rules published by the FCA in the FCA Handbook;
<b>"Fund" or "Funds"</b>	a sub-fund from time to time of the Company (being part of the Scheme Property which is pooled separately) to which specific assets and liabilities of the Company may be allocated, and which is invested in accordance with the investment objective applicable to such sub-fund;
<b>"FUND Sourcebook" or "FUND"</b>	means the rules contained in the Investment Funds Sourcebook issued by the FCA as amended from time to time;
<b>"Instrument of Incorporation" or "Instrument"</b>	the instrument of incorporation constituting the Company, as amended from time to time;
<b>"Investment Manager"</b>	means Titan Asset Management Ltd;
<b>"Key Investor Information Document"</b>	means the document setting out the key elements of a Fund;
<b>"Leverage"</b>	means any method by which exposure of the Company or a Fund is increased whether through borrowing of cash or transferrable securities or Leverage embedded in derivative positions or by any other means;
<b>"NAV" or "net asset value"</b>	the value of the Scheme Property less the liabilities of the Company as calculated in accordance with the Regulations;
<b>"Non-UCITS Retail Scheme" or "NURS"</b>	means a type of collective investment scheme such as the Company which is authorised by the FCA and therefore meets the standards set by the FCA to enable the scheme to be marketed to the public within the UK, but which is not a UCITS Scheme, a qualified investor scheme or a long-term asset fund;
<b>"OEIC Regulations"</b>	the Open-Ended Investment Companies Regulations 2001 as amended;
<b>"Registrar"</b>	Investment Fund Services Limited or any entity appointed by it to provide the services described in section 10;
<b>"Regulations"</b>	the OEIC Regulations and the Collective Investment Schemes Sourcebook and/or the FUND Sourcebook as relevant;

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<b>"Scheme Property"</b>	means those assets which comprise the property of the Company (or a Fund);
<b>"Shareholder"</b>	a holder of registered shares in the Company;
<b>"Supplementary Information Document"</b>	means the document setting out certain information to investors as required by the FCA and certain information about the operation of the Funds;
<b>"UCITS"</b>	means an Undertaking for Collective Investment in Transferable Securities. This will include a UCITS Scheme or an EEA UCITS scheme, as defined in the Financial Conduct Authority Handbook;
<b>"UCITS Directive"</b>	the European Parliament and Council Directive of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (No. 2009/65) (as amended);
<b>"UCITS Scheme"</b>	means a UK UCITS, as defined in the FCA Handbook;
<b>"UK AIF"</b>	means an alternative investment fund within the scope of the UK AIFM Regime and as defined in the FCA Handbook;
<b>"UK AIFM"</b>	means an alternative investment fund manager established in the UK and with a Part 4A permission to carry on the regulated activity of managing an alternative investment fund;
<b>"UK AIFM Regime"</b>	means the FUND Sourcebook, other rules in the FCA Handbook which when made implemented AIFMD, the AIFMD Level 2 Regulation and the AIFM Regulations;
<b>"UK UCITS"</b>	means, in accordance with sections 236A and 237 of the Financial Services and Markets Act 2000, a collective investment scheme which may consist of several sub-funds, which is either an authorised unit trust scheme, an authorised contractual scheme, or an authorised open-ended investment company with the sole object of collective investment of capital raised from the public in transferable securities or other liquid financial assets, operating on the principle of risk-spreading, with units which are, at the request of holders, repurchased or redeemed, directly or indirectly, out of those undertakings' assets, and which has identified itself as a UCITS in its prospectus and has been authorised accordingly by the FCA;
<b>"VAT"</b>	UK value added tax.

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## 2 CONSTITUTION OF THE COMPANY

### *General*

The Company is an open-ended investment company with variable capital incorporated under the OEIC Regulations. The Company is a Non-UCITS Retail Scheme as defined in COLL and is also an umbrella company for the purposes of the OEIC Regulations. The Company is an alternative investment fund and a UK AIF for the purposes of the UK AIFM Regime. The Company is incorporated in England and Wales with registered number IC001116. The head office of the Company is at Marlborough House, 59 Chorley New Road, Bolton BL1 4QP. This is also the address for the service on the Company of notices or other documents required or authorised to be served on it.

The base currency for the Company is pounds sterling. The maximum size of the Company's capital is £100,000,000,000 and the minimum size is £1.

The Company was authorised by an order made by the FCA with effect from 31<sup>st</sup> July 2018 with the Product Reference Number (PRN) 808857. The operation of the Company is governed by the Regulations, the Instrument of Incorporation and this Prospectus. The Company has unlimited duration.

### *Structure of the Company*

The Company is structured as an umbrella company, in that different Funds may be established from time to time by the ACD with the approval of the FCA and the agreement of the Depositary. On the introduction of any new Fund, a revised prospectus will be prepared setting out the relevant details of each Fund.

The Company currently has four Funds, being:

- **Mazarin Defensive Fund** (PRN: 815172) (**Not yet launched**);
- **Mazarin Cautious Fund** (PRN: 815171);
- **Mazarin Balanced Fund** (PRN: 815170);
- **Mazarin Adventurous Fund** (PRN: 815169).

The Scheme Property attributable to the Funds is managed as if each Fund belonged to the "Non-UCITS Retail Scheme" category as specified in COLL. The Funds are operated separately and the property attributable to each Fund is managed in accordance with the investment objective and policy applicable to that Fund. Shareholders do not have any proprietary interest in the underlying assets of the Funds. The Shareholders of the Company will not be liable for the debts of the Company.

The assets of each Fund will be treated as separate from those assets of every other Fund and will be invested in accordance with the investment objective and investment policy applicable to that Fund. Each Fund has credited to it the proceeds of all shares linked to it, together with the assets in which such proceeds are invested or reinvested and all income, earnings, profits or assets deriving from such investments.

Each Fund will be charged with the liabilities, expenses, costs and charges of the Company attributable to that Fund and within a Fund, the charges will be allocated between classes of shares in accordance with the terms of issue of the shares of those classes (as applicable). Any assets,

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liabilities, expenses, costs or charges not attributable to a particular Fund may be allocated by the ACD in a manner which is fair to the Shareholders generally but they will be normally allocated by the ACD to all Funds pro rata to the value of the net assets of the relevant Funds.

The Company's Funds are segregated portfolios of assets and, accordingly, the assets of a Fund belong exclusively to that Fund, and shall not be used to discharge, directly or indirectly, the liabilities of, or claims against, any other person or body, including the Company or any other Fund, and shall not be available for any such purpose.

While the provisions of the OEIC Regulations provide for segregated liability between the Funds, the concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known how those foreign courts will react to the OEIC Regulations. It is therefore not free from doubt that the assets of a Fund will always be "ring-fenced" from the liabilities of other Funds of the Company.

In certain circumstances the Company may sue and be sued in respect of a particular Fund and may exercise rights of set-off in relation to that Fund.

### **3 INVESTMENT OBJECTIVES AND POLICIES**

Investment of the assets of each of the Funds must comply with COLL and the investment objective and policy of the relevant Fund. Details of these investment objectives and policies are set out below. A detailed statement of the general investment and borrowing restrictions prescribed by COLL as applicable to the Funds is set out in Appendix 1.

#### **Mazarin Defensive Fund (Not Yet Launched)**

##### *Investment Objective*

The aim of the Fund is to provide capital growth, that is, to increase the value of your investment, over a minimum of 5 years.

The Fund aims to have an average yearly volatility (a measure of the size of short term changes in the value of an investment), below 6% per year, over any 5-year period. This may limit the potential for capital growth.

There is no guarantee that the Fund will meet its investment objective or volatility target and investors may not get back the amount invested.

##### *Investment Policy*

At least 70% of the Fund's assets will be invested in other collective investment schemes, closed-ended funds and exchange traded funds, collectively known as 'Investment Funds'. This could include other Investment Funds managed by the same Authorised Corporate Director and/or Investment Manager.

The Fund is actively managed, which means the Investment Manager decides which investments to buy and when, and will invest in a range of different asset classes, across different regions and industries. Chosen investments are based on predicted volatility within asset classes and global markets, using information and research provided by an independent asset allocator. The asset class exposure is likely to include lower risk investments such as government and corporate bonds (both investment grade and sub-investment grade), derivatives, money market funds and cash. The Fund will typically have lower exposure to higher-risk investments including shares in companies and real assets, for example property and commodities (e.g. gold and oil).

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In addition to the above, the Investment Funds may also hold other permitted investments such as money market instruments and structured products which are a type of fixed-term investment where the amount you earn depends on the performance of a specific market or a specific asset. Investment Funds may be actively managed, or passively managed (tracking an index).

The Fund may also invest directly in bonds issued by companies, shares in companies, and structured products. The Fund is permitted to use derivatives and forward transactions linked to exchange rates in order to reduce currency risk. The Fund may also use derivatives to gain exposure to currencies however this is expected to be infrequent and will not form a significant part of the investment strategy.

The Fund will be fully invested save for an amount to enable ready settlement of liabilities (including redemption of shares) and efficient management of the Fund both generally and in relation to strategic objectives however may hold higher cash balances in extreme market conditions.

#### *Assessing performance*

The Investment Association (IA), the trade body for UK investment managers, has created a number of 'sectors', as a way of dividing funds into broad groups with similar characteristics.

The Fund's investment policy puts it in the IA Mixed Investment 0-35% Shares sector. You may want to assess the Fund's performance compared to the performance of this sector.

### **Mazarin Cautious Fund**

#### *Investment Objective*

The aim of the Fund is to provide capital growth, that is, to increase the value of your investment, over a minimum of 5 years.

The Fund aims to have an average yearly volatility (a measure of the size of short term changes in the value of an investment), below 9% per year, over any 5-year period. This may limit the potential for capital growth.

There is no guarantee that the Fund will meet its investment objective or volatility target and investors may not get back the amount invested.

#### *Investment Policy*

At least 70% of the Fund's assets will be invested in other collective investment schemes, closed-ended funds and exchange traded funds, collectively known as 'Investment Funds'. This could include other Investment Funds managed by the same Authorised Corporate Director and/or Investment Manager.

The Fund is actively managed, which means the Investment Manager decides which investments to buy and when, and will invest in a range of different asset classes, across different regions and industries. Chosen investments are based on predicted volatility within asset classes and global markets, using information and research provided by an independent asset allocator. The asset class exposure is likely to include lower risk investments such as government and corporate bonds (both investment grade and sub-investment grade), derivatives, money market funds and cash. The Fund will typically have moderate exposure to higher-risk investments including shares in companies and real assets such as property and commodities (e.g. gold, silver and oil).

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In addition to the above, the Investment Funds may also hold other permitted investments such as money market instruments and structured products (a type of fixed-term investment where the amount you earn depends on the performance of a specific market or a specific asset). Investment Funds may be actively managed, or passively managed (tracking an index).

The Fund may also invest directly in bonds issued by companies, shares in companies, and structured products. The Fund is permitted to use derivatives and forward transactions linked to exchange rates in order to reduce currency risk. The Fund may also use derivatives to gain exposure to currencies however this is expected to be infrequent and will not form a significant part of the investment strategy.

The Fund will normally be fully invested save for an amount to enable ready settlement of liabilities (including redemption of shares) and efficient management of the Fund both generally and in relation to strategic objectives, however may hold higher cash balances in extreme market conditions.

#### *Assessing performance*

The Investment Association (IA), the trade body for UK investment managers, has created a number of 'sectors', as a way of dividing funds into broad groups with similar characteristics.

The Fund's investment policy puts it in the IA Mixed Investment 20-60% Shares sector. You may want to assess the Fund's performance compared to the performance of this sector.

### **Mazarin Balanced Fund**

#### *Investment Objective*

The aim of the Fund is to provide capital growth, that is, to increase the value of your investment, over a minimum of 5 years.

The Fund aims to have an average yearly volatility (a measure of the size of short term changes in the value of an investment), below 12% per year, over any 5-year period. This may limit the potential for capital growth.

There is no guarantee that the Fund will meet its investment objective or volatility target and investors may not get back the amount invested.

#### *Investment Policy*

At least 70% of the Fund's assets will be invested in other collective investment schemes, closed-ended funds and exchange traded funds, collectively known as 'Investment Funds'. This could include other Investment Funds managed by the same Authorised Corporate Director and/or Investment Manager.

The Fund is actively managed, which means the Investment Manager decides which investments to buy and when, and will invest in a range of different asset classes, across different regions and industries. Chosen investments are based on predicted volatility within asset classes and global markets, using information and research provided by an independent asset allocator. The asset class exposure will include a mix of investments including shares in companies, derivatives, government and corporate bonds (both investment grade and sub-investment grade), money market funds and real assets such as property and commodities (e.g. gold, silver and oil).

In addition to the above, the Investment Funds may also hold other permitted investments such as money market instruments and structured products (a type of fixed-term investment where the

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amount you earn depends on the performance of a specific market or a specific asset). Investment Funds may be actively managed, or passively managed (tracking an index).

The Fund may also invest directly in bonds issued by companies, shares in companies, and structured products. The Fund is permitted to use derivatives and forward transactions linked to exchange rates in order to reduce currency risk. The Fund may also use derivatives to gain exposure to currencies however this is expected to be infrequent and will not form a significant part of the investment strategy.

The Fund will normally be fully invested save for an amount to enable ready settlement of liabilities (including redemption of shares) and efficient management of the Fund both generally and in relation to strategic objectives however may hold higher cash balances in extreme market conditions.

#### *Assessing performance*

The Investment Association (IA), the trade body for UK investment managers, has created a number of 'sectors', as a way of dividing funds into broad groups with similar characteristics.

The Fund's investment policy puts it in the IA Mixed Investment 40-85% Shares sector. You may want to assess the Fund's performance compared to the performance of this sector.

### **Mazarin Adventurous Fund**

#### *Investment Objective*

The aim of the Fund is to provide capital growth, that is, to increase the value of your investment, over a minimum of 5 years.

The Fund aims to have an average yearly volatility (a measure of the size of short term changes in the value of an investment), below 15% per year, over any 5-year period. This may limit the potential for capital growth.

There is no guarantee that the Fund will meet its investment objective or volatility target and investors may not get back the amount invested.

#### *Investment Policy*

At least 70% of the Fund's assets will be invested in other collective investment schemes, closed-ended funds and exchange traded funds, collectively known as 'Investment Funds'. This could include other Investment Funds managed by the same Authorised Corporate Director and/or Investment Manager.

The Fund is actively managed, which means the Investment Manager decides which investments to buy and when, and will invest in a range of different asset classes, across different regions and industries. Chosen investments are based on predicted volatility within asset classes and global markets, using information and research provided by an independent asset allocator. The asset class exposure is likely to include higher risk investments including shares in companies and real assets, for example property and commodities (e.g. gold and oil). The Fund will typically have lower exposure to lower-risk investments such as government and corporate bonds (both investment grade and sub-investment grade), derivatives, money market funds and cash.

In addition to the above, the Investment Funds may also hold other permitted investments such as money market instruments and structured products which are a type of fixed-term investment where the amount you earn depends on the performance of a specific market or a specific asset.

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Investment Funds may be actively managed, or passively managed (tracking an index).

The Fund may also invest directly in bonds issued by companies, shares in companies, and structured products. The Fund is permitted to use derivatives and forward transactions linked to exchange rates in order to reduce currency risk. The Fund may also use derivatives to gain exposure to currencies however this is expected to be infrequent and will not form a significant part of the investment strategy.

The Fund will be fully invested save for an amount to enable ready settlement of liabilities (including redemption of shares) and efficient management of the Fund both generally and in relation to strategic objectives however may hold higher cash balances in extreme market conditions.

#### *Assessing performance*

The Investment Association (IA), the trade body for UK investment managers, has created a number of 'sectors', as a way of dividing funds into broad groups with similar characteristics.

The Fund's investment policy puts it in the IA Flexible Investment sector. You may want to assess the Fund's performance compared to the performance of this sector.

## **4 RISK FACTORS**

Investors should bear in mind that all investment carries risk and the level of risk may vary between Funds. In particular investors should be aware of the following:

#### ***General risk warnings:***

- (a) Past performance is not a guide to future performance. There can be no assurance that any appreciation in the value of the investments will occur. The value of shares and the income derived from them can go down as well as up and as a result the investor may not get back the amount originally invested. This can be as a result of market movements and also of variations in the exchange rates between currencies. There is no certainty that the investment objectives of the Funds will be achieved. There will be a variation in performance between Funds with similar investment objectives due to the different assets selected.
- (b) The Company and the Funds are classed as NURS for the purposes of the Regulations. Such funds can have wider investment and borrowing powers than schemes that comply with the UCITS Directive and may utilise higher investment limits in various areas. NURS can also invest to a greater extent in areas such as property and unregulated schemes and have the option to borrow on a permanent basis. Such additional powers can increase potential reward, but may also increase risk.
- (c) The ACD's initial charge (as set out in section 23 under the heading "**The Authorised Corporate Director's Charges**") is deducted from an investment at the outset such that an equivalent rise in the value of the shares is required before the original investment can be recovered. The shares should therefore be viewed as a medium to long term investment.
- (d) In certain circumstances, for investment or efficient portfolio management purposes, the Company may enter into certain derivatives transactions, including, without limitation, forward transactions, futures and options. The

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value of these investments may fluctuate significantly. By holding these types of investments there is a risk of capital depreciation in relation to certain Fund assets. There is also the potential for capital appreciation of such assets. **The ACD does not anticipate that the use of derivatives in this way will have any significant effect on the risk profile of the Funds.**

- (e) The summary of the UK tax treatment in section 28 is based on current law and practice which may change. It does not take into account particular circumstances which may affect the UK tax treatment. In particular the levels and bases of and reliefs from taxation will depend upon individual circumstances and may change.
- (f) Where the investment objective of a Fund is to treat the generation of income as a higher priority than capital growth, or where the generation of income and capital growth have equal priority, all or part of the ACD's fee may be charged against capital rather than income. This will enhance income returns but may constrain future capital growth.
- (g) Investors are reminded that in certain circumstances their right to redeem shares (including a redemption by way of switching) may be suspended and/or deferred.
- (h) Whilst equity investments carry potential for attractive returns over the longer term, the volatility of these returns can also be relatively high.
- (i) Investment in smaller companies can be higher risk than investment in larger companies. The shares of smaller companies may be less liquid and their performance more volatile over short time periods.
- (j) Investment in emerging markets may involve a higher than average risk due to the volatility of currency exchange rates, limited geographic focus, investment in a smaller number of issues, political and economic instability and less liquid markets.
- (k) Fixed interest securities are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of capital may fall, and vice versa. The value of a fixed interest security may fall in the event of a default or reduced credit rating of the issuer.
- (l) Currency fluctuations may adversely affect the value of a Fund's investments and the income thereon and, depending on the reference currency of the relevant share class, currency fluctuations may also adversely affect the value of a share class.
- (m) The Funds may invest in other collective investment schemes and as such the investing Fund will bear its portion of the expenses of the other collective investment scheme, including management, performance and/or other fees. These fees will be in addition to the management fees and other expenses which a Fund bears directly with its own operations.
- (n) Where a Fund invests in other collective investment schemes, these underlying schemes may suspend the issue, cancellation, sale, redemption and exchange of shares in those schemes. This would prevent these underlying schemes being sold during the period of the suspension and may have liquidity implications for the Fund.

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- (o) Subject to COLL, the Funds may invest in unregulated collective investment schemes (including hedge funds). Investment in unregulated collective investment schemes carries additional risks as these schemes may not be under the regulation of a competent regulatory authority, may use Leverage and may carry increased liquidity risk as units/shares in such schemes may not be readily realisable.
  - (p) The ACD may apply a dilution levy (as explained further in section 16) to the price payable on the purchase or redemption of shares. Where a dilution levy is not applied the Fund in question may incur dilution which may constrain capital growth.
  - (q) The Company's investments may be subject to liquidity constraints, which means that the investments may trade infrequently and in small volumes, or that a particular instrument is difficult to buy or sell. Normally liquid investments may also be subject to periods of disruption in difficult market conditions. As a result, changes in the value of investments may be unpredictable and, in certain circumstances, it may be difficult to deal an investment at the last market price quoted or at a value considered by the ACD to be fair.
  - (r) A Shareholder's investment in a Fund may be subject to Leverage, which may increase risk. Leverage means that the return or loss on an investment is subject to a multiplier increasing exposure to that investment and magnifying the volatility and risk of loss should the value of that investment decline. The use of Leverage creates special risks and may significantly increase a Fund's investment risk. Leverage may create an opportunity for greater yield and total return but, at the same time, will increase the exposure of a Fund to capital risk. The Funds may be subject to Leverage through the use of derivatives for efficient portfolio management or investment purposes. The Funds may be subject to Leverage within the limits disclosed in Appendix 1.
  - (s) The Company and the Funds may incur Leverage through borrowing cash up to 10% of the value of the Scheme Property, in which case the Company's or a Fund's exposure may be increased by reinvesting such cash borrowings. In the event that the interest costs associated with the borrowings are greater than any investment income and gains earned on investments made through the use of borrowing, the net asset value of the shares in a Fund may decline more rapidly than would otherwise be the case.
  - (t) Where assets are held in custody, there may be a risk of loss resulting from the insolvency, negligence or fraudulent action of the custodian or sub-custodian.
  - (u) A Fund will be exposed to a credit risk on parties with whom it trades and will also bear the risk of settlement default. The Funds may enter into transactions in over-the-counter markets which will expose the Funds to the credit of its counterparties and their abilities to satisfy the terms of such contracts.
  - (v) The real value of any returns that an investor may receive from a Fund could be affected by interest rates and inflation over time.
  - (w) The Funds may invest in property funds. The value of investments held in a property fund are generally determined by the opinion of an independent valuer and is therefore subjective. Investment in such funds should be considered as long term in nature. Property investments can be relatively illiquid compared to bonds and equities and may be subject to significantly wider price spreads which could affect the valuation.

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- (x) The Funds may invest in structured products in accordance with COLL. Structured products are designed to combine the potential upside of market performance with limited downside and typically are investments which are linked to the performance of one or more underlying instruments or assets such as market prices, rates, indices, securities, currencies and commodities and other financial instruments that may introduce risk that may affect the performance of the Funds.
  - (y) Investors should bear in mind that commodity prices react, among other things, to economic factors such as changing supply and demand relationships, weather conditions and other natural events, the agricultural, trade, fiscal, monetary and other policies of governments and other unforeseeable events.

### ***Typical Investor***

The Funds are suitable for retail investors, professional investors and eligible counterparties whose investment requirements are aligned with the objectives, policies and risk profiles of the Funds. The Funds will be distributed primarily via fund platforms, wealth managers, discretionary fund managers and financial institutions. The Funds have no complex features or guarantees and investors do not necessarily need to have investment experience however a basic understanding of investment markets, the kind of underlying investments of the Funds and the risks involved in investment is important.

This Prospectus contains detail on the Funds' objectives, investment strategies, risks, performance, distribution policy and fees and expenses. All investors are expected to have also read the Key Investor Information Document (KIID) which is intended to help investors understand the nature and risks of investing in the Funds.

The Funds may not be suitable for certain investors, including but not limited to those whose objectives and needs are not consistent with the nature of the Funds, those who are unable to commit capital for a sufficient term or do not have sufficient resources to bear any loss which may result from an investment in the Funds. The Funds are also not committed to meeting any specific ethical, social, religious or environmental restrictions which some investors may be seeking.

Further information on the intended target market for the Funds is available from the ACD upon request. If you are in any doubt as to the suitability of the Funds, you should consult an appropriately qualified financial adviser prior to making an investment.

## **5 THE AUTHORISED CORPORATE DIRECTOR**

The authorised corporate director ("**ACD**") of the Company is Investment Fund Services Limited. The ACD is a private company limited by shares, incorporated in England and Wales on 16 February 2007 under the Companies Act 1985. The registered and head office of the ACD is at Marlborough House, 59 Chorley New Road, Bolton BL1 4QP. This is the address at which notices or other documents may be served on the Company. The amount of the ACD's issued and fully paid share capital is £4,010,000.

The ACD is authorised and regulated by the Financial Conduct Authority. Firm Reference Number 46193. The ACD may provide investment services to other clients and funds and to companies in which the Company may invest in accordance with the Regulations.

The ACD is also the authorised corporate director in respect of the schemes listed in Appendix 3.

The directors of the ACD are listed in Appendix 3.

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## ***ACD Agreement***

The ACD provides its services to the Company under the terms of a service agreement (the "**ACD Agreement**"). The ACD Agreement will terminate with immediate effect if the ACD ceases to hold office as such. The ACD's appointment may be terminated by the Company in a general meeting at any time. Otherwise, save by reason of certain events of default as specified in the ACD Agreement, the Company may terminate the ACD's appointment on 12 months' notice. No such notice shall take effect until the appointment of a successor ACD. The ACD Agreement contains an indemnity from the Company to the ACD in respect of losses, claims and similar liabilities incurred by the ACD as such, save where such losses, claims and similar liabilities arise from the negligence, default, breach of duty or breach of trust of the ACD.

The ACD is responsible for managing and administering the Company's affairs in compliance with the provisions of the Instrument of Incorporation of the Company, this Prospectus and the Regulations. The ACD may delegate its management and administration functions, but not responsibility for such functions, to third parties, including associates (subject to the Regulations). The ACD has delegated the investment management function to Titan Asset Management Ltd. Further details in respect of the ACD's delegated functions are set out in section 7 below.

When managing investments of the Company, the ACD will not be obliged to make use of information which in doing so would be a breach of duty or confidence to any other person or which comes to the notice of an employee or agent of the ACD but properly does not come to the notice of an individual managing the assets of the Company.

## **6 THE DEPOSITARY**

NatWest Trustee and Depositary Services Limited is the Depositary of the Company. The Depositary is a private limited company incorporated in England. The ultimate holding company of the Depositary is NatWest Group plc, which is incorporated in Scotland.

The Depositary's duties include the following:-

- (a) Safekeeping the assets of the Company, which includes (i) holding in custody all financial instruments that can be physically delivered to the Depositary; and (ii) verifying the ownership of other assets and maintaining records accordingly;
- (b) Ensuring that the Company's cash flows are properly monitored and verified;
- (c) Ensuring that issues and cancellations of the shares of the Company are carried out in accordance with the Instrument of the Company, this Prospectus and the applicable laws and regulations;
- (d) Ensuring that in transactions involving the Company's assets any consideration is remitted to the Company within the usual time limits;
- (e) Ensuring that the value of the shares of the Company are calculated in accordance with the Instrument of the Company, this Prospectus and the applicable laws and regulations;
- (f) Ensuring that the Company's income is applied in accordance with the Instrument of the Company, this Prospectus and the applicable laws and regulations; and
- (g) Carrying out the instructions of the ACD, unless they conflict with the Instrument of the Company, this Prospectus or the applicable laws and regulations.

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## **Registered Office and Head Office**

The registered office and head office of the Depositary is 250 Bishopsgate, London, EC2M 4AA.

## **Principal Business Activity**

The principal business activity of the Depositary is the provision of trustee and depositary services. The Depositary is authorised and regulated by the Financial Conduct Authority.

## **Terms of Appointment**

The Depositary was appointed under a Depositary Agreement between the ACD, the Company and the Depositary (the “Depositary Agreement”).

Under the Depositary Agreement, the Depositary will be liable to the Company for any loss of Financial Instruments held in Custody or for any liabilities incurred by the Company as a result of the Depositary’s negligent or intentional failure to fulfil its obligations.

However, the Depositary Agreement excludes the Depositary from any liability except in the case of fraud, wilful default, negligence or failure to exercise due care and diligence in the performance or non-performance of its obligations. It also provides that the Company will indemnify the Depositary for any loss suffered in the performance or non-performance of its obligations except in the case of fraud, wilful default, negligence or failure to exercise due care and diligence on its part.

The Depositary Agreement may be terminated on three months’ notice by the Company or the Depositary or earlier on certain breaches or the insolvency of a party. However, termination of the Depositary Agreement will not take effect, nor may the Depositary retire voluntarily, until the appointment of a new Depositary.

The powers, duties, rights and obligations of the Depositary, the Company and the ACD under the Depositary Agreement shall, to the extent of any conflict, be overridden by the FCA Rules.

The fees to which the Depositary is entitled are set out below under the heading “The Fees, Charges and Expenses of the Depositary”.

## **Delegation of Safekeeping Functions**

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

The Depositary has delegated safekeeping of the Scheme Property to RBC Investor Services Trust, UK Branch, a trust company incorporated under the laws of Canada which is a wholly owned subsidiary of the Royal Bank of Canada and Dexia SA (“the Custodian”). In turn, the Custodian has delegated the custody of assets in certain markets in which the Scheme may invest to various sub-delegates (“Sub-Custodians”).

## **7 THE CUSTODIAN**

The Depositary has delegated custody of the Company's property to RBC Investor Services Trust, UK Branch.

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## 8 INVESTMENT MANAGER

Titan Asset Management Ltd is the investment manager (the "**Investment Manager**") appointed by the ACD in relation to the Company. The Investment Manager is authorised and regulated by the FCA. Its principal activity is the provision of investment advice and investment management services.

Pursuant to an agreement (the "**Investment Management Agreement**") between the Investment Manager and the ACD, the Investment Manager provides general discretionary investment management services in respect of the Company and its Funds.

The Investment Manager has the authority to make decisions on behalf of the ACD in relation to the management, purchase, sale, retention, exchange or other dealings with assets, and has full discretion to make such investments on such markets at such times as the Investment Manager sees fit and otherwise to act as it shall deem appropriate, subject always to the provisions of the Instrument of Incorporation of the Company, this Prospectus and the Regulations and the investment objectives and policies of the Company and its Funds. Under the Investment Management Agreement, the Investment Manager has the permission to delegate however where any delegation takes place the Investment Manager is responsible for oversight of any appointed party. The Investment Manager is remunerated by the ACD out of the annual management charge.

The ACD may terminate the Investment Management Agreement with immediate effect where, in the ACD's opinion, it is in the interests of the Shareholders to do so, in accordance with the Regulations.

## 9 ADMINISTRATOR

The ACD is the Administrator of the Company and has not delegated the performance of this function.

## 10 THE AUDITORS

The auditors of the Company are Ernst & Young LLP, whose address is at Atria One, 144 Morrison Street, Edinburgh, EH3 8EX.

## 11 REGISTER

The ACD is the Registrar to the Company. The register of Shareholders will be maintained at Marlborough House, 59 Chorley New Road, Bolton BL1 4QP where it can be inspected by Shareholders during normal office hours. The Company has the power to close the register for any period or periods not exceeding thirty days in any one year.

No certificates will be issued in respect of a holding of shares and should any Shareholder require evidence of title to shares the Registrar will, upon such proof of identity and the payment of such fee (if any) as may reasonably be required, supply the Shareholder with a certified copy of the relevant entry in the register relating to the Shareholder's holding of shares.

Shareholders should notify the Registrar in writing of any change to their name or address.

No bearer shares are issued.

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## 12 NO LIABILITY TO ACCOUNT

Neither the ACD, Depositary nor any other person involved with the establishment and/or operation of the Company are liable to account to each other or to the Shareholders or former shareholders of the Company for any profits or benefits they may make or receive which are made, derived from or in connection with:

- (a) dealings in the shares of the Company;
- (b) any transaction in the underlying property of the Company; or
- (c) the supply of services to the Company.

## 13 SHARES IN THE COMPANY

Under the Instrument of Incorporation, the Company is currently permitted to issue income and accumulation shares (net and gross) in the Funds in such designations as the ACD may resolve, and which may be distinguished by different fee structures, reference currencies and criteria for subscription. It is currently intended for the following share classes to be issued in respect of the Funds:

- **A Accumulation Shares;**
- **A Income Shares; and**
- **T Accumulation Shares.**

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

Each share is deemed to represent one undivided unit of entitlement in the property of a Fund.

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

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

The Instrument of Incorporation also allows the Company to issue gross income and gross accumulation shares as well as net income and net accumulation shares. Net shares are shares in respect of which income allocated to them is distributed periodically to the relevant Shareholder (in the case of income shares) or credited periodically to capital (in the case of accumulation shares), in either case in accordance with relevant tax law, net of any tax deducted or accounted for by the Company. Gross shares are income or accumulation shares where, in accordance with relevant tax law, distribution or allocation of income is made without any tax being deducted or accounted for by the Company.

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

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Where the Company has different share classes, each class may attract different charges and so monies may be deducted from the Scheme Property attributable to such classes in unequal proportions. In these circumstances, the proportionate interests of the classes within a Fund will be adjusted accordingly.

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

Further details of the Shares presently available in the Funds, including details of their criteria for subscription and fee structure, are set out in Appendix 4.

## **14 VALUATIONS**

Valuations of the Scheme Property of the Company for the purpose of the calculation of share prices will be carried out in accordance with the rules for single-priced funds in COLL.

Each share linked to the Funds represents a proportional share of the overall property attributable to that Fund. Therefore, the value of a share attributable to the Funds is calculated, in broad outline, by calculating the net asset value of the property attributable to that Fund, and dividing that value (or that part of that value attributed to shares of the class in question) by the number of shares (of the class in question) in issue.

Valuations are normally carried out on each Dealing Day (being each day which is a Business Day). The valuation point for the Fund is 12.00 noon (UK time) on each Dealing Day.

The ACD may carry out additional valuations if it considers it desirable to do so and may use the price obtained at such additional valuations as the price for the relevant day. The ACD shall inform the Depositary of any decision to carry out any such additional valuations. Valuations will not be made during a period of suspension of dealings (see "**Suspension of Dealings**" below).

### **Determination of Net Asset Value**

The property attributable to the Funds is, for all purposes, valued on the following basis (which is set out in full in the Instrument of Incorporation):

- 1 All the Scheme Property (including receivables) is to be included, subject to the following provisions.
- 2 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:
  - (a) units or shares in a collective investment scheme:
    - (i) if a single price for buying and selling units or shares is quoted, at that price; or
    - (ii) if separate buying and selling prices are quoted, at the average of the two prices provided the buying price has been reduced by any initial charge included therein and the selling price has been increased by any exit or redemption charge attributable thereto; or
    - (iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a value which, in the opinion of the ACD, is fair and reasonable;

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- (b) exchange-traded derivative contracts:
- (i) if a single price for buying and selling the exchange-traded derivative contract is quoted, at that price; or
  - (ii) if separate buying and selling prices are quoted, at the average of the two prices;
- (c) over-the-counter derivative contracts shall be valued in accordance with the method of valuation as shall have been agreed between the ACD and the Depositary;
- (d) any other investment:
- (i) if a single price for buying and selling the security is quoted, at that price; or
  - (ii) if separate buying and selling prices are quoted, at the average of the two prices; or
  - (iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if the most recent price available does not reflect the ACD's best estimate of the value, at a value which, in the opinion of the ACD, is fair and reasonable;
- (e) property other than that described in (a), (b), (c) and (d) above: at a value which, in the opinion of the ACD, represents a fair and reasonable mid-market price.
- 3 Cash and amounts held in current, margin and deposit accounts and in other time-related deposits shall be valued at their nominal values.
- 4 In determining the value of the Scheme Property, all instructions given to issue or cancel shares shall be assumed (unless the contrary is shown) to have been carried out and any cash payment made or received and all consequential action required by the Regulations or the Instrument of Incorporation shall be assumed (unless the contrary has been shown) to have taken place.
- 5 Subject to paragraphs 6 and 7 below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the ACD, their omission shall not materially affect the final net asset amount.
- 6 Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph 5.
- 7 All agreements are to be included under paragraph 5 which are, or ought reasonably to have been, known to the person valuing the property assuming that all other persons in the ACD's employment take all reasonable steps to inform it immediately of the making of any agreement.
- 8 An estimated amount for anticipated tax liabilities (on unrealised gains where the liabilities have accrued and are payable out of the property of the Scheme; on realised capital gains in respect of previously completed and current accounting periods; and on income where

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liabilities have accrued) including (as applicable and without limitation) capital gains tax, income tax, corporation tax, value added tax, and any stamp tax will be deducted.

- 9 An estimated amount for any liabilities payable out of the Scheme Property and any tax thereon treating periodic items as accruing from day to day will be deducted.
- 10 The principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings will be deducted.
- 11 An estimated amount for accrued claims for tax of whatever nature which may be recoverable will be added.
- 12 Any other credits or amounts due to be paid into the Scheme Property will be added.
- 13 A sum representing any interest or any income accrued due or deemed to have accrued but not received.
- 14 Currencies or values in currencies other than base currency shall be converted at the relevant valuation point at a rate of exchange that is not likely to result in any material prejudice to the interests of Shareholders or potential shareholders.
- 15 The Company is permitted to invest in immovable property in accordance with the Instrument of Incorporation, although it does not do so currently. In the event the Prospectus is amended to permit the Company to invest in immovable property (following receipt of FCA approval) such immovable property shall be valued as follows:
  - (a) by a standing independent valuer (as defined in the glossary to the FCA Handbook) appointed by the ACD with the approval of the Depositary, undertaken in accordance with the RICS Valuation – Professional Standards 2012 (The Red Book) (8<sup>th</sup> edition published 1 January 2012) as updated and amended from time to time, or in the case of overseas immovables on an appropriate basis;
  - (b) on the basis of a full valuation with physical inspection (including, where the immovable is or includes a building, internal inspection), at least once a year; and
  - (c) on the basis of the last full valuation, at least once a month.

### **Valuations – general points**

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

The Funds have credited to them the proceeds of all shares attributed to it, together with the assets in which such proceeds are invested or reinvested and all income, earnings, profits, or assets deriving from such investments. All liabilities and expenses attributable to the Funds are charged to the relevant Fund.

The Company is required to allocate (and the ACD may from time to time reallocate) any assets, costs, charges or expenses which are not attributable to a particular Fund against all the Funds in a manner which is fair to the Shareholders of the Company generally.

### **Fair Value Pricing**

Where the ACD has reasonable grounds to believe that:

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- (a) no reasonable price exists for a security at a valuation point; or
- (b) the most recent price available does not reflect the ACD's best estimate of the value of a security at a valuation point,

it will value an investment at a price which, in its opinion, reflects a fair and reasonable price for that investment (the fair value price).

The circumstance which may give rise to a fair value price being used includes: where there has been no recent trade in the security concerned; or due to the suspension of dealings in an underlying collective investment scheme; or where there has been the occurrence of a significant event since the most recent closure of the market where the price of the security is taken.

## **15 PRICES OF SHARES**

The Company deals on a forward pricing basis. A forward price is the price calculated at the next valuation of the Scheme Property after the purchase, redemption, conversion or switch of shares is agreed. As noted above, shares in the Company are "single priced". Investors should bear in mind that on purchase, the ACD's initial charge is deducted from the investment proceeds at the outset and that any applicable redemption charge will be deducted from the price of a share on sale. In addition, for both purchases and sales by investors, there may be a dilution levy as described below.

The price of a share is calculated at or about the valuation point each Dealing Day (to at least four significant figures) by:

- taking the value of the property attributable to a Fund and therefore all shares (of the relevant class) in issue (on the basis of the units of entitlement in the property of the Fund attributable to that class at the most recent valuation of that Fund); and
- dividing the result by the number of shares of the relevant class in issue immediately before the valuation concerned.

### ***Publication of Prices***

The most recent share prices are published on the following websites:

[www.ifslfunds.com](http://www.ifslfunds.com)

[www.fundlistings.com](http://www.fundlistings.com)

Prices are also available by telephoning the ACD on 0808 178 9321.

The ACD is not responsible for any errors in publication or non-publication. As the ACD deals on a forward pricing basis, the price that appears in these sources will not necessarily be the same as the one at which investors can currently deal.

## **16 DILUTION LEVY**

***What is 'dilution'?*** - Where a Fund buys or sells underlying investments in response to a request for the issue or redemption of shares, it will generally incur a cost, made up of dealing costs and any spread between the bid and offer prices of the investments concerned, which is not reflected in the purchase or redemption price paid by or to the Shareholder. This effect is referred to as "dilution". It is not possible to accurately predict whether dilution will occur at any point in time.

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To mitigate the effects of dilution (which, if material, disadvantages continuing Shareholders and could adversely affect the future growth of a Fund) the ACD has discretion to charge a dilution levy based on historical data on the purchase or redemption of shares in a Fund. A dilution levy is a separate charge of such amount or rate as determined by the ACD. Any dilution levy must be fair to all Shareholders and potential Shareholders.

***The ACD's policy regarding the Dilution Levy*** – At its absolute discretion, the ACD may charge a dilution levy on the price of shares in the following circumstances:

- Where a Fund experiences a large level of net purchases or redemptions on any Business Day, relative to its size (i.e. net purchases or redemptions equivalent to greater than 2% of the net asset value of the Fund);
- Where a Fund is in continuing decline, in terms of net asset value, as a result of poor market conditions or continual net redemptions;
- On "large deals", which for these purposes is defined as a single purchase or redemption of shares equivalent to more than 2% of the net asset value of the relevant Fund.

The dilution levy is not retained by the ACD but is paid into the relevant Fund in respect of which it has been levied.

***How will it affect investors?*** - On the occasions when the dilution levy is not applied there may be an adverse impact on the total assets of the Fund. As dilution is directly related to the inflows and outflows of monies from the relevant Fund it is not possible to accurately predict whether dilution will occur at any point in time. Consequently it is also not possible to accurately predict how frequently the ACD will need to make such a dilution levy. However, the ACD believes that the likely effect of not charging a dilution levy, excluding such cases referred to in "***The ACD's policy regarding the Dilution Levy***" above, will be negligible.

The ACD does not currently envisage that a dilution levy will be applied to any "large redemption deals" in the Funds, as it is unlikely that any single holder will have control of greater than 5% of any single Fund.

Based on future projections of the number of Shareholders in each Fund and their average shareholding, as well as the anticipated subscription and redemption volumes, the ACD considers that it likely that a dilution levy will only be imposed on a very infrequent basis. Where a dilution levy is applied, the ACD believes that due to the nature of the underlying securities the amount will not normally exceed 1% of the net asset value of Shares being bought or sold.

## **17 STAMP DUTY RESERVE TAX**

There is generally no stamp duty reserve tax (SDRT) charge on the acquisition or surrender of Shares but SDRT can arise on:

### **(i) Third party transfers of Shares without reregistration**

Where a third party buys Shares from a Shareholder and the transaction is not handled by the ACD (i.e. a third party purchase where only beneficial ownership of the Shares change) then the principal SDRT charge on agreements to transfer for consideration will still apply at 0.5%.

### **(ii) Non-pro rata in specie redemptions**

Non-pro rata in specie redemptions are subject to the principal SDRT charge at 0.5% on any chargeable securities acquired by the redeeming Shareholder.

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## 18 PURCHASE, REDEMPTION AND EXCHANGE OF SHARES

### **Initial offer period**

The initial offer period for the Mazarin Cautious and Mazarin Balanced Funds ran for eight weeks commencing on **1<sup>st</sup> July 2019** and ending on **27<sup>th</sup> August 2019**, with the first Valuation Point at 12noon on the **28<sup>th</sup> August 2019**.

The initial offer period for the Mazarin Adventurous Fund ran for four weeks commencing on **20<sup>th</sup> July 2020** and ending on **17<sup>th</sup> August 2020**, with the first Valuation Point at 12noon on the **18<sup>th</sup> August 2020**.

The Mazarin Defensive Fund will launch at a later date.

The initial offer price is 100 pence. To ensure that the initial offer price is received, investment should be made before 12noon on the last day of the offer period. Shares will only be issued in the base currency.

The ACD will create shares on demand during the initial offer period with such shares issued within four days of the subscription date. The Investment Manager will have the right to invest the proceeds received from the purchase of shares at its discretion.

The period of an initial offer will come to an end if the ACD believes that the price that would reflect the current value of the Scheme Property would vary by more than 2% from the initial price or, if in the ACD's opinion, sufficient purchases have been made in the Fund to deem it viable.

### **The ACD's own dealing**

Requests for the purchase, redemption and exchange of shares are normally dealt with by the issue or cancellation of such shares by the Company. However, in certain circumstances, the ACD may deal with such requests by selling shares to and/or repurchasing them from the Applicant as appropriate. In other words, the ACD is entitled to hold shares for its own account and to satisfy requests for the sale of shares from its own holding (this is generally referred to as the ACD dealing from its "box"). The ACD is required to procure the issue or cancellation of shares by the Company where necessary to meet any obligations to sell or redeem shares. Shares will be issued, cancelled, sold or repurchased at the price calculated by reference to the valuation point following receipt of the request (on a forward basis).

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

The ACD is under no obligation to account to the Company or to Shareholders or any of them for any profit it makes on the issue of shares or on the reissue or cancellation of shares which it has redeemed from its "box" and will not do so.

### **Purchase**

#### *Applications*

Subject to restrictions applicable to certain classes of shares, applications for shares linked to the Funds may be made by any person. Shares to satisfy an application received before the valuation point of the Funds (see "Valuations" for details of the valuation points) on a Dealing Day will be sold at a price based on that day's valuation and shares to satisfy an application received after the

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valuation point, or on a day which is not a Dealing Day, will be sold at a price based on the valuation made on the next Dealing Day.

Applications may be made by completing an application form and delivering it to the ACD between 9am and 5pm on any Business Day to Marlborough House, 59 Chorley New Road, Bolton BL1 4QP. The ACD may also, at its sole discretion, accept instructions by email to [dealing@ifslfunds.com](mailto:dealing@ifslfunds.com), or by facsimile on such terms as it may specify. Applications may be faxed to the ACD on 01204 533045 or submitted through approved agents. The ACD may also, at its sole discretion, accept instructions by telephone on 0808 164 5458 between 9.00am and 5.00pm on any Business Day on such terms as it may specify. The ACD may require telephone or electronic requests to be confirmed in writing. Application forms are available from the ACD.

Applications, however made, are irrevocable (except in the case where cancellation rights are applied - see below). Subject to its obligations under COLL, the ACD reserves the right to reject any application in whole or in part. In that event application monies or any balance will be returned to the Applicant by post at the Applicant's risk.

Applications will not be acknowledged but a contract note will be sent on or before the Business Day next following the relevant Dealing Day. Certificates will not be issued. Ownership of shares will be evidenced by an entry on the register where the total price payable for all shares for which the application is made would include a fraction of one penny it will be rounded up or down to the nearest penny.

Payment in respect of applications must be received no later than the fourth Business Day after the relevant Dealing Day. However, the ACD reserves the right to request that payment in respect of applications be received prior to the relevant Dealing Day.

If an Applicant defaults in making any payment in money or transfer of property due to the ACD in respect of the sale or issue of shares, the Applicant shall indemnify the ACD and/or the Company (as the case may be) in respect of any loss or cost incurred by either of them as a result of such default and the Company is entitled to make any necessary amendment to the register and the ACD will become entitled to the shares in place of the Applicant (subject, in case of an issue of shares, to the ACD's payment of the purchase price to the Company). The ACD may in its discretion delay arranging for the issue of the shares until payment has been received.

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

### ***Money laundering prevention***

The Company is subject to the United Kingdom's anti-money laundering regulations and the ACD may in its absolute discretion require verification of identity from any Applicant including, without limitation, any Applicant who:

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

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

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

### ***Deferred Redemption***

If redemptions in the Fund on a particular Dealing Day exceed 10% of the Fund's value, the ACD may, with the prior agreement of the Company's Depositary, or if the Depositary so requires, defer redemptions to the next valuation point in accordance with the FCA's COLL rules.

Any such deferral is undertaken in such a manner as to ensure the consistent treatment of all Shareholders who have sought to redeem Shares at the valuation point at which redemptions are deferred. All deals relating to the earlier valuation point are completed before these relating to a later valuation point are considered.

The intention of a deferred redemption is to reduce the impact of dilution on the Fund. In times of high levels of redemption, deferred redemption enables the ACD to protect the interests of continuing Shareholders and potential Shareholders, by allowing the ACD to match the sale of the Fund's property to the level of redemptions of Shares in that Fund.

### ***In Specie Application***

The ACD may, by special arrangement and at its discretion, agree to arrange for the issue of shares in exchange for assets other than cash but only if the Depositary is satisfied that acquisition of the assets in exchange for the shares to be issued is not likely to result in any material prejudice to the interests of Shareholders or potential shareholders of the Fund concerned.

### ***Minimum Purchase and Holdings***

The minimum initial lump sum subscriptions for shares and the minimum holding in the Company is set out in Appendix 4. If at any time a Shareholder's holding is below the specified minimum, the ACD (at its discretion) reserves the right to either sell the shares and send the proceeds to the Shareholder, or to convert the shares to another share class. However, the ACD may, by special arrangement and at its discretion, either agree on an individual basis a lower amount in relation to the minimum value requirements, or waive such requirements at its discretion. The ACD may waive the minimums of Class T Shares in respect of clients of Titan Asset Management Limited and their strategic partners.

The ACD will also offer a regular savings plan in respect of the Funds whereby shares can be purchased monthly, the settlement for which is collected via direct debit. The minimum value of shares purchased in one single transaction is £50.

### ***Redemption***

Shares in each Fund may be redeemed on any Dealing Day. Dealings are on a forward price basis as explained in the paragraph headed "**Purchase**" above. Shares to be redeemed pursuant to a redemption request received before the valuation point of the relevant Fund on a Dealing Day will be redeemed at a price based on that day's valuation and shares to be redeemed pursuant to a redemption request received after that time, or on a day which is not a Dealing Day, will be redeemed at a price based on the valuation made on the next Dealing Day. Redemption

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instructions may be given by delivery to the ACD of written instructions for redemption by letter to Marlborough House, 59 Chorley New Road, Bolton BL1 4QP, by email to [dealing@ifslfunds.com](mailto:dealing@ifslfunds.com), or by fax to 01204 533045). Redemption instructions may be given by telephone on 0808 164 5458 between 9.00am and 5.00pm on any Business Day. Redemption instructions given by telephone must be confirmed in writing to the ACD prior to redemption proceeds being remitted, except in instances where a coverall agreement is already in place for the account. Redemption instructions are irrevocable.

The ACD may accept instructions to transfer or renounce Shares by electronic communication in certain, limited circumstances following the ACD's prior agreement which shall only be given on a case by case basis. In such circumstances, the ACD will accept electronic communications only where the ACD is satisfied that the communication is from a Shareholder and is genuine. The ACD does not intend to accept electronic communications as a matter of course and will typically require instructions in accordance with the above.

A redemption contract note will be sent on or before the next Business Day following the relevant Dealing Day. Where the total consideration for the transaction would include a fraction of one penny it will be rounded up or down to the nearest penny. There may also be deducted, if the consideration is to be remitted abroad, the cost of remitting the proceeds (if any). If a redeeming Shareholder wishes to be paid other than by cheque, the ACD will endeavour to arrange this but at the cost of the Shareholder. The redemption proceeds will be paid not later than the close of business on the fourth Business Day after the later of the following times:

- (a) the valuation point immediately following the receipt by the ACD of the request to redeem the shares; or
- (b) the time when the ACD has received all duly executed instruments and authorisations which effect (or enable the ACD to effect) transfer of title to the shares.

However, neither the Company nor the ACD is required to make payment in respect of a redemption of shares where the money due on the earlier issue of those shares has not yet been received or where the ACD considers it necessary to carry out or complete identification procedures in relation to the holder or another person pursuant to the United Kingdom's anti-money laundering regulations.

### ***In Specie Redemption***

If a Shareholder requests the redemption of Shares, the ACD may, if it considers the deal is substantial in relation to the total size of the Fund, arrange for the Fund to cancel the Shares and transfer Scheme Property to the Shareholder instead of paying the price of the Shares in cash, or, if required by the Shareholder, pay the net proceeds of sale of the relevant Scheme Property to the Shareholder.

A deal involving Shares representing 5% or more in value of the Fund will normally be considered substantial. However, the ACD may at its discretion agree an in specie redemption with a Shareholder whose Shares represent less than 5% in value of the Fund.

In such cases, the ACD will serve a notice on the Shareholder within two Business Days of receipt of the redemption instruction that it proposes to make an in specie redemption and setting out the Scheme Property to be transferred to the Shareholder. The Shareholder may within four Business Days of receiving the notice serve a notice on the ACD requiring the ACD to sell the selected Scheme Property and pay the proceeds to the Shareholder.

The ACD will select the property to be transferred (or sold) in consultation with the Company's Depositary. The ACD must ensure that the property selection is made with a view to achieving

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no greater advantage or disadvantage to the redeeming Shareholder than to continuing Shareholders.

### ***Minimum Redemption and Holding***

If the redemption request is in respect of only some of the shares held, the minimum value of shares which may be the subject of redemption is set out in Appendix 4. Where the value of an individual holding of shares would, in consequence of a request for redemption/cancellation, fall below these amounts in respect of the relevant share classes such request may be treated as a request for redemption/ cancellation of all the shares held by such Shareholder.

The value of shares for this purpose is calculated by reference to the current price, net of any initial charge. However the ACD may, by special arrangement on a case by case basis and at its discretion, agree a lower amount in relation to the minimum redemption size.

## **19 SWITCHING AND CONVERSIONS**

### **Conversions**

Subject to any restrictions on the eligibility of investors for a particular share class, a Shareholder may convert shares in one class in a Fund for shares in a different class in the same Fund subject to the investment minima set out in this Prospectus.

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

If a Shareholder wishes to convert shares he should apply to the ACD in the same manner as for a sale as set out in section 17 above.

Conversions will be effected at the next valuation point. The number of shares to be issued in new class will be calculated relative to the price of share being converted from. The ACD or Registrar will notify Shareholders once the conversion has been effected.

Conversions will not generally be treated as a disposal for capital gains tax purposes and no stamp duty reserve tax will be payable usually on the conversion.

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

In certain circumstances the ACD may mandatorily convert a shareholder's investment from one share class into another share class. The ACD will only undertake such a conversion where the proposed share class has identical or preferential terms and the ACD will provide shareholders with no less than 60 days' notice.

### **Switches**

Shareholders may (subject to the qualifications below) exchange shares in one Fund for shares in a different Fund.

The right to exchange is subject to the following:

- the ACD and the Depositary are not obliged to give effect to a request for exchange of shares if the value of the shares to be exchanged is less than the minimum permitted transaction (see above) or if it would result in the Shareholder holding shares of any class of less than the minimum holding for that class of share (see above);

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- the ACD may decline to permit an exchange into a Fund in respect of which there are no shares in issue, or in any case in which they would be entitled under COLL to refuse to give effect to a request by the Shareholder for the redemption of shares of the old class or the issue of shares of the new class.

Exchanges between classes of shares linked to different Funds may be subject to a charge (see "Switching Charge" below).

It should be noted that an exchange of shares in a Fund for shares in any other Fund is treated as a redemption and sale and will, for persons subject to UK taxation, be regarded as a realisation for the purposes of capital gains taxation.

In no circumstances will a Shareholder who exchanges shares in one Fund for shares in any other Fund (or who converts between classes of shares) be given a right by law to withdraw from or cancel the transaction.

### ***Application***

A Shareholder wishing to exchange shares should apply in the same way as for a redemption (see above). An exchange to be made pursuant to a request received before the valuation point of the Fund concerned on a day which is a Dealing Day for that Fund (or, if the valuation points on that day differ, before the first to occur) will be effected at prices based on that day's valuation; where a request is received after that time, or on a day which is not a Dealing Day for the Fund, the exchange will be effected at a price based on the valuation made on the next such Dealing Day.

A contract note giving details of the exchange will be sent on or before the Business Day next following the relevant Dealing Day.

## **20 SUSPENSION OF DEALINGS**

The ACD may, with the prior agreement of the Company's Depositary, or must if the Depositary so requires, temporarily suspend, without prior notice to Shareholders, the issue, cancellation, sale and redemption of Shares in one or more Funds of the Company, if the ACD or the Depositary is of the opinion that due to exceptional circumstances there is good and sufficient reason to do so, having due regard to the interests of Shareholders. For example, but without limitation, on the closure or suspension of dealing on a relevant stock exchange, or the inability of the ACD to ascertain properly the value of any or all of the assets or realise any material part of the assets of the Fund or Funds.

The ACD will notify Shareholders as soon as it is practicable of any decision to suspend dealings and the exceptional circumstances which have led to the decision to do so. The ACD and Depositary will keep the suspension under ongoing review and will conduct a formal review of the reasons for the suspension at least every 28 days. Shareholders will be kept informed in writing of updates concerning any suspension. The FCA will be notified immediately of any suspension of dealing in Shares and will be kept informed of the results of the formal reviews conducted by the ACD and Depositary.

Re-calculation of the Share price for the purpose of dealings in Shares will commence on the next valuation point following the ending of the suspension.

During any suspension, the ACD will permit a Shareholder to withdraw any redemption request provided that this withdrawal is in writing and is received before the period of suspension ends. Any redemption request not withdrawn will be dealt with on the first Dealing Day following the end of the suspension.

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## 21 MANDATORY REDEMPTION OF SHARES

If the ACD reasonably believes that any shares are owned

- (a) directly or beneficially in circumstances which:
  - (i) 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;
  - (ii) may (or may if other shares are acquired or held in like circumstances) result in the Company incurring any liability to taxation including withholding tax 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);
  - (iii) the Shareholder or Shareholders in question is/are not qualified to hold such shares or if it reasonably believes this to be the case; or
- (b) by a Shareholder who is registered in a jurisdiction (where the Fund is not registered or recognised by the relevant competent authority) whereby communication with that Shareholder by the ACD, on behalf of the Fund, might constitute a breach of the regulations in that jurisdiction (unless specific action is taken by the ACD to prevent such a communication constituting a breach),

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

Where the ACD decides to close a share class in any of the Funds, the ACD may mandatorily redeem a shareholder's investment. The ACD will provide shareholders with no less than 30 days' notice prior to the redemption.

## 22 DISTRIBUTION

The annual accounting period for the Company and the Funds ends on 31<sup>st</sup> May (the "**accounting reference date**"). The half-yearly accounting period ends on 30<sup>th</sup> November (the "**interim accounting reference date**").

The first annual accounting period of the Company will end on 31<sup>st</sup> May 2020. The first interim accounting period will be 30<sup>th</sup> November 2020.

Allocations and, if relevant, distributions of income, will be made biannually on or before 31<sup>st</sup> July (final) each year and on or before 31<sup>st</sup> January (interim) each year. The first distribution of income will be made on or before 31<sup>st</sup> July 2020.

Distribution statements and tax certificates will be sent to Shareholders. Payments will be made by bank automated credit system. Cheques will not be sent. Where an investor's bank details are not known or are inaccurate, accumulation shares will be purchased, where available, otherwise any income from income shares will be reinvested.

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Where relevant, any distributions unclaimed for a period of six years after having become due for payment shall be forfeited and shall revert to the Company. The payment of any unclaimed distribution, interest or other sum payable by the Company on or in respect of a share into a separate account shall not constitute the Company a trustee thereof.

#### ***Determination of Distributable Income***

As at the end of each annual accounting period, the ACD must arrange for the Depositary to transfer the income available for distribution attributable to the Funds to the distribution account.

In this context, income available for distribution generally means all sums considered by the ACD, in each case after consultation with the Company's auditors, to be in the nature of income received or receivable for the account of and in respect of the property attributable to the Funds, but excluding any amount (if any) for the time being standing to the credit of the distribution account.

The ACD need not comply with the above provisions if the average of the allocations of income to the Shareholders of the Funds would be less than £10 or such other amount agreed between the ACD and the Depositary. In that case, such amounts may be carried forward to the next accounting period and will be regarded as received at the start of that period. Otherwise, such sums may be credited to capital as determined by the ACD.

On or before each annual income distribution date, the ACD must calculate the amount available for income distribution for the immediately preceding annual accounting period and must inform the Depositary of such amount.

The amount available for income distribution is calculated by taking the aggregate of the income property received or receivable for the account of the Funds in respect of the relevant period, deducting the charges and expenses of the Company paid or payable out of the income property in respect of that period and adding the ACD's best estimate of any relief from tax on those charges and expenses. Further adjustments may be made as the ACD considers appropriate (after consultation with the auditors) in relation to taxation and the proportion of the prices received or paid for shares that relate to income (taking account of any provisions in the Instrument of Incorporation constituting the Company relating to income equalisation), potential income which is unlikely to be received until 12 months after the relevant allocation date, income which should not be accounted for on an accrual basis because of lack of information about how it accrues, any transfer between the income and the capital account (regarding payments from capital or income) and making any other adjustments which the ACD considers appropriate (after consultation with the auditors).

In relation to income shares, on or before each relevant income distribution date, the ACD will instruct the Depositary to enable it to distribute the income allocated to income shares among the holders of such shares and the ACD in proportion to the number of such shares held, or treated as held, by them respectively at the end of the relevant period.

The amount of income allocated to accumulation shares becomes part of the capital property and to the extent that shares of any other class (such as income shares) were in issue in relation to the relevant period, the interests of holders of accumulation shares in that amount must be satisfied by an adjustment at the end of the relevant period in the proportion of the Scheme Property to which the price of an accumulation share is related. This ensures that the price of an accumulation share remains unchanged despite the transfer of income to capital property.

In calculating the amount to be distributed, the ACD must deduct and carry forward in the income account such amount as is necessary to adjust the allocation of income to the nearest one hundredth of a penny per share or such lesser fraction as the ACD may determine.

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## 23 INCOME EQUALISATION

An allocation of income (whether annual or interim) to be made in respect of each share issued or sold by the ACD during an accounting period in respect of which that income allocation is made may include a capital sum ("**income equalisation**") representing the ACD's best estimate of the amount of income included in the price of that share.

The amount of income equalisation in respect of any share may be the actual amount of income included in the issue price of the share in question or it may be an amount arrived at by taking the aggregate of the ACD's best estimate of the amounts of income included in the share price of shares of that class issued or sold in the annual or interim accounting period in question and dividing that aggregate by the number of those shares and applying the resultant average to each of the shares in question.

Equalisation applies only to shares purchased during the relevant accounting period.

## 24 THE AUTHORISED CORPORATE DIRECTOR'S CHARGES

The price per share at which shares are bought, redeemed, converted or switched is calculated in accordance with the Regulations. Any initial charge or redemption charge is payable in addition to the price or deducted from the proceeds and is taken from the gross subscription or redemption monies.

### *Initial Charge*

The ACD may impose a charge payable by a Shareholder on the issue of shares (the "**initial charge**"). Any initial charge will be deducted from the investment proceeds at the outset and is calculated as a percentage of the price of a share. The current initial charge applicable to the share classes available are set out in Appendix 4.

The ACD may waive or discount the initial charge at its discretion.

If at any time the current initial charge applicable to shares of a particular Fund is increased, the ACD is required to give not less than 60 days' prior notice in writing to all Shareholders before such increase may take effect. The ACD is also required to revise the Prospectus to reflect the new current rate and the date of its commencement.

The initial charge is exclusive of VAT which shall, if applicable, be payable in addition.

### *Redemption Charge*

The ACD currently makes no charge on a cancellation or redemption of shares.

### *Switching Charge*

The ACD does not currently impose a charge on switching or conversions.

### *Annual Charge*

The ACD is entitled to an annual charge which accrues daily from the first valuation point and is payable monthly. This charge is calculated by reference to the value of the Fund on the preceding day and is payable out of the property attributable to the Fund. It is paid within seven days of the month end. The annual charge is payable by the Company from the Scheme Property attributable to the Fund and is paid to the ACD by way of remuneration for its duties and responsibilities to the Company as ACD. The charge is calculated separately in relation to each share linked to the

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Fund as a percentage rate per annum of the total value of the units of entitlement in the property of the Fund on the relevant valuation date.

The fees and expenses payable to the Investment Manager will be paid by the ACD out of the annual charge.

The current annual management charge in respect of the share class available is set out in Appendix 4.

The annual charge is exclusive of VAT which shall, if applicable, be payable in addition.

Any increase in the above rates requires not less than 60 days' prior notice in writing to the Shareholders before such increase may take effect. Also, the ACD is required to revise the Prospectus to reflect the new current rate and the date of its commencement.

The annual charge will cease to be payable (in relation to a Fund) on the date of commencement of its termination, and (in relation to the Company as a whole) on the date of the commencement of its winding up or, if earlier, the date of the termination of the ACD's appointment as such. The amount(s) accruing due on the last relevant valuation date before the event concerned will be adjusted accordingly.

## **25 THE FEES, CHARGES AND EXPENSES OF THE DEPOSITARY**

The Depositary receives for its own account a periodic fee which will accrue daily based on the value of the Funds on the immediately preceding day and is payable as soon as practicable after the month end (and in any event within seven days after the month end). The first accrual is calculated by reference to the first valuation point of the Funds. The fee is payable out of the property attributable to the Funds.

The rate of the periodic fee is agreed between the ACD and the Depositary and in relation to each Fund is calculated on a sliding scale on the following basis:

- 0.022% per annum of the first £100 million of the Scheme Property;
- 0.019% per annum on the next £200 million of the Scheme Property;
- 0.015% per annum on the next £700 million of the Scheme Property;
- 0.0075% per annum of the balance.

These rates can be varied from time to time in accordance with COLL.

The first accrual in relation to any Fund will take place in respect of the period beginning on the day on which the first valuation of that Fund is made and ending on the last Business Day on which that day falls.

In addition to the periodic fee referred to above, the Depositary shall also be entitled to be paid (out of the Scheme Property) transaction and custody charges in relation to transaction handling and safekeeping of the Scheme Property as follows:

<b>Item</b>	<b>Range</b>
Transaction Charges	£2.40 to £111.75

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Custody Charges	0.003% to 0.81%
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These charges vary from country to country depending on the markets and the type of transaction involved. Transaction charges accrue at the time the transactions are effected and are payable as soon as is reasonably practicable, and in any event not later than the last business day of the month when such charges arose or as otherwise agreed between the Depositary and the ACD. Custody charges are expressed as a percentage of the net asset value of the Funds and accrue and are payable as agreed from time to time by the ACD and the Depositary.

Where relevant, the Depositary may make a charge for its services in relation to: distributions, the provision of banking services, holding money on deposit, lending money, or engaging in stock lending transactions, in relation to the Funds and may purchase or sell or deal in the purchase or sale of Scheme Property, provided always that the services concerned and any such dealing are in accordance with the provisions in COLL.

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

### **Ranges of Charges**

The amount or rate of any of the Depositary's fees and charges referred to above shall (unless otherwise stated) be determined by reference to the scale or tariff or other basis from time to time agreed between the ACD and the Depositary and notified to the ACD by the Depositary.

The Depositary shall be entitled to recover its fees, charges and expenses when the relevant transaction or other dealing is effected or relevant service is provided or as may otherwise be agreed between the Depositary and the Company or the ACD.

On a winding up of the Company, the termination of a Fund or the redemption of a class of shares, the Depositary will be entitled to its pro rata fees, charges and expenses to the date of the commencement of the winding up the termination or the redemption (as appropriate) and any additional expenses necessarily realised in settling or receiving any outstanding obligations. No compensation for loss of office is provided for in the Depositary Agreement.

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

## **26 OTHER PAYMENTS IN RESPECT OF THE FUNDS**

### **Expenses**

The Depositary will also be reimbursed out of the property attributable to each Fund, expenses properly incurred in the performance of, or arranging the performance of, functions conferred on it by the Depositary Agreement, the Regulations or by the general law, including (but not limited to):

- (a) custody of assets (including overseas custody services);
- (b) the acquisition, holding and disposal of property;
- (c) the collection of dividends, interest and any other income;

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- (d) the maintenance of distribution accounts;
  - (e) the conversion of foreign currencies;
  - (f) registration of assets in the name of the Depositary or its nominees or agents;
  - (g) borrowings, stock lending or other permitted transactions;
  - (h) communications with any parties (including facsimile and SWIFT);
  - (i) taxation matters;
  - (j) insurance matters;
  - (k) dealing in derivatives; and
  - (l) the Depositary's report as set out in annual reports of the Company.

### **Ranges of Charges**

The amount or rate of any of the Depositary's fees and charges referred to above shall (unless otherwise stated) be determined by reference to the scale or tariff or other basis from time to time agreed between the ACD and the Depositary and notified to the ACD by the Depositary.

The Depositary shall be entitled to recover its fees, charges and expenses when the relevant transaction or other dealing is effected or relevant service is provided or as may otherwise be agreed between the Depositary and the Company or the ACD.

On a winding up of the Company, the termination of a Fund or the redemption of a class of shares, the Depositary will be entitled to its pro rata fees, charges and expenses to the date of the commencement of the winding up the termination or the redemption (as appropriate) and any additional expenses necessarily realised in settling or receiving any outstanding obligations. No compensation for loss of office is provided for in the Depositary Agreement.

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

### **Allocation of Expenses**

Any fees, liabilities, expenses, costs or charges not attributable to a particular Fund will generally be allocated between the Funds pro rata to net asset value of the Funds. However, the ACD has the discretion to allocate these fees and expenses in a manner which is fair to the Shareholders generally. In each such case such expenses and disbursements may also be payable if incurred by any person (including the ACD or an associate or nominee of the Depositary or of the ACD) who has had the relevant duty delegated to it pursuant to the Regulations by the Depositary.

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

The following expenses (being the actual amounts incurred together with any VAT payable thereon) may also be payable by the Company out of its assets at the discretion of the ACD:

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- transaction costs, including (without limitation) the fees and/or expenses incurred in acquiring, registering and disposing of investments, such as (for example) broker's commissions, fiscal charges and other disbursements which are necessarily incurred in effecting transactions for the Company and normally shown on contract notes, confirmation notes and difference accounts as appropriate;
  - the direct and indirect transaction and operational costs and/or fees arising from time to time as a result of the ACD's use of efficient portfolio management techniques (as described in Appendix 1);
  - any costs incurred in producing or dispatching a payment made by the Company;
  - any costs incurred in taking out and maintaining an insurance policy in relation to the Company;
  - any expenses incurred in relation to any secretarial duties, such as maintaining any necessary documentation;
  - any costs in relation to the publication of share prices or the NAV of the Company;
  - any amount payable by the Company under any indemnity provisions;
  - interest on borrowings permitted under the Instrument of Incorporation and this Prospectus and all charges incurred in negotiating, entering into, varying, carrying into effect with or without variation, maintaining and terminating the borrowing arrangements;
  - taxation and other duties payable in respect of the Company and its Funds, or in respect of the issue or sale of shares;
  - any costs incurred in respect of convening and holding any meetings of Shareholders, including meetings convened on a requisition by holders not including the ACD or an associate of the ACD;
  - any costs in modifying the Instrument of Incorporation, Prospectus, the Key Investor Information Document or Supplementary Information Document of the Company, including costs incurred in respect of meetings of Shareholders convened for the purpose, where the modification is:
    - necessary to implement any change in the law including changes to the Regulations; or
    - necessary as a direct consequence of any change in the law including changes to the Regulations; or
    - expedient having regard to any fiscal enactment and which the ACD and the Depositary agree is in the interest of Shareholders; or
    - to remove obsolete provisions from the Instrument of Incorporation, the Prospectus the Key Investor Information Document or Supplementary Information Document of the Company;
  - any costs incurred in respect of any other meeting of Shareholders convened on a requisition by holders not including the ACD or an associate of the ACD in relation to a scheme of arrangement where the property of a body corporate (such as an investment company) or of another collective investment scheme is transferred to the Company in

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consideration of the issue of shares in the Company to Shareholders in that body corporate or to participants in that other scheme, and any liability arising after the transfer which, had it arisen before the transfer, could properly have been paid out of that other property provided the ACD is of the opinion that proper provision was made for meeting such liabilities as were known or could reasonably have been anticipated at the time of the transfer;

- the expenses of the Depositary in convening a meeting of Shareholders convened by the Depositary alone;
- any audit fees of the Auditor and any proper expenses of the Auditor;
- any fees and any proper expenses of any professional advisers retained by the Company or by the Company in relation to the ACD;
- the cost of preparing, printing and distributing literature required or necessary for the purpose of complying with COLL, FUND, the OEIC Regulations, the FCA's Conduct of Business Rules or any other law or regulation, (excluding the cost of dissemination of the Key Investor Information Document or Supplementary Information Document);
- the costs of printing and distributing annual, half yearly and quarterly reports and any other reports or information provided for Shareholders;
- any costs of listing the prices of the Funds in publications and information services selected by the ACD;
- the fees and any proper expenses of any professional advisers incurred by the ACD and the Depositary in relation to the establishment of the Company and its Fund(s);
- the fees of the Registrar for providing administration services for the Funds and maintaining the register;
  - the Registrar will also maintain sub-registers in respect of Individual Savings Accounts entitlements;
- the fees of the FCA under Schedule 1, Part III of the Act or the corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which shares in the Company are or may be marketed;
- any sum due by virtue of any provision of COLL or FUND such as cancellation proceeds and reasonable stock lending expenses;
- the fees of the London Stock Exchange, or other sponsoring body, associated with the reporting obligations of the Company or the Funds as a counterparty to derivatives or other investment transactions;
- any costs incurred in obtaining independent valuations for the appropriate derivative instruments;
- any other charges/expenses that may be taken out of the Company's property in accordance with COLL; and
- value added tax in respect of any of the costs, expenses, fees and charges payable by the company.

### ***Registration Fees***

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For each Fund the ACD is entitled to charge the Company fees and expenses in respect of establishing and maintaining the register of Shareholders (and any plan sub-register) and related functions. This registration charge is £17.50 per annum per Shareholder.

***Set-up costs***

Subject to the Regulations, the ACD and the Depositary are permitted to be reimbursed for the set-up costs incurred in relation to the authorisation and establishment of the Company, its Funds and any new Funds.

***Treatment of charges***

Expenses may be payable out of the capital property or the income property of the Funds at the discretion of the ACD. Charges made to the capital property may constrain capital growth.

***Charges to Capital***

In relation to the Funds all or part of the remuneration of the ACD may be treated as a capital charge, which may result in a constraint of capital growth. The maximum amount of the charge which may be so treated for the Funds is the periodic charge payable to the ACD as shown in Appendix 4. The current allocation of the ACD's annual charge in respect of each Fund is set out below:

<b>Fund</b>	<b>Treatment of ACD's annual charge</b>
Mazarin Defensive Fund ( <i>Not yet launched</i> )	Income
Mazarin Cautious Fund	Income
Mazarin Balanced Fund	Income
Mazarin Adventurous Fund	Income

In relation to the Funds, subject to and in accordance with COLL, all or part of the charges and expenses of the Company may be treated as a capital charge if agreed by the ACD and the Depositary.

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## 28 TAXATION

THE FOLLOWING SUMMARY IS BASED ON CURRENT UK LAW AND HM REVENUE & CUSTOMS ('HMRC') PUBLISHED PRACTICE. THE RELEVANT TAXATION RULES, INCLUDING LEVELS AND BASES OF, AND RELIEFS FROM TAXATION, THEIR INTERPRETATION AND HMRC PRACTICE, MAY BE SUBJECT TO CHANGE IN THE FUTURE.

IT IS INTENDED TO OFFER SOME GENERAL GUIDANCE ON CERTAIN ASPECTS OF THE UK TAXATION OF THE COMPANY AND ITS SHAREHOLDERS. IT DOES NOT TAKE ACCOUNT OF PARTICULAR INVESTORS' INDIVIDUAL CIRCUMSTANCES AND DOES NOT ADDRESS THE POSITION OF CERTAIN CATEGORIES OF INVESTORS, INCLUDING INVESTORS WHO ARE NON-UK RESIDENT (AND, IN THE CASE OF INDIVIDUALS, NOT DOMICILED IN THE UK) OR WHO ARE, DEALERS IN SECURITIES. THIS SUMMARY SHOULD NOT BE REGARDED AS DEFINITIVE OR EXHAUSTIVE AND DOES NOT CONSTITUTE LEGAL OR TAX ADVICE. PROSPECTIVE INVESTORS SHOULD SEEK THEIR OWN PROFESSIONAL ADVICE ON THE TAXATION CONSEQUENCES OF INVESTING IN THE COMPANY IF THEY ARE IN ANY DOUBT ABOUT IT.

### **Taxation of the Company**

Each Fund is regarded as a separate taxable corporate entity in its own right and is subject to the special corporation tax rules that apply to authorised investment funds. The applicable rate of corporation tax is the basic rate of income tax in force for the financial year (currently 20%). Insofar as a Fund invests in foreign investments it may, in addition, be subject to tax in overseas jurisdictions at varying rates, generally by way of the foreign tax being withheld from income payments.

#### ***Income***

Each Fund will be liable to corporation tax on any excess of taxable income over allowable expenses of management.

#### ***Chargeable gains***

The Funds will be exempt from UK corporation tax on chargeable gains arising on the disposal of their investments. An exception to this are gains arising from non-reporting offshore funds which are chargeable as income to corporation tax.

#### ***Stamp taxes***

The Funds are liable to pay SDRT (or stamp duty) when they purchase underlying investments subject to SDRT (or stamp duty). The position of incoming and outgoing investors is covered at 16 'Stamp duty reserve tax'.

### **Taxation of Shareholders**

#### ***Individual Shareholders***

#### ***Income***

The Funds will make dividend distributions without deduction of income tax. The first £1,000 dividend income including of dividend distributions received by individual investors in any tax year is covered by the dividend allowance and is exempt from UK income tax. Amounts received

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in excess of this should be reported on the individual investor's UK Self Assessment Tax Return and individual investors liable to income tax at the basic rate will have an additional liability to income tax equal to 8.75% of the dividends to the extent that such sum, when treated as the top slice of the individual's income, falls above the threshold for basic rate tax. Higher rate taxpayers will have a further liability to income tax equal to 33.75% of the dividends to the extent that such sum, when treated as the top slice of the individual's income, falls above the threshold for higher rate tax. Additional rate taxpayers will have a further liability to income tax equal to 39.35% of the dividends to the extent that such sum, when treated as the top slice of the individual's income, falls above the threshold for the additional rate of tax.

### ***Capital gains***

Capital gains made by individual Shareholders on the sale or disposal of their shares, or as a result of any other chargeable event, will be tax free if they fall within an individual's annual capital gains exemption. For the tax year 2023/2024, the first £6,000 of an individual's capital gains (that is after deduction of allowable losses) from all sources will, therefore, be exempt from capital gains tax. Subject to their personal circumstances, gains in excess of this amount are taxed at 10% for basic rate taxpayers and 20% for higher and additional rate taxpayers.

### ***Corporate Shareholders***

#### ***Dividend distributions***

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

In broad terms, the portion treated as being 'franked' will be such proportion of the Company'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 Shareholder. The 'unfranked' portion will be treated as an annual payment from which income tax at a rate of 20% has been deducted. This is subject to corporate tax (but with credit for the income tax deducted). A UK resident corporate Shareholder will, therefore, be liable to corporation tax at the rate applicable to that corporate Shareholder but with credit for the income tax deducted. Such Shareholders may, therefore, be liable to further tax or entitled to reclaim the deemed tax credit from HMRC. Any ability to claim repayment of the income tax credit will be limited to the corporate Shareholder's share of the Fund's liability to corporation tax for the distribution period in question.

#### ***Chargeable gains***

Chargeable gains made by Shareholders liable to UK corporation tax will be taxable at the corporation tax rate applicable to that corporate Shareholder after taking account the availability of any historic indexation relief. The main rate of corporation tax is currently 25%.

#### ***Automatic Information Exchange***

Shareholders should be aware that pursuant to various laws and regulations, including to implement agreements for the automatic exchange of information between tax authorities, information about certain Shareholders and their investments may be required to be reported to HMRC and exchanged with the tax authorities in the jurisdiction in which the Shareholder is resident.

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In order to comply with such laws and regulations, Shareholders may be required to certify relevant information to the Company and/or ACD, including as regards their status and the jurisdiction in which they are resident for tax purposes.

In particular, Shareholders may wish to note that the Company is a UK Financial Institution for the purposes of the Tax Compliance Regulations 2015 SI 2015/878 as amended), the Company or the ACD will be required to undertake due diligence and/or obtain information on Shareholders, including as regards their name, address, tax identification number, tax residency and status, details (if applicable in the case of certain types of Shareholders) of persons that directly or indirectly have an interest in the Shareholders. They will be required to report certain information about Shareholders and their investments to HMRC on an annual basis.

Shareholders are, therefore, notified that information relating to Shareholders which is required to be reported under applicable UK regulations will be reported to HMRC and may be transferred to the government of another territory in accordance with a relevant agreement.

### *ISAs*

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

## **29 REPORTS AND ACCOUNTS**

The annual accounting period of the Company ends on 31<sup>st</sup> May.

The annual report of the Company (the "**long report**") will be published on or before the end of 30<sup>th</sup> September and the half-yearly long report on or before the end of 31<sup>st</sup> January in each year. Copies of these long reports may be inspected at, and copies obtained free of charge from the ACD at its operating address or from [www.ifslfunds.com](http://www.ifslfunds.com). These reports may also be inspected at the Depository's office during normal office hours.

## **30 ANNUAL GENERAL MEETING**

The OEIC Regulations allow for the Company to dispense with the requirement to hold Annual General Meetings. The ACD has therefore decided that the Company will not hold Annual General Meetings. Shareholders will therefore only be entitled to exercise their voting rights at Extraordinary General Meetings of the Company.

## **31 VOTING**

The convening and conduct of Shareholder's meetings and the voting rights of Shareholders at those meetings are governed by the Instrument of Incorporation and the Regulations, which are summarised below.

### *Notice and Quorum*

Entitlement to receive notice of a particular meeting or adjourned meeting and to vote at such a meeting is determined by reference to those persons who are holders of shares in the Company on the date seven days before the notice is sent (the "**cut-off date**"), but excluding any persons who are known not to be holders at the date of the meeting or other relevant date. Shareholders will be given at least 14 days' prior notice of a general meeting.

The quorum for a meeting is two Shareholders present in person or by proxy. If a quorum is not present within half an hour of the time appointed the meeting will (if requisitioned by

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Shareholders) be dissolved and in any other case will be adjourned. If at such adjourned meeting a quorum is not present within 15 minutes from the appointed time, one person entitled to count in a quorum will be a quorum.

### ***Voting Rights***

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

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

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

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

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

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

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

The convening and conduct of meetings of Shareholders and the voting rights of Shareholders at such meetings is governed by the Regulations, as amended from time to time. The requirement for a meeting depends on the proposed change to the Company.

Changes to the Company may fall within one of the following three categories:

- **Fundamental events** - which change the purpose or nature of the Company or the basis on which the investor invested, for example changes to an investment objective, its risk profile or something that would cause material prejudice to the investors would require investor approval. Fundamental changes require prior approval at a meeting of

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Shareholders.

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

## 32 INVESTMENT AND BORROWING POWERS

A description of the types of property the Company may invest in and a summary of the applicable limits is set out in Appendix 1. A list of the eligible securities and derivatives markets is set out in Appendix 2.

## 33 TRANSFER OF SHARES

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

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

## 34 WINDING UP OF THE COMPANY AND TERMINATION OF FUNDS

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

Subject to the foregoing, the Company or a Fund will be wound up or terminated (as appropriate) under the Regulations:

- if an extraordinary resolution of Shareholders of either the Company or the relevant Fund (as appropriate) to that effect is passed;
- on the date stated in any agreement by the FCA in response to a request from the ACD for the winding up of the Company or a request for the termination of that Fund;
- on the effective date of a duly approved scheme of arrangement which is to result in the Company ceasing to hold any Scheme Property, or

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- on the effective date of a duly approved scheme of arrangement which is to result in a Fund ceasing to hold any Scheme Property;

The ACD may request that a Fund be terminated in certain situations such as if, at any time after the first anniversary of the issue of the first shares linked to a Fund, the net value of the assets of the Company attributable to such Fund is less than £10 million (or its equivalent in the base currency of the Fund).

The winding up of the Company or termination of a Fund under the Regulations is carried out by the ACD which will, as soon as practicable, cause the property of the Company or that property attributable to the Fund to be realised and the liabilities to be met out of the proceeds. Provided that there are sufficient liquid funds available after making provision for the expenses of winding up and the discharge of the liabilities of the Company or a Fund (as the case may be) the ACD may arrange for interim distribution(s) to be made to Shareholders. When all liabilities have been met, the balance (net of a provision for any further expenses) will be distributed to Shareholders. The distribution made in respect of a Fund will be made to the holders of shares linked to that Fund, in proportion to the units of entitlement in the property of that Fund which their shares represent.

Shareholders will be notified of any proposal to wind up the Company or terminate any of the Funds. On commencement of such winding up or termination the Company will cease to issue and cancel shares and transfers of such shares shall cease to be registered.

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

### **35 FAIR TREATMENT OF INVESTORS**

The ACD seeks to ensure the fair and equitable treatment of Shareholders by complying with the Regulations, the Fund's Instrument and this Prospectus. The ACD employs a variety of management information to monitor both its own and its delegates' activities to ensure that the Funds perform in accordance with expectations and that Shareholders receive service and information of an acceptable standard.

As at the date of this Prospectus the ACD has not granted preferential treatment or the right to obtain preferential treatment to any investor or potential investor in the Funds. As such, all investors in the Funds will invest in the same manner and on the same terms.

### **36 OTHER INFORMATION**

#### ***Delegation***

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

#### ***Investors' Rights***

Absent a direct contractual relationship between a Shareholder and a service provider to the Company, Shareholders generally have no direct rights against the relevant service provider and there are only limited circumstances in which a Shareholder may potentially bring a claim against

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the relevant service provider. Instead, the proper defendant in an action against the relevant service provider would generally be the Company itself.

### ***Conflicts of Interest***

The Depositary or any associate of the Depositary, may (subject to the Regulations) hold money on deposit from, lend money to, or engage in stock lending transactions in relation to the Company, so long as the services concerned are provided on arm's length terms.

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

Subject to compliance with the Regulations the ACD may be party to or interested in any contract, arrangement or transaction to which the Company is a party or in which it is interested.

The ACD and the Investment Manager (and other companies within their respective groups) may, from time to time, act as managers to other funds or sub-funds which follow similar investment objectives to that of a Fund. It is therefore possible that the ACD and/or Investment Manager may in the course of their business have potential conflicts of interest with the Company or the Fund. The Depositary may act as the depositary of other open-ended investment companies and as trustee or custodian of other collective investment schemes.

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

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

### ***Liability and Indemnity***

With the exception mentioned below:

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

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

- any liability which would otherwise attach to the ACD or the Auditors in respect of any negligence, default, breach of duty or breach of trust in relation to the Company;
- any liability on the part of the Depositary for any failure to exercise due care and diligence in the discharge of its functions.

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

As the Company is a UK AIF for the purposes of the UK AIFM Regime, the ACD is required to ensure that certain Professional Liability Risks are covered at all times, either through additional own funds and/or through appropriate coverage of professional indemnity insurance. The ACD satisfies its obligations to cover Professional Liability Risks in relation to the Funds by maintaining an amount of own funds to meet the capital requirements under the UK AIFM Regime and complying with the qualitative requirements in the UK AIFM Regime that address professional liability risks.

### ***Rebate of Fees and Commission***

The ACD may (where permitted by the Regulations) at its sole discretion rebate its initial, or periodic charges in respect of any application for, or holding of, shares. Similarly the Company may rebate or waive its charges in relation to any exchange of shares.

### ***Independent asset allocator***

The Company uses EValue as its independent asset allocator.

## **37 GENERAL**

### ***Market Timing and short term trading***

The ACD does not permit the Funds to be used for the purposes of 'market timing' and 'short term trading'. For these purposes market timing is defined as a trading strategy with the intention of taking advantage of short term changes in market prices. Short-term trading in a Fund may harm performance in particular in respect of portfolio management strategies, and may increase costs such as brokerage and administration costs. The ACD will undertake monitoring activities to ensure that market timing is not taking place in any of the Funds.

### ***Complaints procedure***

Any complaint about any aspect of the ACD's service should in the first instance be made in writing to the ACD's Compliance Officer at Marlborough House, 59 Chorley New Road, Bolton BL1 4QP. If a complaint cannot be resolved satisfactorily with the ACD you may have the right to refer to the Financial Ombudsman Service, Exchange Tower, London E14 9SR. More details about the Financial Ombudsman Service are available from the ACD. You can also visit the website [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk).

### ***Cancellation Rights***

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

When the investment is a lump sum investment (or the first payment, where such payment is larger than the second payment in a regular payment savings plan) an Applicant who is entitled to cancel and does so will not get a full refund of the money paid by him if the purchase price of the shares falls before the cancellation notice is received by the ACD, because an amount equal to such fall (the "**shortfall**") will be deducted from the refund he would otherwise receive. Where the purchase price has not yet been paid the Applicant will be required to pay the amount of the shortfall to the ACD. The deduction does not apply where the service of the notice of the right to cancel precedes the entering into of the agreement. Cancellation rights must be exercised by posting a cancellation notice to the ACD on or before the 14th day after the date of receipt of the notice of the right to cancel.

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### ***Notices, Remittances or Service of Other Documents***

The address for service on the Company of notices or other documents required or authorised to be served on it is Marlborough House, 59 Chorley New Road, Bolton BL1 4QP.

All documents and remittances are sent at the risk of the shareholder.

All notices or documents required to be served on Shareholders shall be served by post to the address of such Shareholder as evidenced on the register.

### ***The Financial Services Compensation Scheme***

The Financial Services Compensation Scheme Limited (FSCS) is the UK's compensation fund of last resort for customers of authorised financial services firms. They may pay compensation if a firm is unable, or likely to be unable, to pay claims against it. This is usually because it has stopped trading. The ACD will supply you with further details of the scheme on written request to its operating address. Alternatively, you can visit the scheme's website at [www.fscs.org.uk](http://www.fscs.org.uk) or by writing to the Financial Services Compensation Scheme, PO Box 300, Mitcheldean GL17 1DY.

### **Documents and information available**

Copies of the following documents are available for all purchasers of shares on request, free of charge from the ACD at Marlborough House, 59 Chorley New Road, Bolton BL1 4QP

- Latest version of the Company's Prospectus;
- Latest version of the Company's Instrument of Incorporation;
- The latest annual and half-yearly long reports applying to the Funds; and
- The ACD Agreement.

The above documents are also available for inspection on any Business Day during normal business hours at the offices of the ACD.

### **Data Protection**

The data controller in respect of the personal data you provide on your application form (or you otherwise submit to the ACD in connection with your application for the services generally) is the ACD, who you can contact using the contact details below.

The ACD will process the personal data that you provide as set out below:

<b>Purpose</b>	<b>Type of data</b>	<b>Basis for processing</b>
Providing investment and administration services to you	Identity, contact and financial data	Performance of a contract with you
Carrying out identity checks, anti-money laundering checks and checks with fraud prevention agencies	Identity, contact and financial data	Necessary to comply with a legal obligation
Statistical analysis to understand how you use the ACD's services	Identity, contact, financial, transaction, technical, usage and marketing and communications data	Necessary for the ACD's legitimate interests (to improve its services and develop its business)
To inform you about updates to the service and to notify you about other products and	Identity, contact, usage and marketing and communications data	Necessary for the ACD's legitimate interests (to market its services and develop its

services offered by the ACD that may be of relevance to you.		business) or, if the ACD cannot rely on legitimate interest for direct electronic marketing, where you have given us your consent to receive such marketing.
To ask you to participate in surveys for market research purposes, and to analyse those surveys and research to benchmark our services.	Identity, contact and marketing and communications data	Necessary for our legitimate interests (to improve our services and develop our business)

The ACD strives to provide you with choices regarding certain personal data uses particularly around marketing and advertising. It is possible to opt in to receiving marketing communications by contacting the ACD using the details below. If you do not provide the ACD with the personal data that the ACD specifies is required for the supply and administration of the services, then the ACD may not be able to provide the services to you.

To the extent that it is necessary for the supply and administration of the services, the ACD may disclose your information: (a) to credit reference agencies to assess your eligibility for the product or service applied for and to verify your identity; (b) to third parties who the ACD uses to assist it in administering the Company; (c) another division or part of the ACD's group (if there is a restructuring of the ACD's business) or to the buyer of the business (if the business is sold); or (d) where the ACD is under a duty to disclose your personal data in order to comply with a legal obligation or to protect the rights, property or safety of the ACD, its associates, or others. Where an authorised financial adviser acts on your behalf, the ACD will disclose information concerning your investment to that financial adviser.

Your personal data may be processed outside the United Kingdom where it is necessary in order to provide the services to you. In each instance, the ACD will ensure that the transfer is in compliance with the requirements of applicable data protection law (such as the transfer being to a country approved as providing adequate protection; there being appropriate safeguards in place; or one of the derogations for specific situations applying to the transfer).

The ACD will keep your personal data stored on its systems for as long as it takes the ACD to provide the services to you. The ACD will retain and use your information as necessary to comply with its legal obligations, resolve disputes and enforce its rights. The ACD reviews its data retention policies regularly and will retain your personal data only as long as necessary for the purpose for which it processes that data.

Data protection legislation gives you the right to access information held about you. In the event that an access request is unfounded, excessive or especially repetitive, the ACD may charge a 'reasonable fee' for meeting that request. Similarly, the ACD may charge a reasonable fee to comply with requests for further copies of the same information (that fee will be based upon the administrative costs of providing the information).

You are entitled to receive the personal data that you have provided to the ACD in a structured, commonly used and machine-readable format, and to transmit that data to another data controller. You can exercise your data protection rights, including your rights to access, restrict, object to the processing of, rectify and erase your personal data by writing to the ACD at: Marlborough House, 59 Chorley New Road, Bolton, BL1 4QP. If you are unhappy with the way in which your personal data is being processed you have a right to lodge a complaint with the Information Commissioner's Office. You can report your concerns by telephoning their helpline on 0303 123 1113 or through their website at <https://ico.org.uk/concerns>.

## **Governing Law**

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The Company, the Instrument, this Prospectus and any matters arising out of or in connection with a Shareholder's investment in the Company and the establishment, management and administration of the Company shall be governed by and construed in accordance with the laws of England and Wales. Any dispute or claim in connection with the rights of the Shareholders and/or the subject matter or formation of the Instrument and this Prospectus and/or the construction and effect of the provisions of the Instrument and this Prospectus shall be subject to the exclusive jurisdiction of the courts of England and Wales.

Potential investors should note that there are a number of legal instruments providing for the recognition and enforcement of foreign judgments in England and Wales. Depending on the nature and jurisdiction of the original judgment, the 2005 Hague Convention on Choice of Court Agreements, which has force of law in the UK by virtue of section 3D of the Civil Jurisdiction and Judgments Act 1982 as introduced by the Private International Law (Implementation of Agreements) Act 2020; the Civil Jurisdiction and Judgments Act 1982 as amended by the Civil Jurisdiction and Judgments (Amendment) Regulations 2014, the Administration of Justice Act 1920 and the Foreign Judgments (Reciprocal Enforcement) Act 1933 may apply. There are no legal instruments providing for the recognition and enforcement of judgments obtained in jurisdictions outside those covered by the instruments above, although such judgments might be enforceable at common law.

**Historical Information**

**Please see Appendix 5 for historical performance information**

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## Appendix 1

### Investment and Borrowing Powers

The Company may exercise the full authority and powers permitted by COLL applicable to Non-UCITS Retail Schemes. However, this is subject to the applicable investment limits and restrictions set out in COLL, the Instrument and this Prospectus. The Company may exercise in respect of the Funds the full authority and powers permitted by COLL applicable to Non-UCITS Retail Schemes taking into account the relevant Fund's investment objective and policy.

The Funds shall invest in such assets as are described in the investment policy of each Fund although investment in other asset classes is also permitted as set out in COLL as it applies to Non-UCITS Retail Schemes and as specified below. Therefore, the capital property of the Funds may at any time consist entirely of such assets as are described in the investment policy of each Fund or a mixture of such assets as well as investments of other asset classes described below.

#### *Collective Investment Schemes*

The Funds may invest up to 100% of the Scheme Property in units in collective investment schemes.

Not more than 35% in value of the property of the Funds may consist of units or shares in any one collective investment scheme.

The Funds must not invest in units or shares of a collective investment scheme (the "Second Scheme") unless the Second Scheme falls within one of the following categories:-

- (a) a UK UCITS or a scheme which satisfies the conditions necessary for it to enjoy the rights conferred by the UCITS directive as implemented in the EEA; or
- (b) a scheme which is a recognised scheme (as defined in COLL); or
- (c) a scheme which is authorised as a Non-UCITS Retail Scheme; or
- (d) a scheme which is constituted outside the United Kingdom and the investment and borrowing powers of which are the same or more restrictive than those of a Non-UCITS Retail Scheme; or
- (e) any other scheme which does not fall within any of the above categories and in respect of which no more than 20% in value of the property of the scheme (including any transferable securities which are not approved securities) is invested.

The Second Scheme must also operate on the principle of a prudent spread of risk, it should be prohibited from having more than 15% in value of the property of that scheme consisting of units in collective investment schemes.

Additionally, the participants in the Second Scheme must be entitled to have their units redeemed in accordance with the scheme at a price which relates to the net value of the property to which the units relate and which are determined in accordance with the scheme.

The Scheme Property attributable to a Fund may include shares in another Fund (a "Second Fund") provided that:

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- (a) the Second Fund does not hold shares in any other Fund in the Company; and
  - (b) the requirements set out in the paragraph below (Investment in other collective investment schemes managed by the ACD) are complied with; and
  - (c) the investing or disposing Fund must not be a feeder UCITS to the Second Fund.

The maximum level of management fees of the second scheme in which a Fund invests in is 3% (excluding performance fees).

***Investment in other collective investment schemes managed by the ACD***

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

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

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

The Funds may invest in transferable securities and money market instruments (as defined in COLL) which are:

- (a) admitted to or dealt in on an eligible market in accordance with COLL (and as set out in Appendix 2);
- (b) recently issued transferable securities with terms of issue which include an undertaking that application will be made to be admitted to an eligible market and such admission is secured within a year of issue;
- (c) approved money market instruments not admitted to or dealt on an eligible market which satisfy the requirements in COLL 5.2.10AR(1) to 5.2.10CR.

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

Not more than 10% in value of the property of the Funds may consist of transferable securities or money market instruments issued by any single body (however, this rule does not apply in respect of government and public securities and where schemes replicate an index – see below).

***Warrants***

Up to 5% in value of the Scheme Property attributable to the Funds may consist of warrants although it is not anticipated that investment in warrants by any Fund will affect the level of volatility of the Fund. Warrants may only be held if it is reasonably foreseeable that the exercise of the rights conferred by the warrants will not contravene COLL.

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### ***Cash and Near Cash***

The property of the Funds may consist of cash or near cash to enable:-

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

Cash which forms part of the property of the Funds may be placed in any current or deposit account with the Depositary, the ACD or any investment adviser or any associate of any of them provided it is an eligible institution or approved bank and the arrangements are at least as favourable to the Funds as would be the case for any comparable arrangement affected on normal commercial terms negotiated at arms-length between two independent parties.

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

The property of the Funds may consist of no more than 35% of the government and public securities issued by or on behalf of or guaranteed by a single named issuer.

There is no limit on the amount which may be invested in such securities or in any one issue.

### ***Schemes replicating an Index***

Any Fund may invest up to 20% in shares and debentures which are issued by the same body where the aim of the investment policy of that fund as stated in its most recently published prospectus is to replicate the performance or composition of an index which complies with the following:-

- (a) it has a sufficiently diversified composition;
- (b) it must be a representative benchmark for the market to which it refers; and
- (c) it must be published in an appropriate manner.

The limit may be raised to 35% for a particular scheme, but only in respect of one body and where justified by exceptional market conditions.

### ***Immovable Property***

Whilst the Company is permitted to invest in immovable property, it is currently not intended that the Funds will invest in immovable property.

### ***Derivatives – Efficient Portfolio Management (including Hedging)***

**The Funds may invest in derivatives for efficient portfolio management purposes (including hedging) and the Investment Manager may make use of a variety of derivative instruments in accordance with COLL. Where derivatives are used for efficient portfolio management**

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**(including hedging), this will not compromise the risk profile of the Funds. Use of derivatives will not contravene any relevant investment objectives or limits.**

Pursuant to the Regulations, the Funds may enter into a transaction which is:

- (a) a permitted transaction;
- (b) for the purpose of hedging the portfolio;
- (c) (alone or in combination with one or more others) reasonably believed by the ACD to be economically appropriate for the Company; and
- (d) fully covered in accordance with the Regulations.

Permitted transactions are derivatives transactions (i.e. options, futures or contracts for differences) and forward transactions in a currency. A derivatives transaction may be either an approved derivative (i.e. one which is traded or dealt in on an eligible derivatives market as set out in Appendix 2) or an over-the-counter derivative in accordance with the applicable FCA rules.

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

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

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

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

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

- by taking advantage of pricing imperfections in relation to the acquisition and disposal (or disposal and acquisition) of rights in relation to the same or equivalent property, being property which the relevant Fund holds or may properly hold;

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- by receiving a premium for the writing of a covered call option, even if that benefit is obtained at the expense of surrendering the chance of yet greater benefit.

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

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

No transaction may be entered into unless the maximum potential exposure created by the transaction, in terms of the principal or notional principal of the forward contract, is covered by cash or near cash sufficient to match the exposure.

### *Derivatives – Investment Purposes*

#### *General*

Where a Fund invests directly in derivative and forward transactions for investment purposes, a Fund's investment powers in relation to derivatives may mean that for regulatory purposes it will be regarded as a higher volatility fund. However, the Investment Manager's use of derivative techniques will have the overall intention of reducing the volatility of returns, reflecting the investment policy for the Company generally. **The ACD therefore does not anticipate that the use of derivatives in this way will have any significant effect on the risk profile of the Funds.**

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

Where the Company invests in derivatives, the exposure to the underlying assets must not exceed the general limits on spread as set out in COLL 5.6.7R, COLL 5.6.8R and COLL 5.6.5R(2), except for index-based derivatives where the following rules apply.

Where the Company invests in an index-based derivative, provided the relevant index falls within COLL 5.6.33R (Schemes replicating an index) the underlying constituents of the index do not have to be taken into account for the purposes of monitoring the spread requirements. The relaxation is subject to the ACD continuing to ensure that the property provides a prudent spread of risk.

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

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

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

Derivatives transactions must either be in an approved derivative (being a derivative which is traded or dealt in on an eligible derivatives market as set out in Appendix 2) or an over the counter derivative with an approved counterparty in accordance with COLL.

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

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

- transferable securities;
- money market instruments;
- deposits;
- derivatives;
- gold;
- immovable property;
- collective investment schemes;
- financial indices;
- interest rates;
- foreign exchange rates; and
- currencies.

A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more transferable securities, money market instruments, units in collective investment schemes or derivatives provided that a sale is not to be considered as uncovered if the conditions in COLL 5.2.22(3) R are (Requirement to cover sales) are satisfied.

Any forwards transaction must be made with an eligible institution or an approved bank in accordance with COLL. The ACD must ensure compliance with COLL 5.3.6R.

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

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

- (a) that property can be held for the account of the Company; and
- (b) the ACD having taken reasonable care determines that delivery of the property under the transaction will not occur or will not lead to a breach of COLL.

***Requirement to cover sales***

No agreement by or on behalf of the Company to dispose of property or rights may be made unless the obligation to make the disposal and any other similar obligation could immediately be honoured by the Company by delivery of property or the assignment of rights (or, in Scotland,

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assignment), and the property and rights above are owned by the Company at the time of the agreement.

This requirement does not apply to a deposit, nor does it apply where:

- (a) the risks of the underlying financial instrument of a derivative can be appropriately represented by another financial instrument which is highly liquid;
- (b) the ACD or the Depositary has the right to settle the derivative in cash, and cover exits within the Scheme Property which falls within one of the following asset classes:
  - (i) cash;
  - (ii) liquid debt instruments (eg government bonds of first credit rating) with appropriate safeguards (in particular, haircuts); or
  - (iii) other highly liquid assets having regard to their correlation with the underlying of the financial derivative instruments, subject to appropriate safeguards (eg haircuts where relevant).

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

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

Any transaction in an OTC derivative must be:

- (a) with an approved counterparty. A counterparty to a transaction in derivatives is approved only if the counterparty is an eligible institution or an approved bank, or a person whose permission (as published in the FCA register), or whose home state authorisation, permits it to enter into such transactions as principal off-exchange.
- (b) on approved terms. The terms of a transaction in derivatives are approved only if the ACD:
  - (i) carries out at least daily a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and which does not rely only on market quotations by the counterparty; and
  - (ii) can enter into one or more further transactions to sell, liquidate or close out that transaction at any time, at its fair value.
- (c) capable of reliable valuation. A transaction in derivatives is capable of reliable valuation only if the ACD having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy:
  - (i) on the basis of an up-to-date market value which the ACD and the Depositary have agreed is reliable; or
  - (ii) if the value referred to in (i) is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and

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- (d) subject to verifiable valuation. A transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by:
- (i) an appropriate third party which is independent from the counterparty of the derivative, at an adequate frequency and in such a way that the ACD is able to check it; or
  - (ii) a department within the ACD which is independent from the department in charge of managing the Scheme Property and which is adequately equipped for such a purpose.

For the purposes of paragraph (b) above, "fair value" is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arms' length transaction.

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

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

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

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

OTC derivative positions with the same counterparty may be netted provided that the netting procedures comply with the conditions set out in Part Three, Title II, Chapter 6, Section 7, (Contractual netting (Contracts for novation and other netting agreements)) of the UK CRR; and are based on legally binding agreements.

***Derivative exposure***

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

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

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

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

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

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

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

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

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

### ***Deposits***

The property of the Funds may consist of deposits (as defined in COLL) but only if it:-

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

### ***Spread - General***

In applying any of the restrictions referred to above:-

- (a) not more than 20% in value of the Funds' property may consist of deposits with any single body;
- (b) not more than 10% in value of the Funds' property is to consist of transferable securities or money market instruments issued by any single body (subject to COLL 5.6.23R); however, the limit of 10% is raised to 25% in respect of covered bonds;
- (c) the exposure to any one counterparty in an over the counter derivative transaction must not exceed 10% in value of the Funds' property. However, the exposure may be reduced to the extent that collateral is held in respect of it if the collateral meets each of the conditions specified in (subject to COLL 5.6.7R(8)).

The Fund may not invest in warrants or nil and partly paid securities unless the investment complies with the conditions in COLL 5.2.17R.

### ***Covered bonds***

In general a covered bond is a bond that is issued by a credit institution which has its registered office in an EEA State and is subject by law to special public supervision designed to protect bondholders and in particular protection under which sums deriving from the issue of the bond must be invested in conformity with the law in assets which, during the whole period of validity

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of the bond, are capable of covering claims attaching to the bond and which, in the event of failure of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest, and which may be collateralised.

### ***Borrowing***

Subject to the Company's Instrument of Incorporation and COLL (as it relates to Non-UCITS Retail Schemes), the Company may borrow money for the purposes of achieving the objectives of a particular Fund on terms that such borrowings are to be repaid out of the Scheme Property of the relevant Fund. The ACD does not anticipate significant use of this borrowing power. Such borrowing may only be made from an eligible institution or approved bank (as defined in COLL). The borrowing of a Fund must not, on any day, exceed 10 per cent of the value of the property of the relevant Fund.

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

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

### ***Leverage***

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

### ***Types and sources of Leverage and circumstances in which Leverage may be used***

The Funds may employ Leverage (whether through borrowing of cash or transferable securities, or embedded in derivative positions) in the circumstances, and subject to the provisions, which are set out in this Prospectus.

The Funds will not enter into any collateral and asset reuse arrangements.

### ***Calculation of Leverage***

The UK AIFM Regime prescribes two methodologies for calculating overall exposure of a Fund: the "commitment method" and the "gross method". These are described briefly below.

The commitment method takes account of the hedging and netting arrangements employed by a Fund at any given time. This calculation includes exposure through the use of derivatives, reinvesting cash borrowings, through securities lending or securities borrowing arrangements, or by such other means as may be permitted pursuant to that Fund's investment objectives and policies as set out in this Prospectus. This calculation also includes cash and cash equivalents in the Fund currency.

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The gross method calculates exposure in a very similar way to the commitment method but by contrast, it does not take account of the netting or hedging arrangements employed by a Fund. It also excludes from the calculation, cash and cash equivalents in the Fund currency.

### ***Maximum level of Leverage***

The Funds are subject to a maximum level of incremental Leverage of 10 per cent under the commitment method and 110 per cent under the gross method.

A leverage ratio of 1 or below indicates a fund is unleveraged whereas a leverage ratio of above 1 means the fund is leveraged.

### ***Risk management***

The ACD uses a risk management process which enables it to monitor and measure as frequently as appropriate the risk of the Company's positions and their impact on the overall risk profile of the Company. The ACD does not anticipate the intended use of derivatives and forwards transactions as set out above to have any detrimental effect on the overall risk profile of the Company or any of the Funds.

### ***Restrictions on lending of money***

None of the money in the Scheme Property of the Company may be lent and, for the purposes of this prohibition, money is lent by the Company if it is paid to a person ("the payee") on the basis that it should be repaid, whether or not by the payee.

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

This rule shall not prevent the Company from providing an officer of the Company with funds to meet expenditure to be incurred by him for the purposes of the Company (or for the purposes of enabling him properly to perform his duties as an officer of the Company) or from doing anything to enable an officer to avoid incurring such expenditure.

### ***Restrictions on lending of property other than money***

The Scheme Property of the Company other than money must not be lent by way of deposit or otherwise. Transactions permitted by COLL 5.4 (Stock lending) are not to be regarded as lending for these purposes.

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

### ***General power to accept or underwrite placings***

Any power in COLL to invest in transferable securities may be used for the purpose of entering into transactions to which this rule applies, subject to compliance with any restriction in the Instrument.

This rule applies to any agreement or understanding which:

- (a) is an underwriting or sub-underwriting agreement; or

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- (b) contemplates that securities will or may be issued or subscribed for or acquired for the account of the Company.

The above paragraph does not apply to an option or a purchase of a transferable security which confers a right to (i) subscribe for or acquire a transferable security; or (ii) convert one transferable security into another.

The exposure of the Company to agreements and understandings (a) and (b) above must, on any day, be:

- (a) covered in accordance with COLL 5.3.3R (Cover for transactions in derivatives and forward transactions); and
- (b) such that, if all possible obligations arising under them had immediately to be met in full, there would be no breach of any applicable limit in COLL.

### ***Guarantees and indemnities***

The Company or the Depositary for the account of the Company must not provide any guarantee or indemnity in respect of the obligation of any person.

None of the Scheme Property of the Company may be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person.

The above paragraphs do not apply to:

- (a) any indemnity or guarantee given for margin requirements where the derivatives or forward transactions are being used in accordance with COLL; and
- (b) for the Company:
  - (i) an indemnity falling within the provisions of regulation 62(3) of the OEIC Regulations (Exemptions from liability to be void);
  - (ii) an indemnity (other than any provision in it which is void under regulation 62 of the OEIC Regulations) given to the Depositary against any liability incurred by it as a consequence of the safekeeping of any of the Scheme Property by it or by anyone retained by it to assist it to perform its function of the safekeeping of the Scheme Property; and
  - (iii) an indemnity given to a person winding up a scheme if the indemnity is given for the purposes of arrangements by which the whole or part of the property of that scheme becomes the first property of the Company and the holders of shares in that scheme become the first Shareholders in the Company.

### ***Stock lending***

The Company, or the Depositary at the request of the Company, may enter into a repo contract, or a stock lending arrangement in accordance with COLL 5.4 if it reasonably appears to the ACD to be appropriate to do so with a view to generating additional income for the Funds with an acceptable degree of risk, but does not intend to do so at present.

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

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

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## Appendix 2

### Eligible Markets

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

- (a) a "regulated market" as defined in COLL;
- (b) a securities market established in any EEA State (which as at the date of this Prospectus includes Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden ) which is regulated, operates regularly and is open to the public, or;
- (c) The London Stock Exchange, the alternative investment market (AIM) of the International Stock Exchange of the United Kingdom and the Republic of Ireland Limited, and the ICAP Securities and Derivatives Exchange (ISDX) are also an eligible securities market for the purposes of the Funds.

### Eligible Derivatives Markets

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

<b>Country</b>	<b>Market</b>
<b>UK</b>	<b>ICE Futures Europe</b>

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## Appendix 3

### Additional Information

Investment Fund Services Limited acts as authorised corporate director or authorised unit trust manager in respect of the following OEICs and unit trusts:

- IFSL AMR OEIC
- IFSL Avellemy OEIC
- IFSL Avellemy Multi-Manager OEIC
- IFSL Bowland Fund
- IFSL CAF Investment Fund
- IFSL CH Special Mandates Fund
- IFSL Church House Balanced Equity Income Fund
- IFSL Church House Esk Global Equity Fund
- IFSL Church House Investment Grade Fixed Interest Fund
- IFSL Church House UK Equity Growth Fund
- IFSL CPN OEIC
- IFSL Equilibrium OEIC
- IFSL Hathaway Fund
- IFSL James Hambro Umbrella Fund
- IFSL Marlborough Balanced Fund
- IFSL Marlborough Bond Income Fund
- IFSL Marlborough Cautious Fund
- IFSL Marlborough Emerging Markets Trust
- IFSL Marlborough European Special Situations Fund
- IFSL Marlborough Extra Income Fund
- IFSL Marlborough Global Bond Fund
- IFSL Marlborough Global Fund
- IFSL Marlborough Global Innovation Fund
- IFSL Marlborough High Yield Fixed Interest Fund
- IFSL Marlborough Multi-Asset OEIC
- IFSL Marlborough Multi-Cap Growth Fund
- IFSL Marlborough No2 OEIC
- IFSL Marlborough OEIC
- IFSL Marlborough Special Situations Fund
- IFSL Marlborough UK Micro-Cap Growth Fund
- IFSL Marlborough US Multi-Cap Income Fund
- IFSL Optima Fund
- IFSL Ravenscroft OEIC
- IFSL RC Brown OEIC
- IFSL Rockhold OEIC
- IFSL Sanlam OEIC
- IFSL Signia OEIC
- IFSL SIM Junior Gold & Silver Miners Fund
- IFSL Tilney Bestinvest Multi Asset Portfolio
- IFSL Tilney Bestinvest Multi Asset Portfolio Series II
- IFSL Titan OEIC
- IFSL Trade Union Unit Trust
- IFSL YOU Asset Management Funds
- Mazarin OEIC

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### ***Directors of the ACD***

The directors of Investment Fund Services Limited are:

**Andrew Staley** - In addition to his role as director of the ACD, Mr Staley also acts as managing director of Marlborough Investment Management Limited and is a director of Novia Global Limited, Marlborough Investment Management (UK) Limited, Marlborough Unit Trust Managers Limited, Marlborough Group Holdings Limited, UK Travel Limited and UFC Fund Management PLC.

**Allan Hamer** - Also a director of Marlborough Group Holdings Limited, Marlborough Fund Managers Ltd, MFM Unit Trust Managers Limited, IFSL Professional Services Limited, Marlborough International Management Limited and Marlborough International Fund PCC Limited.

**Dom Clarke** - Also a director of Investment Fund Services Limited, IFSL Platform Services Limited, IFSL Platform Service Providers Limited, Marlborough Investment Management Limited, Marlborough Investment Management International Limited, Marlborough Asset Managers Limited, UFC Fund Management International Holdings Limited, MIM DFM Limited, MIM Discretionary FM Limited, Marlborough Fund Managers Ltd, MFM Unit Trust Managers Limited, Marlborough Group Holdings Limited, IFSL Professional Services Limited, IFSL Administration Limited, IFSL ICAV, and Philotas Limited.

**Helen Redmond** - Also a director of IFSL Professional Services Limited.

**Helen Derbyshire** – Also a director of Marlborough Group Holdings Limited and Marlborough Fund Managers Ltd.

**Sally Helston** – executive director of the ACD.

**Guy Sears** – Independent non-executive director and Chair of the IFSL Board.

**Sarah Peaston** – Independent non-executive director – Also an independent non-executive director of IFSL Administration Limited.

## **Appendix 4**

### **Share Class**

<b>Share Class</b>	<b>Minimum initial investment</b>	<b>Minimum holding</b>	<b>Minimum subsequent investments</b>	<b>Minimum redemption</b>	<b>Initial Charge</b>	<b>Annual Management Charge</b>
A Shares	£5,000	£5,000	£1,000	£500	0%	0.62%

**The above share class is available as either Accumulation or Income.**

<b>Share Class</b>	<b>Minimum initial investment</b>	<b>Minimum holding</b>	<b>Minimum subsequent investments</b>	<b>Minimum redemption</b>	<b>Initial Charge</b>	<b>Annual Management Charge</b>
T Shares	£100,000,000	£100,000,000	£1,000	£0	0%	0.50%

**The above share class is available as Accumulation only.**

## Appendix 5

### Historical Performance

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

Updated past performance figures can be obtained from the ACD.

	01/01/18 to 31/12/18	01/01/19 to 31/12/19	01/01/20 to 31/12/20	01/01/21 to 31/12/21	01/01/22 to 31/12/22
Mazarin Cautious Fund	n/a	n/a	6.84	5.95	-8.85
Mazarin Balanced Fund	n/a	n/a	10.14	7.10	-11.13
Mazarin Adventurous Fund	n/a	n/a	n/a	6.35	-13.78

As the Mazarin Cautious and Mazarin Balanced Funds launched on 1<sup>st</sup> July 2019, a full five years performance data is not available.

As the Mazarin Adventurous Fund launched on 20<sup>th</sup> July 2020, a full five years performance data is not available.