
PROSPECTUS
of
QUILTER INVESTORS CHARITY AUTHORISED INVESTMENT
FUNDS

An umbrella-type charity authorised investment fund structured as
a NURS authorised unit trust

Prepared in accordance with the Collective Investment Schemes Sourcebook
valid as at and dated 1 January 2025

Quilter Investors Limited

Authorised and regulated by the Financial Conduct Authority

PROSPECTUS
OF
QUILTER INVESTORS CHARITY AUTHORISED INVESTMENT FUNDS

This document constitutes the Prospectus for Quilter Investors Charity Authorised Investment Funds (**Trust**) which has been prepared in accordance with the rules contained in the Collective Investment Schemes Sourcebook (**COLL**) and the Investment Funds Sourcebook (**FUND**) published by the FCA as amended or replaced from time to time. Copies of this Prospectus have been sent to the FCA and the Trustee.

The Trust and its Sub-Fund are marketed, and Units are only available, to Eligible Investors. An Eligible Investor is defined in the Trust Deed and in this Prospectus. Full details of the eligibility requirements are set out in the Trust Deed and this Prospectus. For the avoidance of doubt Nominees acting on behalf of Eligible Investors may hold Units.

The provisions of the Trust Deed are binding on each of the Unitholders and a copy of the Trust Deed is available on request from Quilter Investors Limited.

This Prospectus has been issued for the purpose of section 21 of the Financial Services and Markets Act 2000 by Quilter Investors Limited. This Prospectus is intended for distribution in the United Kingdom. It does not constitute an offer to sell or a solicitation of an offer to purchase Units in any jurisdiction in which such offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Trust.

The distribution of this Prospectus may be restricted in other jurisdictions. Prospective investors should inform themselves of and observe any such restrictions including any taxation or exchange control requirements, governmental consent requirements, and any other formalities.

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

The Prospectus is based on information, law and practice at the date of publication. Neither the Manager nor the Trustee is bound by any out of date prospectus when they have published a new prospectus and potential investors should check that they have the most recently published prospectus.

If you are in any doubt about the contents of this Prospectus you should consult the Manager or your professional adviser.

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Summary

Summary information on Quilter Investors Charity Authorised Investment Funds, referred to as the **Trust**, is set out below and should be read in conjunction with the full text of this Prospectus, from which it is derived.

- The Trust is a Charity Authorised Investment Fund structured as an umbrella-type authorised unit trust and is a NURS scheme. The Charity Commission has issued an order under section 96 of the Charities Act 2011 in relation to the Trust dated 27 November 2018 and with effect from the date of that order the Trust was established as a common investment fund for the purposes of the Charities Act 2011 and is registered with the Charity Commission with registered charity number 1180874. For the purposes of the AIFMD, the Trust qualifies as an AIF. It was authorised by the FCA on 27 November 2018 and is registered with FCA product reference number (**PRN**) 822209. It is established by way of a trust deed dated 27 November 2018.
- The Trust is required to have an Advisory Committee independent of the Manager and Trustee. The principal function of the Advisory Committee is to represent the interests of all Unitholders in the Trust and to consult with and make representations to the Manager and to the Trustee in carrying out that function.
- In order to be eligible to hold Units, a prospective investor must be an Eligible Investor or a Nominee acting on behalf of an Eligible Investor.
- The Trust currently has one Sub-Fund, Quilter Cheviot Global Income and Growth Fund for Charities. The PRN of the Sub-Fund is 827081. Sub-Funds are segregated portfolios of assets and, accordingly, the assets of a Sub-Fund belong exclusively to that Sub-Fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the Trust, or any other Sub-Fund and shall not be available for any such purpose. Each Sub-Fund is an AIF and a NURS for the purposes of the FCA Rules and the AIFMD Implementing Measures.
- Other Sub-Funds may be established by the Manager from time to time. Details of the Sub-Funds including their investment objectives and policies, annual and interim accounting dates and distribution dates for each Sub-Fund are set out in Appendix 1.
- The base currency of the Trust and all Sub-Funds is pounds sterling unless otherwise specified. The accounts of the Trust are prepared in pounds sterling or any successor UK currency.
- Quilter Investors Limited is the Manager of the Trust and has delegated the investment management function to Quilter Investment Platform Limited (the Investment Manager of the Trust). The Sub-Fund is managed by Quilter Cheviot Limited which has been selected by the Investment Manager as the Investment Adviser for its expected ability to manage the Sub-Fund according to the investment objective and policy. The Investment Manager continuously monitors this appointment.
- SS&C Financial Services International Limited and SS&C Financial Services Europe Limited (formerly known as DST Financial Services International Limited and DST Financial Services Europe Limited respectively) (**SS&C**) act as the Registrar for the Trust.
- Citibank UK Limited is the trustee and depositary of the Trust. The terms on which Citibank UK Limited acts as trustee in relation to the Trust are set out in the Trust Deed and as

depository are set out in the Depositary Agreement which complies with the AIFMD Implementing Measures.

- Unitholders are not liable for the debts of the Trust (or Sub-Fund as the case may be) nor are they liable to make any further payment after they have paid the price of their Units.
- Units are only currently available in respect of the Sub-Fund. There is currently one class of Unit available which is an Income Unit class. The Manager intends to declare all net income of the Sub-Fund on a quarterly basis and income will be paid quarterly to Unitholders.
- The Manager may, in consultation with the Trustee, operate an income reserve account in order to avoid fluctuations in the income available for allocation or distribution for the annual accounting period income payments in the following period (the **Income Reserve Account**). Up to 15% of income available for allocation or distribution may be transferred to the Income Reserve Account in any one accounting period.
- Units may be whole or fractional (a fraction being a thousandth of a Unit). Title to Units will be evidenced by entry on the register of Unitholders and certificates will not be issued. Unit confirmations will be issued on request. Half-yearly valuations including a statement of holdings will be sent to current Unitholders.
- The Unit price for the Sub-Fund will be published daily at www.quilter.com and is also available by calling 0808 100 3579. The Units are not listed on any investment exchange.
- Costs and expenses are accrued at Sub-Fund level with allocations for any Trust costs made on a pro rata basis in accordance with the value of the Sub-Funds at the time of allocation, in accordance with FCA Rules and the AIFMD Implementing Measures.
- A Dealing Day is every day which is a Business Day and the Dealing Deadline is 11.59am UK time on a Dealing Day.
- The Valuation Point is normally 12pm UK time on a Dealing Day.
- This Prospectus, the Trust Deed and related documents can be inspected during normal office hours at the registered office of the Registrar set out in the Directory.

Directory

Manager	Quilter Investors Limited Senator House 85 Queen Victoria Street London EC4V 4AB
Investment Manager	Quilter Investment Platform Limited Senator House 85 Queen Victoria Street London EC4V 4AB
Trustee	Citibank UK Limited Citigroup Centre Canada Square Canary Wharf London E14 5LB
Investment Adviser	Quilter Cheviot Limited Senator House 85 Queen Victoria Street London EC4V 4AB
Administrator	Citibank Europe plc 1, North Wall Quay Dublin 1 Ireland
Registrar	SS&C Registered address (and location of register of Unitholders): SS&C House Saint Nicholas Lane Basildon Essex SS15 5FS Postal address: Quilter Investors Limited PO Box 10278 Chelmsford Essex CM99 2AR
Auditor	PricewaterhouseCoopers LLP 141 Bothwell Street Glasgow G2 7EQ

1. Definitions and interpretation

In this Prospectus the words and expressions set out below shall have the meanings set opposite them unless the context requires otherwise. Words and expressions contained but not defined in this Prospectus shall have the same meanings as in the Act, the FCA Rules or the Trust Deed (as the case may be) unless otherwise stated.

Accumulation Units means Units as may be in issue from time to time in respect of which income allocated to the Unit is credited periodically to capital pursuant to the FCA Rules.

Act means the Financial Services and Markets Act 2000.

Administrator means Citibank Europe plc the administrator of the Trust or such successor administrator as may be appointed from time to time.

Advisory Committee means the advisory committee in respect of the Trust as provided for in the Trust Deed and as further described at paragraph 7 of the Prospectus.

AIF means an alternative investment fund and has the same meaning as set out in the Glossary.

AIFM means an alternative investment fund manager and has the same meaning as set out in the Glossary.

AIFMD means the Alternative Investment Fund Managers Directive (2011/61/EU) as it applies in the UK from time to time.

AIFMD Implementing Measures means:

- (i) the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773) (as amended or replaced from time to time);
- (ii) the AIFMD Level 2 Regulation;
- (iii) any other law or regulation applicable in the UK which implements, retains, supplements and/or is adopted pursuant to the AIFMD or any of (i), or (ii); and
- (iv) all rules implementing and/or retaining the AIFMD in the UK including, without limitation, FUND.

AIFMD Level 2 Regulation means the UK version of Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/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.

Alternative Valuation means an alternative valuation in the respect of a derivative contract as described in paragraph 27.2.1(b)(ii).

Approved Bank has the meaning set out in the Glossary. Broadly an approved bank is the Bank of England or other OECD member state central bank, a bank with Part IV authorisation to accept deposits, a building society, or a bank supervised by the central bank or regulator in a member state of the OECD.

Approved Derivative means an approved derivative which is traded or dealt on an eligible derivatives market and any transaction in such a derivative must be effected on or under the rules of the market.

Associate has the meaning set out in the Glossary.

Auditor means the auditor of the Trust as set out in paragraph 6.

Business Day means any day on which the London Stock Exchange is open for normal business except for any day in respect of which the Manager has notified the Trustee that it is not open for normal business due to a concessionary company holiday or otherwise as agreed between the Manager and the Trustee.

CASS refers to the Client Assets Sourcebook which forms part of the FCA Rules.

CCP means a legal person that interposes itself between counterparties to the contracts traded on one or more financial markets, becoming the buyer to every seller and the seller to every buyer, as defined in article 2(1) of EMIR.

Charities Act means the Charities Act 2011.

Charity means a charity as defined in the Charities Act or an organisation which is defined as a charity under paragraph 1(1) of Schedule 6 of the Finance Act 2010.

Charity Authorised Investment Fund or **CAIF** has the meaning set out in the Glossary, being an authorised fund that has been registered with the Charity Commission as a charity.

Charity Commission or **Commission** means the Charity Commission for England and Wales.

Class means a class of Units created by the Manager in respect of a Sub-Fund.

Client Money Rules means as defined in paragraph 25.2.1.

COLL refers to the Collective Investment Schemes Sourcebook which forms part of the FCA Rules.

Conversion means the conversion of Units in one Class to Units in another Class in the same Sub-Fund and **Convert** and **Converted** shall be construed accordingly.

Counterparty Valuation means a counterparty valuation in respect of a derivative contract as described in paragraph 27.2.1(b)(i).

Dealing Day means a Business Day which does not fall within a period of suspension of calculation of the Net Asset Value per Unit of the relevant Class or of the Net Asset Value of the relevant Sub-Fund (unless stated otherwise in this Prospectus) and such other day as the Manager may, with the consent of the Trustee, decide from time to time.

Dealing Deadline means 11.59am London time on a Dealing Day.

Depositary Agreement means the agreement between the Manager and the Trustee dated 8 January 2020 as novated with effect from 6 November 2021 and as amended, restated or supplemented from time to time.

Directory means the directory section set out at the beginning of this Prospectus.

EEA or EEA States means the EU Member States and Iceland, Liechtenstein and Norway.

Efficient Portfolio Management or EPM means techniques and instruments which relate to transferable securities and approved money-market instruments and which fulfil the following criteria:

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

Eligible Institution means one of certain eligible institutions as defined in the Glossary.

Eligible Investor means a Charity which is eligible to invest in the Trust as permitted pursuant to clause 23 of the Trust Deed.

EMIR means Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories (as amended by Regulation (EU) No 2019/834 of the European Parliament and of the Council of 20 May 2019), as it applies in the UK by virtue of the EUWA.

EU Member States means the member states of the European Union.

EUWA means the European Union (Withdrawal) Act 2018.

FCA means the Financial Conduct Authority of 12 Endeavour Square, London E20 1JN or such successor regulatory authority from time to time.

FCA Rules means the FCA handbook of rules and guidance made under the Act as amended or updated from time to time.

FUND means the Investment Funds Sourcebook which forms part of the FCA Rules.

Glossary means the glossary to the FCA Rules.

HMRC means Her Majesty's Revenue & Customs.

Income Reserve Account means an income reserve account as provided for in the Trust Deed and as further described in paragraph 42.3 in which income may be retained in accordance with COLL 14.4.1 R to 14.4.4 R.

Income Units means Units as may be in issue from time to time in respect of which income allocated to the Unit is distributed periodically to the Unitholder pursuant to the FCA Rules.

Investment Adviser means Quilter Cheviot Limited the investment adviser of the Sub-Fund or such successor investment adviser as may be appointed from time to time.

Investment Management Agreement means the agreement between the Investment Manager and the Manager dated 9 December 2024 as amended or updated from time to time.

Investment Manager means Quilter Investment Platform Limited, the investment manager of the Trust.

KIID means Key Investor Information Document.

Leverage bears the meaning as set out in the AIFMD Implementing Measures and as further described at paragraph 41.

Losses means any losses, costs, expenses, damages, charges, liabilities or claims, judgments, actions and proceedings.

Manager means Quilter Investors Limited, the manager of the Trust.

Master Scheme means any of the following:

- a master UCITS (in the case of a feeder UCITS);
- a qualifying master scheme (in the case of a feeder NURS);
- a property authorised investment fund (in the case of a scheme dedicated to units in a single property authorised investment fund); or
- the master recognised scheme (in the case of a scheme dedicated to units in a recognised scheme being a scheme recognised under section 272 of the Act).

Net Asset Value or **NAV** means the value of the Scheme Property less the liabilities of the Trust or Sub-Fund (as applicable) as calculated in accordance with the Trust Deed.

Nominee means a person holding property for a Charity which is eligible to invest in the Trust pursuant to a Nominee Arrangement.

Nominee Arrangement means a binding legal agreement under which a person (the **Nominee**) holds property for a Charity which is eligible to invest in the Trust, in such a manner that the Nominee does not have and cannot acquire any beneficial interest in that property and the Nominee holds that property on behalf of the Charity.

NURS means a non-UCITS retail scheme.

OECD means the Organisation for Economic Co-operation and Development.

OTC derivative means over-the-counter derivative.

Prospectus means this Prospectus of the Trust as amended or updated from time to time.

Registrar means SS&C, the registrar of the Trust, or such successor registrar as may be appointed from time to time.

Scheme Property means the property of the Trust or a Sub-Fund (as appropriate) to be held by the Trustee for safe-keeping, as required by the FCA Rules.

Sub-Fund means a sub-fund of the Trust as detailed in Appendix 1.

Switch means the switch of Units in one Sub-Fund for Units in another Sub-Fund and **Switching** and **Switched** shall be construed accordingly.

Target Benchmark: means an index or similar factor that forms part of a target for the Sub-Fund's performance to match or exceed.

Terms of Reference means the document provided by the Manager setting out the terms of reference in relation to the function and operation of the Advisory Committee to which each member of the Advisory Committee must agree in order to be a member of the Advisory Committee.

Trust means Quilter Investors Charity Authorised Investment Funds.

Trust Deed means the trust deed constituting the Trust as amended or supplemented from time to time in accordance with the FCA Rules.

Trustee means Citibank UK Limited, acting in its capacity of trustee and depository of the Trust.

UK means the United Kingdom.

UK UCITS scheme means a collective investment scheme established in the UK complying with the requirements of the UCITS Regulations.

UCITS Regulations means Directive 2009/65/EC, as amended (the "**UCITS Directive**"), including any relevant implementing measures, on the co-ordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as such Directive and implementing measures apply in the UK and are incorporated in UK law and regulation from time to time.

Unit means a unit in a Sub-Fund including fractional Units being a thousandth of a Unit.

Unitholder means a holder of registered Units.

US Person means US citizen (including dual citizen) or US resident alien for tax purposes, privately owned domestic corporation, domestic partnership, or a domestic trust or estate.

Valuation Point means the point, on a Dealing Day whether on a periodic basis or for a particular valuation, at which the Manager carries out a valuation of the Scheme Property for the purpose of determining the price at which Units may be issued, cancelled, Switched, Converted or redeemed. The current Valuation Point is 12 noon London time on each Dealing Day.

VAT means value added tax.

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

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

References to the plural shall include the singular and vice versa. In particular reference to Sub-Funds should be taken to mean reference to Sub-Fund as appropriate when the Trust only has one Sub-Fund.

References to statutes, statutory provisions, regulations, or FCA Rules shall include those statutes, provisions, regulations, or FCA Rules as amended, extended, consolidated, substituted or re-enacted from time to time.

2. Details of the Trust

2.1 General information

- 2.1.1 Quilter Investors Charity Authorised Investment Funds is a Charity Authorised Investment Fund and is an umbrella-type authorised unit trust and is a NURS scheme.
- 2.1.2 The Trust is established by way of the Trust Deed entered into by the Manager and the Trustee.
- 2.1.3 The effective date of authorisation of the Trust by the FCA was 27 November 2018. The product reference number (**PRN**) of the Trust is 822209.
- 2.1.4 The Charity Commission issued an order in respect of the Trust pursuant to section 96 of the Charities Act on 27 November 2018 and with effect from the date of that order the Trust was established as a common investment fund for the purposes of the Charities Act. No property was held under the Terms of the Trust until the making of the Charity Commission order.
- 2.1.5 The Trust is registered with the Charity Commission with registered charity number 1180874. The Manager and Trustee are charity trustees for the purposes of the Charities Act. For the avoidance of doubt the Depositary Agreement does not qualify, restrict or exclude the duties and liabilities of the Manager and Trustee respectively as charity trustees.
- 2.1.6 The duration of the Trust is unlimited.
- 2.1.7 The base currency of the Trust is pounds sterling or such other currency or currencies as may be the lawful currency of the United Kingdom from time to time. The accounts of the Trust will be prepared in the base currency.
- 2.1.8 Units in the Trust have no par value and therefore the unitised capital of the Trust at all times equals the Trust's current Net Asset Value.
- 2.1.9 Unitholders are not liable for the debts of the Trust.

2.2 The Structure of the Trust

- 2.2.1 As explained above the Trust is a CAIF umbrella scheme and is a NURS.
- 2.2.2 The Trust is established as a common investment fund for the purposes of the Charities Act and accordingly:
 - (a) the Manager and the Trustee shall have no power for which provision may not lawfully be made by or in a common investment scheme as that term is defined in section 96 of the Charities Act; and

- (b) neither the Trust Deed nor this Prospectus may make provision for any matter to the extent that such matter may conflict with the provisions of section 98 of the Charities Act.

- 2.2.3 The Trust is structured as an umbrella in that Units representing interests in different Sub-Funds may be issued from time to time by the Trustee as instructed by the Manager. The Trust and its Sub-Funds are AIFs for the purposes of the AIFMD Implementing Measures.
- 2.2.4 Investment of the assets of the Sub-Funds must comply with the FCA Rules and the investment objective and policy of the particular Sub-Fund. Details of the Sub-Funds, including each Sub-Fund's investment objective and policy, are set out in Appendix 1.
- 2.2.5 A Sub-Fund is a segregated portfolio of assets and, accordingly, the assets of a Sub-Fund belong exclusively to that Sub-Fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the Trust, or any other Sub-Fund, and shall not be available for any such purpose.
- 2.2.6 The concept of segregated liability is relatively new. Accordingly, where claims are brought in foreign courts or under foreign law contracts it is not yet known whether or not a foreign court would give effect to the segregated liability provisions as set out in this Prospectus and in the Trust Deed.
- 2.2.7 A detailed statement of the general investment and borrowing restrictions in respect of the Sub-Funds is set out in Appendix 2.
- 2.2.8 The eligible securities markets and eligible derivatives markets on which the Sub-Funds may invest are set out in Appendix 4 and Appendix 5.

2.3 Eligible Investors

- 2.3.1 In order to be eligible to invest in the Trust, the investor or prospective investor must be an Eligible Investor. Investors will be required to provide the Manager with such information and documentation as the Manager may require to the Manager's satisfaction that the investor is an Eligible Investor.
- 2.3.2 If a Unitholder becomes aware that it is not an Eligible Investor, it must inform the Manager immediately. In these circumstances the Manager reserves the right to take action in accordance with paragraph 23.
- 2.3.3 The Manager may periodically request Unitholders to provide up to date documentation confirming their status as an Eligible Investor. The cost of providing this documentation will be borne by the Unitholders.
- 2.3.4 For the avoidance of doubt Nominees acting on behalf of Eligible Investors may hold Units.

2.4 Units

- 2.4.1 The rights represented by Units are those of a beneficial interest under a trust.

- 2.4.2 The Classes presently available in the Sub-Funds are set out in Appendix 1. Further Classes may be made available in due course, as the Manager may decide.
- 2.4.3 The minimum investment and holding requirements are set out at Appendix 1. These may be waived at the discretion of the Manager.
- 2.4.4 Unit certificates will not be issued. Ownership of Units will be evidenced by an entry on the Trust's register of Unitholders. A statement of holdings for each Unitholder shall be sent to each Unitholder at least once a year in such form as the Manager may decide. A statement shall not constitute a document of title to the Units to which it refers.
- 2.4.5 The Units are not listed on any investment exchange.

3. The Manager

3.1 General information

- 3.1.1 The Manager is Quilter Investors Limited, a limited company incorporated in England and Wales on 4 June 2001 with registered number 4227837. The Manager is authorised and regulated by the Financial Conduct Authority.
- 3.1.2 The Manager's head office and registered office is at Senator House, 85 Queen Victoria Street, London EC4V 4AB.
- 3.1.3 As at the date of this Prospectus, the amount of the Manager's issued share capital is 12,600,000 ordinary £1 shares of which £12,600,000 is allotted and fully paid up.
- 3.1.4 The ultimate holding company of the Manager is Quilter Plc, a public limited company incorporated in England and Wales on 19 October 2007 with registered number 06404270.
- 3.1.5 The main business activities of the Manager are acting as manager of authorised unit trusts and authorised corporate director of open ended investment companies and acting as an AIFM. As at the date of this Prospectus, the Manager acts as manager of the authorised unit trusts and as authorised corporate director of the open-ended investment companies set out in Appendix 7.
- 3.1.6 The directors of the Manager are:
 - (a) Tim Breedon;
 - (b) Sarah Fromson;
 - (c) Steven Levin; and
 - (d) Louise Williams.
- 3.1.7 None of the directors of the Manager have any business interests which are of significance to the Trust's business other than those interests connected with the business of the Trust.

3.2 Duties and role of the Manager

- 3.2.1 The Manager is responsible for managing and administering the Trust's affairs in compliance with the FCA Rules. The Manager is a charity trustee in respect of the Trust for the purposes of the Charities Act.
- 3.2.2 To the extent allowed by the FCA Rules, the Trust Deed contains indemnities in favour of the Manager against all Losses which may be brought against or suffered or incurred by the Manager in relation to the Trust Deed or the carrying out of the Manager's powers and duties under or pursuant to the Trust Deed except where the Manager has been guilty of negligence, intentional failure or fraud or failure to satisfy its obligation of due skill, care or diligence.
- 3.2.3 The Manager is under no obligation to account to the Trustee, the Sub-Funds, the Trust or the Unitholders for any profit it makes on the issue or re-issue of Units or cancellation of Units which it has redeemed. The fees to which the Manager is entitled are set out in paragraph 34.
- 3.2.4 The Manager is the AIFM of the Trust for the purposes of the AIFMD Implementing Measures.
- 3.2.5 The Manager holds additional own funds which are appropriate to cover potential liability risks in accordance with the AIFMD and has procedures in place to monitor on an ongoing basis the value of portfolios managed by the Manager in accordance with the AIFMD Level 2 Regulation.
- 3.2.6 The Manager has internal operational policies and procedures in place to identify, measure, manage and monitor appropriately operational risks to which the Manager is or could be reasonably exposed in accordance with the requirements of the AIFMD Level 2 Regulation.
- 3.2.7 Subject to the FCA Rules and the AIFMD Implementing Measures, the Manager may delegate any part of its functions as AIFM. The Manager has delegated the provision of investment management services to the Investment Manager. The Manager has also delegated certain administrative functions to the Registrar and the Administrator. The Manager has informed the FCA of such delegation in accordance with the FCA Rules and the AIFMD Implementing Measures.

4. The Trustee and Depositary

4.1 General information

- 4.1.1 The trustee of the Trust is Citibank UK Limited. Citibank UK Limited also acts as the depositary of the Trust for the purposes of the AIFMD Implementing Measures.
- 4.1.2 The Trustee is a private limited company incorporated in England with registered number 11283101 whose registered office is at Citigroup Centre Canada Square, Canary Wharf, London E14 5LB.
- 4.1.3 The Trustee is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

- 4.1.4 The Trustee is a charity trustee in respect of the Trust for the purposes of the Charities Act.
- 4.1.5 The Trustee's ultimate holding company is Citigroup Inc., a company which is incorporated in New York, USA.

4.2 Key duties of the Trustee

- 4.2.1 The key duties of the Trustee consist of:
- (a) cash monitoring and verifying the Trust's cash flows;
 - (b) safekeeping of the Scheme Property;
 - (c) ensuring that the sale, issue, re-purchase, redemption, cancellation and valuation of Units are carried out in accordance with the Trust Deed, this Prospectus, and applicable law, rules and regulations;
 - (d) ensuring that, in transactions involving the Scheme Property, any consideration is remitted to the Trust within the usual time limits;
 - (e) ensuring that the Trust's income is applied in accordance with the Trust Deed, this Prospectus, applicable law, rules and regulations; and
 - (f) carrying out instructions from the Trust and/or the Manager unless they conflict with the Trust Deed, this Prospectus or applicable law, rules and regulations.
- 4.2.2 The Trustee is under no obligation to account to the Manager, the Trust or the Unitholders for any profits or benefits it makes or receives that are made or derived from or in connection with its role as trustee.

4.3 Terms of the Depositary Agreement

- 4.3.1 The Depositary Agreement may be terminated by not less than 90 days' written notice provided that no such notice shall take effect until the appointment of a successor to the Depositary.
- 4.3.2 Without prejudice to any indemnity to which the Trustee may otherwise be entitled under applicable law, the Trust and the Manager will (i) indemnify the Trustee for all losses, costs, damages, taxes and expenses (including reasonable legal fees and disbursements) (each a "**Loss**") incurred by the Trustee (directly or payable to its agents or sub-custodians) arising in connection with the failure of the Trust or the Manager to perform any of its obligations under the Depositary Agreement or arising from or in connection with the Trustee's appointment or performance under the Depositary Agreement, and (ii) defend and hold the Trustee harmless from or in connection with any Loss imposed on, incurred by, or asserted against the Trustee (directly or through any of its agents or sub-custodians) or otherwise arising in connection with or arising out of any claim, action or proceeding by any third party, except any Loss arising from the Trustee's failure to satisfy its obligation of due skill, care and diligence as provided in the Depositary Agreement or the failure of any agent to satisfy the same standard of care, or any Loss for which the Trustee is liable under AIFMD

or any Loss resulting from the negligence, intentional failure or fraud of the Trustee or any of its agents or sub-custodian.

- 4.3.3 To the extent allowed by the FCA Rules and the AIFMD Implementing Measures, the Trust Deed and the Depositary Agreement contain indemnities in favour of the Trustee against Losses suffered or incurred by the Trustee in relation to the Trust Deed or the carrying out of the Trustee's powers and duties under or pursuant to the Trust Deed except where the Trustee has been guilty of negligence, intentional failure or fraud or failure to satisfy its obligation of due skill, care or diligence.

4.4 Liability

- 4.4.1 As a general rule the Trustee is liable for any losses suffered as a result of the Trustee's, its agent's or sub-custodian's negligence, intentional failure or fraud in fulfilling its obligations except that it will not be liable for any loss where:

- (a) the event which has led to the loss is not the result of any act or omission of the Trustee (or a third party to whom the Trustee has delegated its safekeeping function);
- (b) the Trustee could not have reasonably prevented the occurrence of the event which led to the loss despite adopting all precautions incumbent on a diligent trustee as reflected in common industry practice; and
- (c) despite rigorous and comprehensive due diligence, the Trustee could not have prevented the loss.

- 4.4.2 However, in the case of loss of a financial instrument by the Trustee, or by a third party, the Trustee is under an obligation to return a financial instrument of identical type or corresponding amount without undue delay unless it can prove that the loss arose as a result of an external event beyond the Trustee's reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

4.5 Re-use of Scheme Property

The Trustee or any sub-custodian shall not, and shall require that its sub-custodians do not, lend, pledge or rehypothecate the assets it has been entrusted with, without the consent of the Manager.

4.6 Delegation of safekeeping function

- 4.6.1 Subject to the FCA Rules and the AIFMD Implementing Measures, the Trustee has power under the Trust Deed and the Depositary Agreement to delegate (and authorise its delegate to sub-delegate) its safekeeping functions.
- 4.6.2 As a general rule, whenever the Trustee delegates any of its custody functions to a delegate, the Trustee will remain liable for any losses suffered as a result of an act or omission of the delegate as if such loss had arisen as a result of an act or omission of the Trustee. The use of

securities settlement systems or order routing systems does not constitute a delegation by the Trustee of its functions.

- 4.6.3 As of the date of this Prospectus, the Trustee has entered into a written agreement delegating the performance of its safekeeping function in respect of certain assets of the Trust and its Sub-Funds to Citibank N.A. Details of any sub-delegates are set out in Appendix 8.

4.7 Conflicts of interest

Actual or potential conflicts of interest may also arise between the Trust, the Unitholders or the Manager on the one hand and the Trustee on the other hand.

4.7.1 Non-exclusive services

The Trustee may act as the trustee or depositary of other investment funds. The Trustee may have other clients whose interests may conflict with those of the Trust, the Unitholders or the Manager.

4.7.2 Affiliates

- (a) From time to time conflicts may arise from the appointment by the Trustee of any of its delegates. For example, Citibank N.A., which has been appointed by the Trustee to act as custodian of the Scheme Property, also performs certain investment operations and functions and derivatives collateral management functions delegated to it by the ACD.
- (b) The Trustee will ensure that any such delegates or sub-delegates who are its affiliates are appointed on terms which are not materially less favourable to the Trust than if the conflict or potential conflict had not existed. Citibank N.A. and any other delegate is required to manage any such conflict having regard to the FCA Rules and its duties to the Trustee and the Manager.

4.7.3 Conflicting commercial interests

- (a) The Trustee (and any of its affiliates) may effect, and make a profit from, transactions in which the Trustee (or its affiliates, or another client of the Trustee or its affiliates) has (directly or indirectly) a material interest or relationship of any description and which involves or may involve a potential conflict with the Trustee's duty to the Trust.
- (b) This includes circumstances in which the Trustee or any of its affiliates or connected persons: acts as market maker in the investments of the Trust; provides broking services to the Trust and/or to other funds or companies; acts as financial adviser, banker, derivatives counterparty or otherwise provides services to the issuer of the investments of the Trust; acts in the same transaction as agent for more than one client; has a material interest in the issue of the investments of the Trust; or earns profits from or has a financial or business interest in any of these activities.

4.7.4 Management of conflicts

The Trustee has a conflict of interest policy in place to identify, manage and monitor on an on-going basis any actual or potential conflict of interest. The Trustee has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest and the Trustee issues to be properly identified, managed and monitored.

4.8 Fees

The fees to which the Trustee is entitled are set out in paragraph 34.2.4(c) and 34.5.

5. The Investment Manager

5.1 General information

5.1.1 The Manager has appointed Quilter Investment Platform Limited to provide discretionary investment management services to the Manager in respect of the Trust pursuant to the Investment Management Agreement. The Investment Adviser is authorised and regulated by the Financial Conduct Authority.

5.1.2 The Investment Manager is a limited company incorporated in England and Wales with registered number 01680071. The registered office and head office of the Investment Adviser is Senator House, 85 Queen Victoria Street, London, EC4V 4AB. The Investment Manager is part of the same corporate group as the Manager.

5.1.3 The principal business of the Investment Manager is the provision of investment management services.

5.2 Duties and responsibilities

5.2.1 Under the Investment Management Agreement, the Manager retains the power to take decisions in key areas that fall under its responsibility and allows the Manager to monitor, enquire, inspect and have access to the Investment Manager to allow the Manager to review on an ongoing basis the services provided by the Investment Manager.

5.2.2 Subject to paragraph 5.2.1 above, the Investment Manager has full power, authority and right to exercise the functions, duties, powers and discretions exercisable by the Manager under the Trust Deed to manage the investment of the Scheme Property. The Investment Manager may manage all or part of the portfolio of the Trust, or it may delegate any of its rights and obligations under the Investment Management Agreement with the prior written consent of the Manager, to any other person.

5.2.3 The Investment Management Agreement may be terminated by the Manager on giving no less than six months' written notice to the Investment Manager-(or immediately if this is in the interests of investors) or, by the Investment Manager on giving no less than 12 months' written notice to the Manager. In addition, the Investment Management Agreement may be

terminated immediately by written notice by the parties on the happening of certain events, including any material breach or insolvency.

- 5.2.4 The Investment Management Agreement will also terminate automatically if the Manager or the Investment Manager ceases to be authorised to act as such.

5.3 Delegation

Subject to the FCA Rules and the AIFMD Implementing Measures, the Investment Manager has power under the Investment Management Agreement to sub-delegate all or any part of its functions as Investment Manager. Where the Manager has agreed that the Investment Manager may appoint persons as delegated sub-Investment Advisers those persons will be specified in Appendix 1 as investment advisers and the FCA will be informed of this sub-delegation in accordance with the FCA Rules and the AIFMD Implementing Measures. As at the date of this prospectus, the Investment Manager has appointed Quilter Cheviot Limited as Investment Adviser of the Sub-Fund.

General information about the Investment Adviser

- 5.3.1 The Investment Adviser is a limited company incorporated in England and Wales on 18 June 1985 with registered number 1923571. The registered office and head office of the Investment Adviser is Senator House 85 Queen Victoria Street London EC4V 4AB. The Investment Adviser is part of the same corporate group as the Manager.
- 5.3.2 The principal business of the Investment Adviser is the provision of investment management services to retail clients, charities, trusts and pension funds.

Duties and responsibilities of the Investment Adviser

- 5.3.3 Under the agreement appointing the Investment Adviser, the Investment Manager retains the power to take decisions in key areas that fall under its responsibility and allows the Investment Manager to monitor, enquire, inspect and have access to the Investment Adviser to allow the Investment Manager to review on an ongoing basis the services provided by the Investment Adviser.
- 5.3.4 Subject to paragraph 5.3.3 above, the Investment Adviser has full power, authority and right to exercise the functions, duties, powers and discretions exercisable by the Investment Manager under the Investment Management Agreement to manage the investment of the Scheme Property. The Investment Adviser may manage all or part of the portfolio of the Sub-Fund, or it may delegate any of its rights and obligations with the prior written consent of the Investment Manager, to any other person.
- 5.3.5 The agreement appointing the Investment Adviser may be terminated immediately by the Investment Manager or, with no less than six months' written notice, by the Investment Adviser. In addition, it may be terminated immediately by written notice by the Investment Adviser on the happening of certain events, including any material breach or insolvency.

- 5.3.6 The agreement appointing the Investment Adviser will also terminate automatically if the Investment Manager or the Investment Adviser ceases to be authorised to act as such.

5.4 Fees and expenses

The Investment Manager's fees and expenses are paid out of the annual management charge payable to the Manager which is paid out of Scheme Property. Further details are set out at paragraph 34. The Investment Adviser's fees and expenses are paid by the Investment Manager out of the fees to which it is entitled as set out in this Prospectus.

5.5 Execution and voting policy

The Manager will execute purchases, sales and switches of shares in the Trust. However, the execution of purchases and sales of underlying investments will be undertaken by the Investment Adviser in accordance with its execution policy. Copies of the Manager's and the Investment Adviser's execution policy are available from the Manager on request. The Investment Adviser's voting policy is available on request.

6. The Auditor

The Auditor is PricewaterhouseCoopers LLP, whose registered office address is set out in the Directory.

7. The Advisory Committee

7.1 Introduction

- 7.1.1 The Trust Deed provides for the appointment of an Advisory Committee in accordance with COLL 14.3.
- 7.1.2 The Manager and Trustee shall ensure that an Advisory Committee is appointed in relation to the Trust and that the members of the Advisory Committee are independent of the Manager and the Trustee. The Advisory Committee is a consultative body only with no executive powers and is not authorised to undertake regulated activities. As such, members of the Advisory Committee are not charity trustees under the Charities Act and are not required to be FCA approved persons to perform the functions of the Advisory Committee.
- 7.1.3 The principal function of the Advisory Committee is to represent the interests of all holders in the Trust and to consult with and make representations to the Manager and to the Trustee in carrying out that function.
- 7.1.4 The Manager will provide the Terms of Reference to which each prospective member of the Advisory Committee will have to agree as part of their appointment to the Advisory Committee.

7.2 Independence

The members of the Advisory Committee must be independent of the Manager and the Trustee, meaning that:

- 7.2.1 a relevant party is not the same entity as another relevant party and that no director or employer of a relevant party acts as another relevant party or as a director or employee of another relevant party;
- 7.2.2 no relevant party nor any director or employee of a relevant party shall (without the prior written consent of the Commission) hold, either directly or indirectly, more than 15% of the voting share capital of any other relevant party; and
- 7.2.3 there is no contractual commitment between any relevant parties which affects the independence of those relevant parties in relation to each other.

7.3 Membership

- 7.3.1 Initial members of the Advisory Committee will be nominated by the Manager to form the Advisory Committee. Subsequent members may be nominated by the Manager and appointed to the Advisory Committee by the Manager, subject to Trustee approval.
- 7.3.2 The minimum number of Advisory Committee members at any one time is three. The maximum number of Advisory Committee members at any one time is six.
- 7.3.3 The usual number of Advisory Committee members at any one time is expected to be three. The current members of the Advisory Committee are listed at Appendix 6.
- 7.3.4 Members may retire on providing written notice to the other members of the Advisory Committee and the Manager. The Manager may recommend that a member resigns, such recommendation must be approved by a majority resolution of the other Advisory Committee members. A member may also be removed by a majority resolution of the Advisory Committee members on the basis that it is in the interests of the Trust to do so.

7.4 Meetings

The Advisory Committee shall hold at least two committee meetings per calendar year. The quorum for a meeting shall be two members.

7.5 Role

- 7.5.1 Without prejudice to paragraph 7.3 the Advisory Committee shall consider and, as the Advisory Committee deems appropriate, make representations to the Manager and to the Trustee regarding the management and administration of the Trust, including (without limitation) in relation to:
 - (a) the appointment by the Manager and the Trustee of delegates providing key services in respect of the Trust;
 - (b) the investment objective and policy of the Trust;
 - (c) the income distribution policy of the Trust; and

- (d) the fees and charges borne or to be borne by any Class (including any changes proposed to the fees and charges of the Manager and Trustee) other than fees paid to members of the Advisory Committee.

7.5.2 The Committee may prepare each year an annual statement (which shall be the responsibility of the chair of the Advisory Committee) on the discharge by the Advisory Committee of its functions.

7.5.3 The Advisory Committee may request the convening of a general meeting of holders by notice which must state the objects of the meeting, be dated, be signed by or on behalf of the Advisory Committee and be sent to the Manager or the Trustee. On receipt of notice from or on behalf of the Advisory Committee the Manager or the Trustee must convene a general meeting for a date not later than eight weeks after receipt of the requisition.

7.6 Fees

The members of the Advisory Committee shall be entitled to be paid out of the Scheme Property an annual fee for carrying out their role as agreed with the Manager and Trustee, plus any reasonable costs and expenses incurred by them in carrying out their functions. The current annual fee for each member of the Advisory Committee is £2,500.

7.7 Provision of information to the Advisory Committee

The Manager shall at its own expense provide information to the Advisory Committee on the matters upon which the Advisory Committee is mandated to consider as part of the Advisory Committee's functions. The Manager shall provide information in reasonable detail which it reasonably considers relevant to the functions of the Advisory Committee, and with reasonable advance notice to allow proper consideration by the Advisory Committee. As a minimum the Manager will at its own expense:

7.7.1 provide to the Advisory Committee details of any proposed increase in the fees and charges borne or to be borne by any Class of Units of the Trust (including any changes proposed to the fees and charges of the Trustee and Manager), at least 28 calendar days before any written notice of such matters are to be sent to holders;

7.7.2 provide a report to the Advisory Committee **twice** a year on the matters referred to in paragraph 7.5.1 and such other matters which the Manager deems will be of interest to the Advisory Committee; and

7.7.3 if required by the Advisory Committee, attend at meetings with the Advisory Committee at a time and place to be agreed.

7.8 Provision of information to Unitholders

7.8.1 The Manager and Trustee shall:

7.8.2 inform holders in writing of the representations (if any) made to them by the Advisory Committee in respect of any proposed increase, or introduction, in respect of fees and charges of the Manager and/or the Trustee; and

- 7.8.3 ensure on the request of the Advisory Committee that the Trust's annual long report includes a statement prepared and approved by the Advisory Committee referred to in paragraph 7.5.2.

8. The Administrator

The Administrator is Citibank Europe plc whose head office is at 1, North Wall Quay, Dublin 1, Ireland. For the avoidance of doubt, and in accordance with the Trust Deed, the Administrator in providing administration services to the Trust may receive for its own benefit in its role as Administrator any fees or other benefits derived as a result of the provision of such services.

9. The Registrar

The Registrar is SS&C. The registered office of the Registrar is SS&C House, Saint Nicholas Lane, Basildon, Essex SS15 5FS. The correspondence address of the Registrar is Quilter Investors Limited, PO Box 10278, Chelmsford, Essex CM99 2AR.

10. Register of Unitholders

The register of Unitholders is maintained by the Registrar and may be inspected at the registered office address of the Registrar during normal business hours by any Unitholder or any Unitholder's duly authorised agent.

11. Conflicts of interest

- 11.1** The Manager, the Trustee, the Investment Adviser and any other delegate may be involved in other financial, investment and professional activities which may, on occasion, cause conflicts of interest with the management of the Trust or its Sub-Funds. In addition, the Trust may enter into transactions at arm's length with companies in the same group as the Manager, the Investment Adviser or a sub-investment manager. The Manager and Investment Adviser have one group conflicts of interest policy, details of which are available on request.
- 11.2** The Trustee may, from time to time, act as trustee or depositary of other funds.
- 11.3** Each of the parties will, to the extent of their ability and in compliance with the FCA Rules, ensure that the performance of their respective duties will not be impaired by any such involvement.
- 11.4** In addition, the Manager and Trustee are both charity trustees and, in this capacity, they have agreed to a shared set of principles in respect of their decision-making where there is a possibility of a conflict of interest.
- 11.5** As charity trustees, the Manager and Trustee have a legal duty to act in the best interests of the Trust in furtherance of its charitable purposes. The Manager and Trustee will therefore identify, manage and record any conflict of interests in relation to the Trust and its Funds in accordance with their own conflict of interest policies, their documented shared principles, their respective obligations under the Trust Deed, any applicable laws and the FCA Rules, having regard to any relevant best practice guidance (including any such guidance issued by the Charity Commission from time to time).

12. Fair treatment

- 12.1** The Manager has established policies and procedures and made arrangements to ensure the fair treatment of Unitholders. Such arrangements include, but are not limited to, ensuring that no one or more Unitholders are given preferential treatment over any rights and obligations in relation to their investment in the Trust without appropriate disclosure. Where the Manager has the power to waive or modify any fees or charges the Manager will only do so provided that to do so would not materially prejudice other Unitholders. All rights and obligations to Unitholders, including those related to subscription and redemption requests, are set out in this Prospectus.
- 12.2** The Manager has established fair and transparent pricing models and valuation systems and procedures for the assets of the Trust and endeavours to ensure that there are no undue costs being charged to the Trust and the Unitholders.
- 12.3** The Manager has also established procedures to identify, manage and monitor conflicts of interest and, where applicable, disclose those conflicts of interest to prevent them from adversely affecting the interests of the Unitholders. The Manager has established a process for recognising and dealing with complaints fairly.

13. Dealing

- 13.1** The office of the Registrar is open every Business Day to receive requests on behalf of the Manager for the purchase, redemption, Switching and Conversion of Units, which will generally be effected at prices determined at the next Valuation Point following receipt of such request.
- 13.2** The Manager may require, on agreement with the Trustee, or may permit, on the request of a Unitholder, direct issues and cancellations of Units by the Trustee.
- 13.3** The Manager does not intend to have an initial offer period.

14. Purchasing Units

- 14.1** Units may be purchased in the following ways:
- 14.1.1 by submitting an application form which is available from the Registrar to the Registrar acting on behalf of the Manager at the Registrar's postal address which is set out in the Directory;
 - 14.1.2 by telephone on 0808 100 3579; and
 - 14.1.3 online or through other communication media. At present, transfer of title by electronic communication is only permitted where the Registrar has made arrangements with a third party institution to allow Units to be bought online or through other communication media and the Manager or an Associate of the Manager has also entered into an agreement with that third party institution.
- 14.2** Except during periods of temporary suspension, the Registrar on behalf of the Manager will accept orders for the purchase of Units on any Dealing Day during normal business hours. It is intended that issues of Units will normally be made with effect from a Dealing Day in respect of applications received and payment made on or prior to the relevant Dealing Deadline.

- 14.3** Applications will not be acknowledged but a contract note will be sent to the applicant with a notice of the applicant's right to cancel (or the first named applicant in the case of joint applications) on or before the next Business Day following the relevant Dealing Day.
- 14.4** Where the total price payable for all Units for which the application is made would include a fraction of one penny it will be rounded up or down to the nearest penny. Any subscription monies remaining after a whole number of Units have been issued will not be returned to the applicant and fractional Units will be issued.
- 14.5** In dealing with application monies the Manager will make use of the DVP exemption as set out in paragraph 25 below.
- 14.6** If an applicant defaults in making any payment in money, or by way of a transfer of property, due to the Manager in respect of the sale or issue of Units, the Manager is entitled to make any necessary amendment to the register of Unitholders and the Manager will become entitled to the Units in place of the applicant, subject, in the case of an issue of Units, to the Manager's payment of the purchase price to the Trustee.
- 14.7** Where an instruction has been received by telephone, or where the Manager has, at its discretion, accepted an instruction prior to receiving settlement, settlement of purchase monies is due within three Business Days of the Valuation Point. Purchases made by telephone are subject to risk limits at the Manager's discretion, and the Manager may at its discretion reject or defer an instruction to purchase Units until it is in receipt of cleared funds for the purchase (when the purchase of Units will be placed at the next Valuation Point following receipt of cleared funds). An order for the purchase of Units will only be deemed to have been accepted by the Manager once it is in receipt of cleared funds for the application.
- 14.8** The Manager has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for Units in whole or part, and in this event the Manager will return any money sent, or the balance of such monies, at the risk of the applicant. In addition, the Manager may reject any application previously accepted in circumstances where the applicant has paid by cheque and that cheque subsequently fails to be cleared.
- 14.9** Applicants who have received advice may be entitled to cancel an application to purchase Units within 30 calendar days of receipt of their contract note. If an applicant cancels their contract, they will receive a refund of the amount that they invested including any initial charge either in full or less a deduction to reflect any fall in Unit price since the date of investment. This may result in a loss on the part of the Unitholder. If an applicant wishes to exercise their right to cancel they should write to the Registrar at the postal address set out in the Directory. Applicants should note that in certain circumstances there may be a delay in returning their investment.
- 14.10** The minimum initial and subsequent subscription levels, and minimum holdings, for the Sub-Funds (which the Manager may waive at its discretion), are set out in Appendix 1.

15. In specie purchase

If a Unitholder requests, the Manager may, at its discretion and subject to the approval of the Investment Adviser and the Trustee, arrange acceptance of securities in settlement of a purchase of Units in any Sub-Fund. In particular the Manager and

Trustee will only do so where satisfied that the acceptance of the assets concerned would not be likely to result in any material prejudice to the interests of Unitholders.

16. Redeeming Units

16.1 Every Unitholder in a particular Sub-Fund has the right to redeem their Units on any Dealing Day unless the value of Units which a Unitholder wishes to redeem will mean that the Unitholder will hold Units with a value less than the required minimum holding of the relevant Sub-Fund, in which case the Unitholder may be required to redeem its entire holding.

16.2 Units may be redeemed in the following ways:

16.2.1 by submitting a written request to the Registrar acting on behalf of the Manager at the postal address of the Registrar which is set out in the Directory;

16.2.2 by telephone on 0808 100 3579; and

16.2.3 online or through other communication media. At present, transfer of title by electronic communication is only permitted where the Registrar has made arrangements with a third-party institution to allow Units to be bought online or through other communication media and the Manager or an Associate of the Manager has also entered into an agreement with that third-party institution.

16.3 Redemption requests are irrevocable.

16.4 A contract note giving details of the number and price of Units redeemed will be sent to the redeeming Unitholder (the first named, in the case of joint Unitholders) or their duly authorised agents together (if sufficient written instructions have not already been given) with a form of renunciation for completion and execution by the Unitholder (and, in the case of a joint holding, by all the joint Unitholders) not later than the end of the Business Day following the later of the request to redeem Units or the Valuation Point by reference to which the redemption price is determined. A BACS or telegraphic transfer will be made in satisfaction of the redemption monies within three Business Days of the later of:

16.4.1 receipt by the Registrar (or the Manager as the case may be) of the form of renunciation (or other sufficient written instructions) duly signed by all the relevant Unitholders and completed as to the appropriate number of Units, together with any other appropriate evidence of title; or

16.4.2 the Valuation Point following receipt by the Registrar of the request to redeem.

16.5 The Manager reserves the right to refuse a redemption request if it has reasonable grounds to do so, including if the value of the Units to be redeemed is less than the relevant minimum redemption amount set out in Appendix 1 or would result in a Unitholder holding less than the minimum holding required by the relevant Sub-Fund, as detailed in Appendix 1. In the latter case the Unitholder may be asked to redeem their entire Unitholding.

17. Deferred redemption

- 17.1** If requested redemptions exceed 10% of the relevant Sub-Fund's value at the relevant Valuation Point, in order to protect the interests of continuing Unitholders the requested redemptions may be deferred to the next Valuation Point in accordance with procedures that ensure the consistent treatment of Unitholders who have sought to redeem at that Valuation Point.
- 17.2** To the extent redemption requests are deferred, deferral will be pro-rata based on the value of Units being redeemed (provided that the Manager may determine in its discretion a value threshold below which all redemptions will be effected, and above which the foregoing pro-rata deferral shall apply) and that all deals relating to an earlier Valuation Point are completed before those relating to a later Valuation Point.

18. In specie redemption

- 18.1** Where a Unitholder requests redemption of Units, the Manager at its discretion may, by serving a notice of election on the Unitholder not later than the close of business on the second Business Day following the day of receipt of the request, elect that the Unitholder shall not be paid the price of its Units but instead there shall be a transfer to that Unitholder of property of the relevant Sub-Fund having the appropriate value.
- 18.2** The selection of Scheme Property to be transferred is made by the Manager in consultation with the Trustee, with a view to achieving no more advantage or disadvantage to the Unitholder requesting redemption of its Units than to continuing Unitholders. The Trust may retain out of the property to be transferred property or cash of value or amount in respect of any applicable exit charge on the redemption of the Units.

19. Switching

- 19.1** A Unitholder may at any time (subject to there being more than one Sub-Fund available) request to Switch all or some of their Units from one Sub-Fund to another Sub-Fund.
- 19.2** Upon a Switch the number of Units issued will be determined by reference to the respective prices of the Units in the relevant Sub-Funds at the relevant Valuation Point.
- 19.3** Switching may be effected by contacting the Registrar acting on behalf of the Manager in the same way as redemptions and the Unitholder may be required to complete a Switching form (which, in the case of joint Unitholders must be signed by all the joint Unitholders).
- 19.4** If the requested Switch would result in the Unitholder holding a number Units of a value which is less than the minimum holding required in respect of the relevant Sub-Fund, the Manager may, if it thinks fit, Switch the whole of the Unitholding or refuse to effect any Switch.
- 19.5** A contract note giving details of the Switch will be sent on or before the next Business Day following the relevant Dealing Day.
- 19.6** No switch will be made during any period when the right of Unitholders to require the redemption of their Units is suspended (as to which see paragraph 24 below). The general provisions on selling Units shall apply equally to a Switch.

- 19.7** The Manager may adjust the number of Units to be issued to reflect the imposition of any Switching fee together with any other charges or levies in respect of the issue, repurchase or cancellation of the Units as may be permitted pursuant to the FCA Rules.
- 19.8** In accordance with UK tax law a Switch is treated as a redemption and purchase of Units which will, for persons subject to UK tax law, be a realisation of the Units held before the Switch for the purposes of capital gains tax. However, Charities which are recognised as such by HMRC are currently exempt from capital gains tax in the UK provided the gains are applied for their charitable purposes.
- 19.9** A Unitholder who Switches Units will not be given a right by law to withdraw from or cancel the transaction.
- 20. Conversion of Units**
- 20.1** If applicable, a Unitholder may request to Convert all or some of their Units from one Class to another Class within the same Sub-Fund.
- 20.2** Unlike a Switch (as set out at paragraph 19 above), a Conversion will not involve a redemption and issue of Units. Units held before and after the Conversion will receive the same treatment for the purposes of income equalisation.
- 20.3** The number of Units issued will be determined by a conversion factor calculated by reference to the respective prices of Units at the relevant Valuation Point.
- 20.4** Conversions may be effected by contacting the Registrar acting on behalf of the Manager in the same way as redemptions and the Unitholder may be required to complete a Conversion form (which, in the case of joint Unitholders must be signed by all the joint Unitholders).
- 20.5** A Converting Unitholder must be eligible to hold the Units into which the Conversion is to be made. It is the Manager's intention that Conversions will be processed at the next Valuation Point following receipt of the instruction, however the Manager reserves the right to defer a Conversion until no later than after the next annual accounting date if it is in the interests of other Unitholders.
- 20.6** If the Conversion would result in the Unitholder holding a number of Units of a value which is less than the minimum holding in the Class concerned, the Manager may, if it thinks fit, convert the whole of the applicant's holding or refuse to effect any conversion.
- 20.7** A contract note giving details of the conversion will be sent on or before the next Business Day following the relevant Dealing Day.
- 20.8** Under UK tax law, a Conversion will not normally be deemed to be a realisation of the Units held before the Conversion for the purposes of capital gains tax. In any event Charities which are recognised as such by HMRC are currently exempt from capital gains tax in the UK provided the gains are applied for charitable purposes.
- 20.9** A Unitholder who Converts their Units will not be given a right by law to withdraw from or cancel the transaction.

21. Transfer of Units

A Unitholder is not permitted to transfer its interest in any Units held other than where required to do so by the Manager in accordance with paragraph 23.

22. No assignment by way of security or charging of Units

A Unitholder is not permitted to assign by way of security or charge its interest in any Units held.

23. Compulsory transfer, redemption and conversion

23.1 The Manager may from time to time impose such restrictions or take such action as it may think necessary for the purpose of ensuring that no Units are acquired or held by any person:

23.1.1 in breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory, or

23.1.2 in breach of requirement for the holding of Units as specified in this Prospectus.

In this connection, the Manager may, inter alia, reject in its discretion any application for the purchase, redemption, Switching or Conversion of Units.

23.2 Without prejudice to paragraph 23.1, if the Manager reasonably believes that any Units are owned directly or beneficially in circumstances which:

23.2.1 constitute a breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or

23.2.2 may (or may if other Units are acquired or held in like circumstances) result in the Trust incurring any liability to taxation or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory),

it may give notice to the Unitholder requiring them to transfer the Units to a person who is qualified or entitled to own them, or to request the redemption of the Units.

23.3 If the Manager gives notice to a Unitholder requiring them to transfer Units to a person who is qualified or entitled to them, the Manager will inform the transferee and transferor what is required. The Registrar on behalf of the Manager may refuse to register a transfer unless it has received all information as it requires.

23.4 If the Manager becomes aware or reasonably believes that Units are vested in a person who is not an Eligible Investor, the Manager reserves the right to redeem such Units immediately. In these circumstances, the Unitholder will immediately be deemed to have renounced title to its Unitholding to the Manager and the Manager will redeem the Unitholding. This will normally be at the next Valuation Point, but the Manager may create a special Valuation Point for this purpose upon giving the Trustee reasonable prior notice of the creation of such special Valuation Point.

23.5 If the Manager has given notice to a Unitholder requiring them to transfer the Units to a person who is qualified or entitled to them and the Unitholder does not either transfer the Units to a person eligible to hold the Units or establish to the Manager's satisfaction that they and any person on whose behalf they hold the Units are qualified and entitled to hold them, the Unitholder will be deemed on the expiry of a 30-day period to have requested redemption of the relevant Units.

23.6 In addition, where:

23.6.1 the Manager considers it is in the best interests of Unitholders; or

23.6.2 the Manager reasonably believes that the Unitholder no longer satisfies a requirement for remaining a Unitholder of the Class (as specified in Appendix 1),

the Manager may Switch or Convert a Unitholder's holding if appropriate. The Manager shall give prior written notice to the Unitholder concerned of the proposed Switch or Conversion, including details of the new Class and/or Sub-Fund and reminding the affected Unitholder of their rights to redeem.

24. Suspension of dealing

24.1 The Manager may with the prior agreement of the Trustee, and without delay if the Trustee so requires, at any time temporarily suspend the issue, redemption, Switch and Conversion of Units for as long a period as is necessary if it, or the Trustee in the case of any requirement by the Trustee, is of the opinion that due to exceptional circumstances it is in the interests of Unitholders.

24.2 The Manager must immediately inform the FCA of any suspension, stating the reason for its action, and ensure that notice of the suspension is given to Unitholders as soon as practicable after the suspension commences. This notification will provide details of the exceptional circumstance which resulted in the suspension and inform Unitholders where further details of the suspension (including, if known, its likely duration) will be published.

24.3 The Manager will notify all Unitholders of the suspension in writing as soon as practicable and will publish details to keep Unitholders appropriately informed about the suspension, including its likely duration.

24.4 During a suspension, while it will not generally be possible to deal in Units, the Manager may agree to accept instructions to deal in Units in which case all instructions to deal which are accepted will be undertaken at the first Valuation Point following the end of the suspension. During the suspension, the Manager will comply with as many of its obligations in relation to valuation and pricing of the Units as is practicable.

24.5 The Manager and the Trustee must formally review the suspension at least every 28 days and inform the FCA of the result of this review with a view to ending the suspension as soon as practicable after the exceptional circumstances have ceased.

24.6 The Manager and the Trustee must ensure that the suspension is only allowed to continue for as long as it is justified having regard to the interests of Unitholders.

- 24.7** Re-calculation of the Unit price for the purpose of issuing and purchasing Units will commence on the next relevant Valuation Point following the ending of the suspension.

25. Client money

25.1 *Transfer of business*

25.1.1 Except in respect of de minimis sums transferred in accordance with CASS (where Unitholder consent is not required), Unitholders agree that the Manager may transfer to another person, as part of a transfer of business to that person, client money balances, provided that:

- (a) the sums transferred will be held for the relevant Unitholder by the person to whom they are transferred in accordance with CASS; or
- (b) if not held in accordance with (a), the Manager will exercise all due skill, care and diligence in assessing whether the person to whom the client money is transferred will apply adequate measures to protect these sums.

25.1.2 For the purpose of this section, de minimis shall mean £25 for retail investors and £100 for all other investors.

25.2 *Delivery versus payment exemption*

25.2.1 The Manager makes use of the delivery versus payment exemption (**DVP exemption**) available to it under CASS when handling money for Unitholders in connection with purchasing or selling of Units. Broadly speaking, the DVP exemption permits the Manager to hold investors' purchase or redemption monies in its corporate account (i.e. not as client money) for a limited period as specified under the CASS rules. No interest is payable in respect of monies held within the DVP exemption.

25.2.2 While the Manager is operating under the DVP exemption, Unitholder and/or applicant money will not be subject to the protections conferred by the CASS rules and, if the Manager were to fail, the Client Money Rules on distribution as set out in CASS would not apply to these sums and Unitholders and/or applicants would not be entitled to share in any distribution under the CASS rules in respect of these sums.

25.2.3 By applying for Units, each applicant and Unitholder agrees to the use of the DVP exemption by the Manager as set out above.

25.2.4 If the Manager holds investors' purchase or redemption monies outside of the period allowed for the DVP exemption, then the Manager is required to protect the money in a ring-fenced bank account in accordance with the Client Money Rules. No interest will be paid in respect of client money held. Further detail on the holding of client money outside the DVP exemption is set out below.

25.3 *Non-DVP circumstances*

25.3.1 In certain circumstances (including in relation to the purchase and redemption of Units), money in respect of Units will be transferred to a

client money bank account with an Approved Bank that the Manager may from time to time select until such transactions can be completed. Money transferred to a client money account will be held in accordance with that part of CASS which deals with holding client money (the **Client Money Rules**). The purpose of utilising client money accounts is to protect Unitholders should the Manager become insolvent during such a period. No interest will be paid or, in the event that interest rates fall below zero, charged on money held in these client money bank accounts.

- 25.3.2 Client money may be held with an Approved Bank outside the UK. In such case, the relevant accounts will be subject to the laws of that state and the client money may be treated in a different manner from that which would apply if the client money were held by a party located in the UK.
- 25.3.3 Where client money is deposited into an account with an Approved Bank, the Approved Bank may have a security interest or lien over, or right of set-off in relation to such money, to the extent the Manager is permitted to grant such rights by the Client Money Rules.
- 25.3.4 The Manager may hold client money in an omnibus account which means that a Unitholder's money may be held in the same account as that of other Unitholders. In an insolvency event, Unitholders would not have a claim against a specific amount in a specific account. Unitholders would claim against the client money pool in general. Pooled property in omnibus accounts held by the Manager may be used for the account of any of the relevant Unitholders.
- 25.3.5 The Manager will not be responsible for any loss or damages suffered by Unitholders because of any error or action taken or not taken by any third parties holding client money in accordance with the Client Money Rules, unless the loss arises because the Manager has been negligent or acted fraudulently or in bad faith. Should the Approved Bank(s) holding the client money bank account become insolvent, the Manager will attempt to recoup the money on behalf of Unitholders. However, if the Approved Bank(s) cannot repay all the persons to whom it owes money, any shortfall may have to be shared proportionally between all its creditors including Unitholders.

25.4 *Unclaimed balances*

- 25.4.1 In certain circumstances, if the Manager has lost touch with a Unitholder and there has been no movement on the account (notwithstanding any payments or receipts of charges, interest or similar items), the Manager will be permitted to pay the Unitholder's client money balance to charity after six years. At this point, the Manager shall cease to treat such money as client money. The Manager will not do so until reasonable efforts have been made to contact the Unitholder in accordance with CASS. The Unitholder will still be entitled to recover this money from the Manager at a later date irrespective of whether the Manager has paid the money to charity.

26. Valuation and pricing

- 26.1** The Trust deals on a forward pricing basis. A forward price is the price calculated at the next Valuation Point following receipt of a request to purchase or redeem Units.

- 26.2** The Trust operates on a single pricing basis meaning the issue and redemption price of a Unit at a particular Valuation Point will be the same. Accordingly, there will only be a single price for any Unit as determined from time to time by reference to a particular Valuation Point.
- 26.3** The Manager may at any time during a Business Day carry out an additional valuation if the Manager considers it desirable to do so.
- 26.4** The price of a Unit is calculated to at least four significant figures by taking the value of the relevant Sub-Fund attributable to the relevant Class at the relevant Valuation Point and dividing the result by the number of Units in the relevant Sub-Fund in issue immediately before the relevant Valuation Point.
- 26.5** Once the single price of a Unit has been determined (including any dilution adjustment), any initial charge or redemption charge will be applied to the amount invested or redeemed.
- 26.6** The Manager may apply a fair value price in accordance with the FCA Rules if it has reasonable grounds for believing that no reliable price exists for a security at a Valuation Point or the most recent price available does not reflect the Manager's best estimate of the value at the Valuation Point.
- 26.7** The Unit prices in respect of each Class will be published daily at www.quilter.com except when the Manager is excused from the requirement to deal in the relevant Units. Prices are also available by telephoning 0808 100 3579.

27. Calculation of the Net Asset Value

- 27.1** The value of the Scheme Property of the Trust or a Sub-Fund (as the case may be) shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions.
- 27.2** All the Scheme Property (including receivables) is to be included, subject to the following provisions.
- 27.2.1 Property which is not cash (or other assets dealt with in paragraph 27.2.2 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 providing 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 Manager, 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 Manager, is fair and reasonable;

- (b) derivative instruments dealt in on a market will be valued at the settlement price for such instruments on such market. OTC derivative contracts will be valued daily either:
 - (i) on the basis of a quotation provided by the relevant counterparty and such valuation shall be approved or verified at least weekly by a party who is approved for the purpose by the Trustee and who is independent of the counterparty (the **Counterparty Valuation**); or
 - (ii) using an alternative valuation provided by a competent person appointed by the Investment Adviser and approved for the purpose by the Trustee or a valuation by any other means provided that the value is approved by the Trustee (the **Alternative Valuation**).
 - (iii) Where such Alternative Valuation method is used the Trustee will follow international best practice and adhere to the principles on valuation of OTC derivatives established by bodies such as IOSCO and AIMA and will be reconciled to the Counterparty Valuation on a monthly basis. Where significant differences arise these will be promptly investigated and explained;
- (c) 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 Manager, the price obtained is unreliable or no recent traded price is available or if the most recent price available does not reflect the Manager's best estimate of the value, at a value which, in the opinion of the Manager, is fair and reasonable; and
- (d) property other than that described in paragraphs 27.2.1 (a) - (c): at a value which, in the opinion of the Manager, represents fair and reasonable mid-market price.

27.2.2 Cash and amounts held in current, deposit and margin accounts and in other time-related deposits shall be valued at their nominal values.

27.2.3 In determining the value of the Scheme Property, all instructions given to issue or cancel Units shall be assumed (unless the contrary is shown) to have been carried out and any cash payment made or received, whether or not this is the case.

27.2.4 Subject to paragraphs 27.2.5 and 27.2.6 below, agreements for the unconditional issue or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the

valuation takes place and, in the opinion of the Manager, their omission will not materially affect the final net asset amount.

- 27.2.5 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 27.2.4.
- 27.2.6 All agreements are to be included under paragraph 27.2.4 which are, or ought reasonably to have been, known to the person valuing the property assuming that all other persons in the Manager's employment take all reasonable steps to inform it immediately of the making of any agreement.
- 27.2.7 Deduct an estimated amount for anticipated tax liabilities which may be applicable.
- 27.2.8 Deduct 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.
- 27.2.9 Deduct the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings.
- 27.2.10 Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable, if relevant.
- 27.2.11 Add any other credits or amounts due to be paid into the Scheme Property.
- 27.2.12 Add a sum representing any interest or any income accrued due or deemed to have accrued but not received.
- 27.2.13 Currencies or values in currencies other than the base currency or (as the case may be) the designated currency of a Sub-Fund shall be converted at the relevant Valuation Point at a rate of exchange that is not likely to result in any material prejudice to the interests of Unitholders or potential Unitholders.

28. Dilution adjustment

- 28.1 The basis on which the investments of the Sub-Funds are valued for the purpose of calculating the issue and redemption price of Units as stipulated in the FCA Rules and the Trust Deed is summarised in paragraph 27. The actual cost of purchasing or selling investments however may be higher or lower than the mid-market value used in calculating the Unit price, for example, due to dealing charges, or through dealing at prices other than the mid-market price. Under certain circumstances (for example, large volumes of deals) this may have an adverse effect on the Unitholders' interest.
- 28.2 Therefore, once the single price of a Unit has been determined (in accordance with paragraphs 26 and 27 above) a dilution adjustment will be applied to the price in accordance with the policy outlined below. This is known as swinging single pricing i.e. the price swings in response to particular circumstances to mitigate dilution.
- 28.3 When there are net inflows to a Sub-Fund, a dilution adjustment increases the price (price swings up) and when there are net outflows from a Sub-Fund, the dilution adjustment reduces the price (price swings down). This is to reflect the true cost of

purchasing or selling Units in a Sub-Fund. These costs are estimated and can vary over time dependent on prevailing dealing spreads and market transaction costs and as a result the dilution adjustment will also vary over time.

28.4 Any dilution adjustment is imposed for the protection of existing Unitholders to prevent inflows and outflows adversely affecting their interests through the costs referred to above. Neither the Manager nor any introducing agent in any way benefits from the imposition of a dilution adjustment.

28.5 The Manager's policy is to make a dilution adjustment when it believes that it is in the interests of Unitholders to do so. This may be applied in the following circumstances:

28.5.1 when a Sub-Fund is typically expanding the Manager may operate a dilution adjustment on a semi-permanent basis to reflect the trend of net inflows to the Sub-Fund. The effect is that the price will swing up. In the event of a large outflow, on a particular day, the price will swing down;

28.5.2 when a Sub-Fund is typically contracting the Manager may operate a dilution adjustment on a semi-permanent basis to reflect the trend of net outflows from the Sub-Fund. The effect is that the price will swing down. In the event of a large inflow, on a particular day, the price will swing up;

28.5.3 due to the nature of investments held within a Sub-Fund the Manager reserves the right to impose a higher dilution adjustment on any day on which net flows are larger than 3% of the Net Asset Value. The higher dilution adjustment is imposed to reflect the higher trading costs which may be suffered if there are significant cash flows into or out of the Sub-Fund; and

28.5.4 notwithstanding the above, the Manager reserves the right to impose or amend a dilution adjustment where it identifies a series of transactions and where the Manager is of the opinion that it is in the interests of the Unitholders to do so.

28.6 The Manager would typically expect to make a dilution adjustment whenever there are inflows to or outflows from the Trust. It is not possible to predict accurately how frequently the Manager will need to make such a dilution adjustment as it is dependent on inflows to or /outflows from the Trust.

28.7 The Manager will review dilution adjustments on at least a quarterly basis or dependent on prevailing market conditions.

28.8 The Manager may alter its dilution policy in accordance with the FCA Rules either by Unitholder consent pursuant to the passing of a resolution to that effect at a properly convened meeting of Unitholders and by amending this Prospectus or by giving Unitholders notice and amending the Prospectus 60 days before the change to the dilution policy is to take effect.

28.9 The dilution adjustment rates are set out below:

28.9.1 0.11% for purchases;

28.9.2 0.10% for redemptions.

29. Money laundering

- 29.1** As a result of legislation in force in the United Kingdom to prevent money laundering, persons conducting investment business are responsible for compliance with money laundering regulations. In order to implement these procedures, in certain circumstances investors may be asked to provide proof of identity when purchasing Units.
- 29.2** The Manager reserves the right to reverse the transaction, to refuse to sell Units or to refuse the release of redemption proceeds if it is not satisfied as to the identity of the applicant.
- 29.3** The Manager may in its absolute discretion require verification of identity from any person applying for Units including, without limitation, any such person who:
- 29.3.1 tenders payment by way of cheque or banker's draft on an account in a different name to that of the person applying; or
 - 29.3.2 appears to the Manager to be acting on behalf of some other person.

30. UK and international tax compliance

- 30.1** The UK and a number of other jurisdictions have agreed to enter into multilateral arrangements modelled on the Common Reporting Standard for Automatic Exchange of Financial Account Information (**CRS**) published by the OECD. This requires the Trust to provide certain information to HMRC about Unitholders from the jurisdictions which are party to such arrangements (which information will in turn be provided to the relevant tax authorities).
- 30.2** In light of the above, Unitholders may be required to provide certain information to the Sub-Funds to comply with CRS as it is implemented in the UK.
- 30.3** The Manager reserves the right to put in place reasonable measures designed to prevent any facilitation of tax evasion as it deems reasonably necessary.

31. Governing law

All deals in Units are governed by English law and any dispute (whether contractual or non-contractual in nature) arising is subject to the exclusive jurisdiction of the English courts. If a Unitholder were to bring a claim against the Trust, it would be necessary for the Unitholder to bring proceedings in the English courts.

32. Risks

- 32.1** Potential investors should consider the following risk factors before purchasing Units, which should generally be regarded as a long-term investment.
- 32.2** The main risks associated with the investment activity of the Sub-Funds are summarised below. The following statements are intended to summarise some of the risks, but are not exhaustive, nor do they offer advice on the suitability of investments.
- 32.3 General risks**

There is no assurance that the investment objective of each Sub-Fund will actually be achieved. The price of Units and any income from them may fall as well as rise and investors may not get back the full amount invested. Past performance is not a reliable indicator of future performance.

32.4 Equities risk

Where investments are in the shares of companies (equities), the value of those equities may fluctuate, sometimes dramatically, in response to the activities and results of individual companies or because of general market and economic conditions or other events.

32.5 Warrants risk

Where a Sub-Fund is invested in warrants, the price per Unit may fluctuate more than if that Sub-Fund was invested in the underlying securities because of the greater volatility of the warrant price.

32.6 Fixed interest securities risk

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 will fall in the event of the default or reduced credit rating of the issuer. Generally the higher the rate of interest, the higher the perceived credit risk of the issuer. High yield bonds with lower credit ratings (also known as sub-investment grade bonds) are potentially more risky (higher credit risk) than investment grade bonds. A sub-investment grade bond has a Standard & Poor's credit rating of below BBB or equivalent. The value of investments will fall in the event of the default or perceived increased credit risk of an issuer.

32.7 Lower rated/unrated securities risk

The credit quality of debt instruments is often assessed by rating agencies. Medium and lower rated securities and unrated securities of comparable quality may be subject to wider fluctuations in yield, wider bid-offer spreads, greater liquidity premium and accentuated market expectations, and consequently greater fluctuations in market values, than higher rated securities. Changes in such ratings, or expectation of changes, will be likely to cause changes in yield and market values, at times significantly so.

32.8 Collective investment schemes

A Sub-Fund may invest in units or shares in other collective investment schemes. As an investor in another collective investment scheme, a Sub-Fund will bear, along with the other investors, its portion of the expenses of the other collective investment scheme, including management and other fees. These fees will be in addition to the management fees and other expenses which a Sub-Fund bears directly with its own operations.

Where a Sub-Fund invests in units or shares of other collective investment schemes such investments may involve risks not present in direct investments, including, for example, the possibility that an investee collective investment scheme may at any time have economic or business interests or goals which are not fully consistent with those of the Sub-Funds. Moreover, many alternative investment strategies give themselves significant discretion in valuing securities. There may be liquidity

constraints and the extent to which an investing fund's securities are valued by independent sources are factors which could impact on a Sub-Fund's valuation.

Unregulated collective investment schemes may invest in highly illiquid securities that may be difficult to value. Moreover, many alternative investment strategies give themselves significant discretion in valuing securities. You should be aware that liquidity constraints and the extent to which an investee fund's securities are valued by independent sources are factors which could have an impact on the value of a Sub-Fund.

32.9 Leveraged companies risk

Investments may be made in companies or collective investment schemes which borrow funds. Such companies or collective investment schemes may not be subject to any limitations on the amount of their borrowings, and the amount of borrowings that they may have outstanding at any time may be large in comparison to their capital.

32.10 Gold and natural resources risk

The price of gold and natural resources in which a Sub-Fund may invest may be subject to sudden, unexpected and substantial fluctuations that may lead to significant declines in the values of shares concerned which would have an adverse impact on the value of a Sub-Fund.

32.11 New issue risk

A Sub-Fund may be invested in initial public offerings, which frequently are smaller companies. Such securities have no trading history and information about these companies may only be available for limited periods. The prices of securities involved in initial public offerings may be subject to greater price volatility than more established securities.

32.12 Futures and options risk

A Sub-Fund may use, under certain conditions, options and futures on indices and interest rates, for the purposes of Efficient Portfolio Management. The use of derivatives for Efficient Portfolio Management is not intended to increase the risk profile of that Sub-Fund. Also, a Sub-Fund may hedge market and currency risks using futures, options and forward exchange contracts. Transactions in futures carry a high degree of risk. The amount of the initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact which may work for or against the investor. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions make it impossible to execute such orders. Transactions in options also carry a high degree of risk. Selling (**writing**) an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or acquire or deliver the underlying interest. If the option is "covered" by the seller holding a corresponding position in the underlying interest or a future on another option, the risk may be reduced.

32.13 Foreign currency risk

A Sub-Fund may be invested in securities denominated in a number of different currencies other than the base currency of that Sub-Fund. Changes in foreign currency exchange rates may adversely affect the value of these Sub-Fund's investments and the income thereon.

32.14 Pricing and valuation risk

For quoted investments a valuation price can be obtained from an exchange or similarly verifiable source. However, investment in unquoted and/or illiquid investments which are difficult to value may increase the risk of mispricing. Furthermore, the Trust will compute the Net Asset Value of each Sub-Fund when some markets are closed for holidays or other reasons. In these and similar cases a verifiable source of market prices will not be available and the Manager may invoke its fair value process which will determine a fair value price for the relevant investments; this fair value process involves assumptions and subjectivity.

32.15 Emerging countries and developing markets risk

A Sub-Fund may be invested in emerging markets which are undergoing rapid growth and regulatory change. Emerging markets present additional risks to those normally encountered in developed securities markets. These risks may be political, social and economic in nature and may be complicated by inflationary pressures and currency depreciation. The accounting and financial reporting standards, practices and disclosure requirements in some of the countries in which investments may be made may differ from those experienced in more developed markets. Similarly, reliability of the trading and settlement systems in such markets and the liquidity of these markets may not be equal to those available in more developed markets and this could lead to delays in settlement or affect the price at which investments could be realised. Government influence or control of private companies in some countries may be significant and investments may be exposed to the risks of political change, political uncertainty or governmental action. Such assets could be expropriated, nationalised, confiscated or subjected to changes in legislation relating to foreign ownership. The value of investments in emerging markets may therefore be adversely affected by political and/or economic conditions, which would, in turn, adversely impact on the performance of that Sub-Fund and its Unit price.

32.16 Smaller and unquoted companies risk

Significant investments may be made in smaller companies, in which there may be no established market for the shares or the market may be highly illiquid. Because of this potential illiquidity, the Sub-Funds may not be appropriate for some investors, including those who are not in a position to take a long-term view of their investment. A Sub-Fund may also invest directly and indirectly in securities that are not listed or traded on any stock exchange. In such situations, such securities may not be able to be sold immediately. The purchase price and subsequent valuation of these securities may reflect a discount, which could be significant, from the market price of comparable securities for which a liquid market exists.

32.17 Investment trust risk

The share prices of investment trusts and closed-ended funds typically stand at a discount to their net asset value per share. Such discounts may persist for long periods and/or widen. The Net Asset Value of a Sub-Fund will reflect the current market value of the shares of the investment trusts and closed-ended funds in which that Sub-Fund is invested. The shares of certain investment trusts and closed-ended funds in which a Sub-Fund is invested may be valued in a market at a premium to their own net asset value per share. In such cases the share price of such investment trusts and/or closed-ended funds may eventually decline to a discount of their net asset value per share. Investment trusts and closed-ended funds may borrow or otherwise leverage their exposure to their investments. Investments in such companies will tend to have more volatile results than investment in companies without gearing.

32.18 Risk to capital

This includes potential risk of reduction in capital resulting from withdrawals or cancellations of Units and distributions in excess of investment returns. In addition, certain expenses as set out at paragraph 34 may be allocated to capital in accordance with the FCA Rules. Where expenses are allocated to capital this may constrain capital growth.

32.19 Liquidity risk

In normal market conditions a Sub-Fund's assets comprise mainly realisable investments which can be readily sold. A Sub-Fund's main liability is the redemption of any Units that investors wish to sell. In general each Sub-Fund manages its investments, including cash, such that it can meet its liabilities. Investments held may need to be sold if insufficient cash is available to finance such redemptions. If the size of the disposals are sufficiently large, or the market is illiquid, then there is a risk that either the investments might not be sold or the price at which they are sold may adversely affect the Net Asset Value of the Sub-Fund. If significant requests for redemption of Units are received at a time when a large proportion of the relevant Sub-Fund's assets was invested in illiquid investments, then the Sub-Fund's ability to fund those redemptions would be impaired and it might be necessary to suspend dealings in Units in the Sub-Fund.

32.20 Credit risk

Investments may be adversely affected if any of the institutions with which money is deposited suffers insolvency or other financial difficulties (default). Credit risk also arises from the uncertainty about an issuer's ultimate repayment of principal and interest for bond or other debt instrument investments. The entire deposit or purchase price of the debt instrument is at risk of loss if there is no recovery after default. The risk of default is usually greatest with bonds and debt instruments that are classed as 'sub-investment' grade.

32.21 Settlement risk

All security investments are transacted through brokers who have been approved by the Investment Adviser as an acceptable counterparty. The list of approved brokers is reviewed regularly. There is a risk of loss if a counterparty fails to perform its financial or other obligations for example, the possibility that a counterparty may default, by failing to make payments due, or make payments in a timely manner. If settlement never occurs the loss incurred by a particular Sub-Fund will be the difference between the price of the original contract and the price of the replacement

contract or, in the case where the contract is not replaced the absolute value of the contract at the time it is voided. Furthermore, in some markets 'Delivery versus Payment' may not be possible in which case the absolute value of the contract is at risk if settlement obligations are met but the counterparty fails before meeting its obligations.

32.22 Custody risk

32.22.1 The Scheme Property is kept by the custodian (which may be the Trustee or its delegate) and investors are exposed to the risk of the custodian not being able to meet fully its obligation to restore all of the Scheme Property in the case of insolvency of the custodian. Securities of the Sub-Fund will normally be identified in the custodian's books as belonging to the Trust and segregated from other assets of the custodian which mitigates but does not exclude this risk. However, no such segregation applies to cash which means the risk to Scheme Property in the form of cash is higher in the event of the insolvency of the custodian. The custodian does not keep all the Scheme Property itself but uses a network of sub-custodians which may not be part of the same group of companies as the custodian. Investors are exposed to the risk of bankruptcy of the sub-custodians in the same manner as they are to the risk of bankruptcy of the custodian.

32.22.2 A Sub-Fund may be invested in markets where custodial and/or settlement systems are not fully developed. The Scheme Property traded in such markets which has been entrusted to such sub-custodians may be exposed to risk in circumstances where the custodian will have no liability.

32.23 Tax risk

Tax laws currently in place may change in the future which could affect the Net Asset Value of the Sub-Funds and therefore the Unitholder's investments. Refer to paragraph 36 for further details.

32.24 Inflation risk

Unless the performance of your investment keeps up with or beats inflation, the real value of your investments will fall over time.

32.25 Political and/or environmental risk

The investee companies may operate in countries where the ownership rights may be uncertain and development of the resources themselves may be subject to disruption due to factors including civil disturbances, industrial action, interruption of power supplies, as well as adverse climatic conditions.

On 31 January 2020, the UK formally withdrew from the EU and entered into a transition period which ended at 11pm on 31 December 2020. An EU-UK Trade and Cooperation Agreement (the "TCA") was concluded on 30 December 2020. Although the TCA was ratified by the European Parliament on 28 April 2021, the process to implement the new political, economic and regulatory framework between the UK and the EU remains uncertain and therefore such implementation may still have a detrimental impact on a Sub-Fund's ability to fulfil its investment objective or on the value of a Sub-Fund's assets, and may increase a Sub-Fund's costs.

32.26 Market risk

The market risk is the risk that the entire market of an asset class will decline which will affect the prices and the values of the assets.

32.27 Risk management

Upon request to the Manager a Unitholder can receive information relating to:

- 32.27.1 the quantitative limits applying in the risk management of the Sub-Funds;
- 32.27.2 the methods used in relation to paragraph 32.27.1; and
- 32.27.3 any recent developments of the risk and yields of the main categories of investment in the Sub-Funds.

33. Historical performance data

Please see Appendix 3 for historical performance data in relation to the Sub-Funds.

34. Fees and expenses

34.1 Annual management charge

- 34.1.1 In payment for carrying out its duties and responsibilities the Manager is entitled to take out of the Scheme Property of each Sub-Fund an annual management charge.
- 34.1.2 The annual management charge of the Sub-Funds is calculated and accrued daily and is payable monthly in arrears on the fourth last Business Day of each month. The current annual management charges are set out in Appendix 1.
- 34.1.3 The Manager may not increase the current rate or amount of the annual management charge (or materially increase any other payment out of Scheme Property) in respect of a particular Sub-Fund without giving all Unitholders in the relevant Sub-Fund not less than 60 days' notice in writing of the increase and the date of its commencement at their registered address, and must have revised and made available the Prospectus to reflect the introduction of the new rate and the date of its commencement.
- 34.1.4 The Manager may not introduce a new category of remuneration for its services (or any other new type of payment out of Scheme Property) unless the introduction has been approved by an extraordinary resolution of Unitholders in the affected Sub-Funds.
- 34.1.5 The following charges are currently included within the annual management charge:
 - (a) the fees of the Manager; and
 - (b) the fees of the Investment Manager.
- 34.1.6 Notwithstanding paragraph 34.1.5, where the Manager has given Unitholders not less than 60 days' notice in writing, all fees and charges (as set out above in paragraph 34.1.5) may be paid directly out of Scheme Property.

34.2 Administration Costs

- 34.2.1 The Manager meets the costs set out in the list below and is reimbursed out of the Scheme Property at a flat rate per month of the net value of the relevant Sub-Fund. It shall be calculated and will accrue on each Dealing Day at each Valuation Point and will be payable out of the property of each Sub-Fund monthly in arrears, on the fourth last Business Day of the month following each calendar month end.
- 34.2.2 The flat rate for each Sub-Fund and Unit class is set out in Appendix 1. These rates have been arrived at after estimating the pattern of costs likely to be incurred in relation to each Sub-Fund and Class. In order to ensure that investors benefit from economies of scale, where the assets of a Sub-Fund exceed £1.5bn, the stated rate will be subject to a reduction of 0.05%. For the avoidance of doubt, the flat rates set out in Appendix 1 assume that the assets of a Sub-Fund do not exceed £1.5bn. These rates will be reviewed annually. The Manager will provide 60 days' notice prior to making any changes to these rates.
- 34.2.3 In some periods the flat rate reimbursement may be less than the costs actually incurred. In these circumstances the Manager will pay the difference from its own resources. Conversely, in some periods the flat rate reimbursement may be more than the costs actually incurred. In these circumstances the Manager will retain the difference.
- 34.2.4 Costs included in flat rate reimbursement:
- (a) fees and expenses of the Administrator;
 - (b) fees and expenses of the Registrar;
 - (c) fees and expenses of the Trustee (including any payments made in relation to its indemnification under the Trust Deed and the cost of custody). Should the Manager fail to meet these fees and expenses, then the Trustee is entitled to collect them directly from Scheme Property;
 - (d) fees and expenses of the Auditor;
 - (e) levies imposed by the FCA and offshore regulators which regulate the Trust;
 - (f) cost of convening a Unitholder meeting (and circulating a written resolution in lieu of a Unitholder meeting);
 - (g) cost of preparing and distributing the report and accounts;
 - (h) cost of creating or amending documentation relating to the Trust including the Trust Deed and Prospectus;
 - (i) cost of publishing the price of Units;

- (j) fees and expenses of professional advisors; and
- (k) VAT on any of the above.

34.3 Other payments out of Scheme Property

34.3.1 The following expenses (being the actual amounts incurred) may also be payable by the Trust or Sub-Fund (as applicable) out of its capital or income at the discretion of the Manager to the relevant person in respect of whom the expense is incurred at the time the expense is due:

- (a) brokers' commissions (where such payment may be made in accordance with the FCA Rules), fiscal charges and other disbursements which are properly incurred in effecting transactions for the Trust;
- (b) interest on and other charges relating to permitted borrowings;
- (c) taxation and other duties payable by the Trust;
- (d) 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 Trust in consideration of the issue of Units in the Trust to Unitholders in that body corporate or to participants in that other scheme, any liability arising after the transfer which, had it arisen before the transfer, could properly have been paid out of that other property provided the Manager 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;
- (e) any sum due by virtue of any provision of the FCA Rules, such as cancellation proceeds and reasonable stock lending expenses;
- (f) the costs of establishing any new Sub-Funds;
- (g) VAT in respect of any of the costs, expenses, fees and charges payable by the Trust; and
- (h) any other charges/expenses that may be taken out of the Trust's property in accordance with the FCA Rules.

34.3.2 Expenses not directly attributable to a particular Sub-Fund will be allocated between the Sub-Funds. Expenses may be payable out of the capital property and/or income property of the relevant Sub-Fund at the discretion of the Manager, subject to any restrictions set out in the Trust Deed and to the FCA Rules.

34.3.3 For the avoidance of doubt, where the Manager receives any research services such services will be paid for by the Manager out of its own resources and will not be paid for out of Scheme Property.

34.4 Dealing charges

34.4.1 The Manager may impose the following charges which are payable to the Manager. The amount or rate of any of the following charges if imposed shall be as stated at Appendix 1:

- (a) an initial charge on the sale of Units to prospective Unitholders which is based on the amount invested by the prospective Unitholder;
- (b) a redemption charge on the redemption of Units. At present no charge is levied on the redemption of Units, although the Manager is permitted to apply a dilution adjustment, if applicable. The Manager has the right (subject to the FCA Rules) to introduce a charge on the redemption of Units in the future, but this will not affect Units issued prior to its introduction. For the purposes of determining the length of ownership of redeemed Units, a first in first out policy shall apply. Any Redemption charge will be deducted from the redemption proceeds;
- (c) a Switching charge when Units are Switched equal to the initial charge (as set out at paragraph 34.4.1(a)) in respect of the Class being switched into. Any Switching charge will be deducted from the proceeds of sale of the Units being Switched from;
- (d) a Conversion charge when Units are Converted equal to the initial charge (as set out at paragraph 34.4.1(a)) in respect of the Class being switched into. Any Conversion charge will be deducted from the proceeds of sale of the Units being Converted; and
- (e) a transfer charge when Units are transferred. The charge will not exceed an amount equal to the then prevailing initial charge (as set out at paragraph 34.4.1(a)) for the relevant Class of Units. Currently transfers may only be carried out in accordance with paragraph 23.

34.4.2 The Manager may at its discretion waive any of the charges listed at paragraph 34.4.1 above.

34.5 Trustee's fees

As set out in paragraph 34.1, the Trustee's fees and expenses (other than custody transaction charges) are currently paid out of the flat rate administration charge as set out at paragraph 34.2 which is paid out of Scheme Property.

34.6 Inducements

34.6.1 In accordance with the FCA Rules, the Manager when executing orders or placing orders with other entities in relation to financial instruments for execution on behalf of the Trust must not accept and retain any fees, commission or monetary benefits from a third party (**Third Party Payments**). If the Manager receives any Third Party Payments, the Manager will return the Third Party Payments to the Trust as soon as reasonably possible and will inform Unitholders of the amount received which will be set out in the annual reports.

- 34.6.2 The Manager must not accept any non-monetary benefits when executing orders or placing orders with other entities for execution in relation to financial instruments on behalf of the Trust, except those which are capable of enhancing the quality of the service provided to the Trust, and which are of a scale and nature such that they could not be judged to impair the Manager's compliance with its duty to act honestly, fairly and professionally in the best interests of the Trust.

35. Unitholder meetings and voting rights

35.1 Class and Sub-Fund Meetings

The provisions in this paragraph, unless the context otherwise requires, apply to Class meetings as they apply to general meetings of the Sub-Fund by reference to Units of the Class concerned and the relevant Unitholders and value and prices of such Units.

35.2 Requisitions of Meetings

- 35.2.1 The Manager may requisition a general meeting at any time.
- 35.2.2 In addition the Advisory Committee may requisition a general meeting at any time in accordance with paragraph 7.5.3.
- 35.2.3 Unitholders may also requisition a general meeting of the Trust or a Sub-Fund. A requisition by Unitholders must state the objects of the meeting, be dated, be signed by Unitholders who, at the date of the requisition, are registered as holding not less than one tenth in value of all Units then in issue of the trust or the relevant Sub-Fund and the requisition must be deposited at the office of the Trustee. The Manager must convene a general meeting no later than eight weeks after receipt of such requisition.

35.3 Notice and Quorum

- 35.3.1 Unitholders will receive at least 14 days' notice of a general meeting and are entitled to be counted in the quorum and vote at such meeting either in person or by proxy. The quorum for a meeting is two Unitholders, present in person or by proxy. The quorum for an adjourned meeting is also two Unitholders present in person or by proxy, however if a quorum is not present from a reasonable time from the time appointed for the meeting then one person entitled to be counted in a quorum shall be a quorum.
- 35.3.2 Notices of meetings will be sent to Unitholders at their registered addresses.

35.4 Voting rights

- 35.4.1 **Unitholders** as used in this paragraph means persons entered on the register of Units at a time determined by the Manager and stated in the notice of the meeting which must not be more than 48 hours before the meeting.
- 35.4.2 At a meeting of Unitholders or a class of Unitholders of the Trust or of a Sub-Fund, on a show of hands every Unitholder who (being an individual) is present in person or (being a corporation) is present by its representative

properly authorised in that regard, has one vote. For joint Unitholders, the vote of the first Unitholder, or the proxy of the first Unitholder, stated in the register of Unitholders will be accepted to the exclusion of the votes of other joint Unitholders.

- 35.4.3 On a poll vote, a Unitholder may vote either in person or by proxy. The voting rights attaching to each Unit are such proportion of the voting rights attached to all the Units in issue that the price of the Unit bears to the aggregate price(s) of all the Units in issue at the date seven Business Days before the notice of meeting is deemed to have been served.
- 35.4.4 A Unitholder entitled to more than one vote need not, if they vote, use all their votes or cast all the votes they use in the same way.
- 35.4.5 Except where the FCA Rules or the Trust Deed requires 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 will be passed by a simple majority of the votes validly cast for and against the resolution.
- 35.4.6 The Manager may not be counted in the quorum for a meeting and neither the Manager nor any of its Associates is entitled to vote at any meeting of the Trust or a Sub-Fund except in respect of Units which the Manager or Associate holds on behalf of or jointly with a person who, if the registered Unitholder, would be entitled to vote and from whom the Manager or Associate has received voting instructions.
- 35.4.7 Where every Unitholder within the Trust or a Sub-Fund is prohibited under COLL 4.4.8 R (4) from voting, a resolution may instead, with the prior written agreement of the Trustee, be passed with the written consent of Unitholders representing 75% of the Units of the Trust or relevant Sub-Fund in issue.

35.5 Class meetings

Paragraphs 34.6.1 and 35.4 above, unless the context otherwise requires, apply to Class meetings as they apply to general meetings of Unitholders. However, an extraordinary resolution will be required to sanction a variation of Class rights where the change is deemed fundamental by the Manager in accordance with COLL 4.3.4R.

36. Taxation

36.1 General

The information below is a general guide based on current UK law and HMRC practice, which are subject to change. It summarises the tax position of the Trust and of Unitholders who are UK resident Eligible Investors and hold Units as investments. The regime for taxation of income and capital gains received by Unitholders depends on the tax law applicable to their particular circumstances. Prospective Unitholders who are in any doubt about their tax position, or who may be subject to tax in a jurisdiction other than the UK, are recommended to take professional advice.

36.2 Taxation of the Trust

- 36.2.1 As the Trust is a CAIF it will benefit from tax-exempt status in the UK as it is a Charity registered with the Charity Commission subject to its being

recognised as a charity by HMRC. Whilst each Sub-Fund of the Trust will be treated as a separate entity for UK tax purposes, they will also benefit from tax-exempt status in the UK on the same basis.

- 36.2.2 As a result the Trust should not be subject to UK tax on gains arising on the disposal of investments nor subject to UK tax on income from investments provided such gains and income are applied exclusively for its charitable purposes.
- 36.2.3 As a CAIF, the Trust will benefit from an exemption from UK VAT in respect of investment management fees.
- 36.2.4 The Trust is eligible for exemption or relief in full from UK stamp duty, stamp duty reserve tax and stamp duty land tax in respect of purchases it makes of UK securities or land.
- 36.2.5 As the Trust is registered with the Charity Commission, certain jurisdictions will recognise it as a tax exempt organisation and will therefore not apply local withholding tax on income and gains from sources in such jurisdictions.
- 36.2.6 However, should the Trust suffer any foreign tax on transactions it enters into, or on income or gains it receives, this will generally be an irrecoverable tax expense.

36.3 Taxation of distributions

Distributions of income by the Trust are made gross (i.e. without deduction of tax). Unitholders should not be liable to UK tax in respect of such distributions provided such income is applied exclusively for their charitable purposes.

36.4 Taxation of gains

Gains made by Unitholders in respect of a disposal of their Units should not be liable to UK tax provided such gains are applied exclusively for their charitable purposes.

37. Income equalisation

- 37.1 Income equalisation, as explained below, may apply in relation to the Sub-Funds, as detailed in paragraph 20.
- 37.2 Part of the purchase price of a Unit reflects the relevant amount of accrued income received or to be received by the Sub-Funds. This capital sum is returned to a Unitholder with the first allocation of income in respect of a Unit issued during an accounting period.
- 37.3 The amount of income equalisation is either:
 - 37.3.1 the actual amount of income included in the issue price of that Unit; or
 - 37.3.2 is calculated by dividing the aggregate of the amounts of income included in the price of Units issued or sold to Unitholders in an annual or interim accounting period by the number of those Units and applying the resultant average to each of the Units in question.

37.4 The Manager currently uses the method outlined in paragraph 37.3.2 to apply income equalisation.

38. Winding up the Trust

38.1 The Trust is to be wound up if:

38.1.1 the order declaring the Trust to be an authorised unit trust scheme is revoked; or

38.1.2 an extraordinary resolution is passed winding up the Trust, provided the FCA's prior consent to the resolution has been obtained by the Manager or the Trustee; or

38.1.3 in response to a request to the FCA by the Manager or the Trustee for the revocation of the order declaring the Trust to be an authorised unit trust scheme the FCA has agreed, subject to there being no material change in any relevant factor, that, on the conclusion of the winding up of the Trust, the FCA will agree to that request; or

38.1.4 an approved scheme of amalgamation or reconstruction becomes effective pursuant to COLL.

38.2 On a winding up (otherwise than in accordance with an approved scheme of amalgamation or reconstruction) the Trustee is required as soon as practicable after the Trust falls to be wound up, to realise the property of the Trust and, after paying out or retaining adequate provision for all liabilities properly so payable and retaining provision for the costs of the winding up, to distribute the proceeds of that realisation to the Unitholders and the Manager proportionately to their respective interests in the Trust. The Trustee may, in certain circumstances, (and with the agreement of the affected Unitholders) distribute property of the Trust (rather than the proceeds on the realisation of that property) to Unitholders on a winding-up.

38.3 Any unclaimed net proceeds or other cash held by the Trustee after the expiration of 12 months from the date on which the same became payable is to be paid by the Trustee into court subject to:

38.3.1 the Trustee having a right to retain thereout any expenses incurred in making the payment into court; and

38.3.2 the requirement that such proceeds or other cash be distributed for charitable purposes.

38.4 If the Trust is to be wound up in accordance with an approved scheme of amalgamation or reconstruction, the Trustee is required to wind up the Trust in accordance with the resolution of Unitholders approving such scheme.

38.5 Distributions will only be made to Unitholders entered on the register. Any net proceeds or cash (including unclaimed distribution payments) held by the Trustee which have not been claimed after 12 months will be paid into court, after the deduction by the Trustee of any expenses it may incur.

38.6 On completion of the winding up, the Trustee will notify the FCA in writing of that fact and the Trustee or Manager will request the FCA to revoke the order or authorisation.

39. Termination of a Sub-Fund

- 39.1** In accordance with COLL and subject to section 251 of the Act, termination can only commence once the proposed alterations to the Trust Deed and Prospectus have been notified to the FCA in writing and permitted to take effect on termination.
- 39.2** In accordance with COLL, as soon as practicable after termination has commenced, the Manager shall cause the property of a Sub-Fund to be realised and the liabilities of the Sub-Fund to be paid out of the proceeds of realisation.
- 39.3** Where sufficient liquid proceeds are available (after making provision for the expenses of the termination and the discharge of the Sub-Fund's remaining liabilities), the Manager may (but is not obliged to) arrange for the Trustee to make one or more interim distributions to the Unitholders in proportion to their respective shares of such proceeds. On or before the final date on which the final accounts of the Sub-Fund are sent to Unitholders, the Manager shall arrange for the Trustee to make a final distribution to Unitholders.
- 39.4** Unitholders should be aware that the process of termination may take some months depending on the nature of the assets and liabilities held within the Sub-Fund and that they may not receive a full distribution of their share of the property of the Sub-Fund until this process is complete.

40. Risk Management Process and Liquidity Management

- 40.1** The Manager employs a risk management process which enables it to identify, measure, manage and monitor at any time the relevant risks of the positions to which the Trust or any Sub-Fund is or may be exposed and its contribution to the overall risk profile of the Trust or Sub-Fund (as applicable) and which includes the use of appropriate stress testing procedures.
- 40.2** The Manager has established a liquidity management policy which enables it to identify, monitor and manage the liquidity risks of any Sub-Fund and to ensure the liquidity profile of the investments of the Sub-Fund will facilitate compliance with its underlying obligations. The Manager's liquidity policy takes into account the investment strategy, the liquidity profile, redemption policy and other underlying obligations of the Sub-Fund. The liquidity management systems and procedures include appropriate escalation measures to address anticipated or actual liquidity shortages or other distressed situations of the Sub-Fund. In summary, the liquidity management policy monitors the profile of investments held by the Sub-Fund and ensures that such investments are appropriate to the redemption policy as set out in this Prospectus. Further, the liquidity management policy includes details on periodic stress testing carried out by the Manager to manage the liquidity risk of the Sub-Fund in exceptional and extraordinary circumstances.
- 40.3** The liquidity management systems and procedures allow the Manager to apply various tools and arrangements necessary to ensure that the Sub-Fund is sufficiently liquid to respond appropriately to redemption requests normally. In normal circumstances, redemption requests will be processed as set out in paragraph 16.
- 40.4** Other arrangements may also be used in response to redemption requests, including the deferral of such redemption requests in certain circumstances will restrict the redemption rights investors benefit from in normal circumstances as set out in paragraph 17.

- 40.5** Further information regarding the risk management process and liquidity management systems and procedures, including the measures used to assess the sensitivity of a Sub-Fund's portfolio to the most relevant risks to which the Sub-Fund is or could be exposed, is available upon request from the Manager.
- 40.6** It is intended that Unitholders will be notified of any material changes to the liquidity management systems and procedures employed by the Manager and will be notified immediately if redemptions are suspended. It is intended that any changes to the maximum level of Leverage that may be employed by the Trust or the Sub-Funds will be provided to Unitholders without undue delay.
- 41. Leverage (as defined by the AIFMD)**
- 41.1** This section explains in what circumstances and how the Manager may use leverage as defined by the AIFMD (**Leverage**) in respect of a Sub-Fund and maximum level of Leverage permitted.
- 41.2** Leverage means any method by which a Sub-Fund increases its exposure whether through borrowing cash or securities or leverage embedded in derivative positions or any other means. The sources of Leverage which can be used when managing a Sub-Fund include:
- 41.2.1 cash borrowing;
 - 41.2.2 financial derivative instruments.
- 41.3** The Manager is required to calculate and monitor the level of Leverage of a Sub-Fund. Leverage is expressed as a ratio between the exposure of the Sub-Fund and its Net Asset Value (**Exposure/NAV**). The exposure of the Sub-Fund shall be calculated in accordance with the commitment method (**Commitment Method**) and the gross method (**Gross Method**).
- 41.4** Gross Method: under the Gross Method, the exposure of the Sub-Fund is calculated as follows:
- 41.4.1 include the sum of the absolute values of all assets held;
 - 41.4.2 exclude the value of cash and cash equivalents which are highly liquid investments held in the base currency of the Sub-Fund, that:
 - (a) are readily convertible to a known amount of cash;
 - (b) are subject to an insignificant risk of change in value; and
 - (c) provide a return no greater than the rate of a three month high quality government bond;
 - 41.4.3 derivative instruments are converted into the equivalent position in their underlying assets;
 - 41.4.4 exclude cash borrowings that remain in cash or cash equivalents and where the amounts payable are known;

- 41.4.5 include exposure resulting from the reinvestment of cash borrowings, expressed as the higher of the market value of the investment realised or the total amount of the cash borrowed;
- 41.4.6 include positions within repurchase or reverse repurchase agreements and securities lending or borrowing or other similar arrangements. (The Manager currently does not intend to enter into repurchase or reverse repurchase agreements and securities lending or borrowing or other similar arrangements.)
- 41.5** Under the Commitment Method, the exposure of the Sub-Fund is calculated in the same way as under the Gross Method; however, the exposure of derivative or security positions employed in hedging and netting arrangements are not included in this calculation, provided certain conditions are met.
- 41.6** Further information regarding these different Leverage calculation methods found in the AIFMD is available upon request from the Manager.
- 41.7** Under the Commitment Method, the maximum level of Leverage permitted in respect of a Sub-Fund is 100% of the Sub-Fund's NAV. Under the Gross Method, the maximum level of Leverage permitted in respect of a Sub-Fund is 200% of the Sub-Fund's NAV.
- 41.8** As these calculations of regulatory leverage do not take into account whether a particular financial derivative instrument increases or decreases investment risk, they will not necessarily be representative of the actual level of investment risk within the Sub-Fund.

42. General information

42.1 Accounting periods

The annual accounting period of the Trust ends each year on 31 October or another day chosen by the Manager, if the Manager notifies the Trustee, being within seven days of that date (the first annual accounting period will end on 31 October 2020) with a half-yearly accounting period ending on 30 April (the first half-yearly accounting period will end on 30 April 2020).

42.2 Income allocation and distribution

- 42.2.1 The amount of income to be distributed or accumulated in respect of a Sub-Fund is calculated on the last day of the relevant accounting period. In the case of Income Units, income is paid to Unitholders on the income allocation dates set out in Appendix 1, and in the case of Accumulation Units, income is transferred to the capital account of the relevant Sub-Fund on such dates. Where such date falls on a day which is not a Business Day, the amount of income to be distributed or accumulated by a Fund shall be transferred or paid on the preceding Business Day.
- 42.2.2 Allocations of income are made on a quarterly basis in respect of the income available for allocation in each accounting period.
- 42.2.3 Distributions of income in respect of Units of the Sub-Funds are paid by BACS, in accordance with paragraph 42.2.5 on a quarterly basis, on or before the income allocation dates as set out in Appendix 1.

- 42.2.4 Where Accumulation Units are issued, income will become part of the capital property of the Sub-Fund and will be reflected in the price of each such Accumulation Unit as at the end of the relevant accounting period.
- 42.2.5 The amount available for distribution in any accounting period is calculated by taking the aggregate of the income received or receivable for the account of a Sub-Fund in respect of that period, and deducting the charges and expenses of that Sub-Fund paid or payable out of income in respect of that accounting period. The Manager then makes such other adjustments as it considers appropriate (and after consulting the Trustee as appropriate) in relation to taxation (if applicable), income equalisation, income unlikely to be received within 12 months following the relevant income allocation date, transfers between the income and capital account and any other adjustments which the Manager considers appropriate after consulting the Auditor.
- 42.2.6 The Trust is entitled to reclaim any distribution which has been unclaimed for a period of six years from the date payment was due, and such reclaimed distribution shall become part of the capital of the relevant Sub-Fund for the benefit of all Unitholders.
- 42.2.7 Income will be distributed as a dividend payment. The treatment of income anticipated by the Manager is given in Appendix 1.
- 42.2.8 The Manager may, in relation to any Sub-Fund, operate a policy of smoothing income distributions over an annual accounting period of such Sub-Fund, provided that that income available for distribution or allocation in respect of each annual accounting period will be paid to Unitholders in accordance with the FCA Rules. Specifically, it is the intention of the Manager to smooth the quarterly distributions and to distribute or allocate the balance of the income available as the final payment in respect of that annual accounting period.
- 42.2.9 The Manager and the Trustee may not distribute income to the extent that they agree that the amount available for distribution is too small. In such circumstances, any amount not distributed will be held until the next distribution date.

42.3 Income Reserve Account

- 42.3.1 As income may fluctuate from accounting period to accounting period, the Manager may, in consultation with the Trustee, decide to retain up to 15% of income from one accounting period to be held in the Income Reserve Account in order to smooth out future income payments in the following period.
- 42.3.2 The Manager may, in consultation with the Trustee, in any accounting period withdraw any sum standing to the credit of the Income Reserve Account, and such sum shall be treated as income available for allocation or distribution in that accounting period.

42.4 Reports

- 42.4.1 Annual reports of the Trust and the Sub-Funds will be published by the Manager within four months of each annual accounting period. The annual reports will be available to Unitholders on request.
- 42.4.2 The Manager will also prepare a half-yearly report. This will be available to Unitholders on request.
- 42.4.3 The first reports will be for the period from launch to 31 October 2020. Pursuant to the AIFMD the Manager will disclose the following information for each Sub-Fund in each annual report:
- (a) the percentage of the Sub-Fund's assets which are subject to special arrangements arising from their illiquid nature, including an overview of any special arrangements in place, the valuation methodology applied to the assets which are subject to such arrangements and how management and performance fees, if any, apply to these assets;
 - (b) if risk limits set for the Sub-Fund by the Manager have been or are likely to be exceeded and, where these risk limits have been exceeded, a description of the circumstances and the remedial measures taken;
 - (c) the total amount of Leverage employed by the Sub-Fund;
 - (d) the current risk profile of the Sub-Fund;
 - (e) any material changes to the following information:
 - (i) the arrangements for managing the liquidity of the Sub-Fund;
 - (ii) the risk management systems employed by the Manager to manage the risks to which the Sub-Fund is or may be exposed;
 - (iii) the current risk profile of the Sub-Fund and the maximum level of Leverage that may be employed by the Sub-Fund; and
 - (iv) where applicable, any right for re-use of collateral or any guarantee under the Sub-Fund's leveraging arrangements as well as the nature of such rights or guarantees;
 - (f) any additional disclosures required by the AIFMD implementing measures.

42.5 Trust documents

- 42.5.1 The following documents may be inspected during normal business hours every Business Day at the registered office address of the Registrar which is set out in the Directory:
- (a) the most recent annual and half-yearly reports;

(b) the Prospectus; and

(c) the Trust Deed.

42.5.2 Upon request, Unitholders may also obtain information supplementary to the Prospectus relating to:

(a) the quantitative limits applying to the risk management of the Trust;

(b) the methods used in relation to (a); and

(c) any recent development of the risk and yields of the main categories of investment.

42.5.3 The Manager may make a charge at its discretion for copies of the Trust Deed; however, the reports and the Prospectus are available free of charge.

42.6 Notices and documents

42.6.1 Notices and documents will be sent by first class post to a Unitholder to the address on the register of Unitholders.

42.6.2 Notwithstanding the above, where Units are jointly held by two or more persons, in accordance with the FCA Rules certain documents may be sent by first class post only to the first named Unitholder to its address on the register of Unitholders.

42.7 Telephone Recordings

The Manager, in accordance with the FCA Rules, must take all reasonable steps to record telephone conversations and keep a copy of electronic communications where such conversations and communications relate to activities in financial instruments.

Please note that the Manager may also record telephone calls for training and monitoring purposes and to confirm investors' instructions.

42.8 Complaints

42.8.1 Complaints concerning the operation or marketing of the Trust or any Sub-Funds should be referred in the first instance to the Complaints Team at the Registrar's office at Quilter Investors Limited, PO Box 10278, Chelmsford, Essex CM99 2AR.

42.8.2 If the complaint is not dealt with satisfactorily then it can be made direct to The Financial Ombudsman Service at Exchange Tower, London E14 9SR.

42.8.3 Unitholders may be entitled to compensation from the Financial Services Compensation Scheme if the Trust cannot meet its obligations. This depends on the type of business and circumstances of the claim. In respect of most types of investment business the first £50,000 is protected in full.

42.8.4 A copy of the Manager's complaints handling procedure is available on request.

42.9 Amending the Prospectus

In accordance with the FCA Rules, the Prospectus may be revised from time to time by the Manager.

Appendix 1

Sub-Funds

Investment of the assets of the Sub-Funds must comply with the FCA Rules and its/their own investment objective and policy. Details of investment objectives and policies of the Sub-Funds are set out in this Appendix together with other information including available Classes, charges, minimum investment levels and distribution dates. A detailed statement of the investment and borrowing restrictions applicable to the Trust and its Sub-Funds is contained in Appendix 2. Lists of the eligible securities and derivatives markets on which the Trust and its Sub-Funds may invest are contained in Appendix 4 and Appendix 5.

Changes to the investment objective and policy of a Sub-Fund will normally require approval by Unitholders at an Extraordinary General Meeting of that Sub-Fund if the change alters the nature or risk profile of the Sub-Fund, or on giving 60 days' notice to Unitholders where these do not alter the nature or risk profile of the Sub-Fund. In exceptional circumstances, changes may be made to the investment objective and policy of a Sub-Fund with no minimum period of notice where these are for clarification purposes only. In all cases, changes may only be made to the investment objective and policy of a Sub-Fund following notification to the FCA pursuant to the Act and confirmation from the FCA that these changes will not affect the ongoing authorisation of the Trust or that Sub-Fund.

Quilter Cheviot Global Income and Growth Fund for Charities

PRN: 827081

1. Name of Sub-Fund

Quilter Cheviot Global Income and Growth Fund for Charities

2. Investment objective

2.1 The Sub-Fund aims to achieve a combination of capital growth and income (net of fees) of 3.5% above the UK Consumer Prices Index over rolling five-year periods on an annualised basis through exposure to a diversified range of asset classes. Out of this return, the Sub-Fund aims to provide a regular income.

2.2 Notwithstanding that the Sub-Fund aims to achieve a positive return over rolling five-year periods, capital is in fact at risk and there is no guarantee that such return (income or capital) will be achieved over that time period or within another time period.

3. Investment policy

3.1 The Sub-Fund will invest at least 50% of its assets in the shares of companies in developed and emerging markets anywhere in the world. The Sub-Fund may invest in companies of any size, including smaller companies, and in any industry sector.

3.2 The Sub-Fund may also invest in investment grade and sub-investment grade debt securities issued by governments and companies, cash and alternative asset classes including commercial property, commodities, infrastructure, renewable energy and private equity.

3.3 Investment may be direct or indirect (e.g. through regulated and unregulated collective investment schemes and investment companies including investment trusts) and in relation to alternative asset classes, investment will be indirect.

3.4 The Sub-Fund may use derivative instruments for Efficient Portfolio Management. The Manager considers that the use of derivatives for this purpose is not likely to affect the risk profile of the Sub-Fund.

3.5 **The Sub-Fund may use derivative instruments for investment purposes on the giving of 60 days' notice to Unitholders. The use of derivatives for investment purposes may alter the risk profile of the Sub-Fund.**

3.6 **Please be aware that there is no guarantee that capital will be preserved.**

4. Additional investment restrictions

4.1 In relation to direct investment, the Sub-Fund will exclude investment in companies which: (i) derive more than 10% of their turnover from the manufacture or processing of cigarettes, cigars and other tobacco products; or (ii) are considered by the Investment Adviser to be involved in the manufacture or development of, or trade in, core systems of cluster munitions and anti-personnel mines ('core systems' being components or services that are tailor-made and essential for the lethal use of such weapons).

- 4.2 The Investment Adviser will monitor the top ten holdings of collective investment schemes and investment companies (including investment trusts) to identify if such schemes and/or investment companies have made investments which might be inconsistent with the restrictions set out in 4.1 above. If the Investment Adviser identifies that the Sub-Fund has invested in schemes and/or investment companies (including investment trusts) that have made investments inconsistent with the restrictions set out in 4.1 above, it may take such action as it deems appropriate, for example, reducing or disposing of the relevant holdings.

5. Target Benchmark

The Target Benchmark for the Sub-Fund is the UK Consumer Prices Index (**CPI**) +3.5% annualised net of fees. This benchmark is considered appropriate on the basis that the Sub-Fund's investment exposure over time is expected to be consistent with the CPI +3.5% after deduction of fees.

6. Performance Comparators

The Sub-Fund's performance is compared to a composite index which consists of the following:

Asset Class	Range	Composite Indices	Strategic Asset Allocation
Fixed Interest	10-30%		17.5%
Government Bonds		<i>iboxx £ UK Gilts</i>	<i>12.0%</i>
Corporate Bonds		<i>iboxx Sterling Corporates</i>	<i>5.5%</i>
Equity	50-75%		70.0%
<i>UK</i>		<i>MSCI UK IMI</i>	<i>30.0%</i>
<i>Overseas</i>		<i>MSCI AC World ex UK</i>	<i>40.0%</i>
Alternatives	0-20%	<i>50% iboxx £ Gilt 1-5y</i> <i>50% MSCI AC World Index (ACWI)</i>	10.0%
Cash	0-15%	<i>Bank of England Base Rate</i>	2.5%

This composite index has been deemed appropriate given it is reflective of the long-term asset allocation of the Sub- Fund.

- 6.1 The Sub-Fund's performance is also compared against the ARC Steady Growth Charity Index (the "**ARC Charity Index**"). The ARC Charity Index was chosen as it is a set of four Sterling denominated indices compiled by Asset Risk Consultants Limited in order to help charity trustees and their advisers place charity portfolio performance in a peer group context.

7. Investment approach

The Sub-Fund is actively managed. This means the Investment Adviser uses its expertise to pick investments to achieve the Sub-Fund's objective.

8. Summary information

Investment Adviser	Quilter Cheviot Limited
Classes	Income Units Accumulation Units*
Launch date	8 January 2020
First Dealing Day	8 January 2020
Initial offer period	None
Currency of denomination	Pounds sterling
Initial Unit price	£1 for Income Units
Minimum initial investment**	£100,000 for Income Units
Minimum subsequent investment**	£10,000 for Income Units
Minimum withdrawal	None
Minimum holding	£100,000
Holding requirements	Units are only available to Charities or Nominees.
Annual accounting date	31 October or such other day as chosen by the Manager subject to the Trustee having seven days' notice
Interim accounting dates	31 January, 30 April, 31 July
Annual income allocation date	30 November
Interim income allocation dates	28 February***, 31 May and 31 August
Invest in Eligible Markets	As listed in Appendix 4 and Appendix 5
Income Equalisation	Yes
Charges and expenses taken from income or capital	All charges and expenses are taken from capital
Annual Management Charge	0.50% on first £200m 0.40% on next £200m 0.30% on next £200m 0.25% thereafter
Initial charge**	up to 5%

Redemption charge**	0%
Flat rate for administration costs****	0.10%

*Class not currently available for investment.

**Minimum initial and subsequent investment amounts, minimum holding requirements and the initial and redemption charges may be waived by the Manager at its discretion. Currently the Manager does not levy an initial charge.

***There will be no income allocation on 28 February 2020.

****From 31 March 2023.

9. Investor profile

9.1 Whether an investment in the Sub-Fund is appropriate will depend on the investor's own requirements and attitude to risk. The Sub-Fund is designed for investors who:

9.1.1 are Charities;

9.1.2 wish to achieve progressive income and capital growth primarily through exposure to global equities and fixed income securities (and other asset classes as stated in the investment objective and policy) using the expertise of the Investment Adviser;

9.1.3 are able to commit to a long-term investment in the Sub-Fund and take the risk of losing part or all of their investment capital; and

9.1.4 are willing to take the risks involved in investing in the Sub-Fund (as detailed under **Risks** set out in paragraph 32 of the Prospectus).

9.2 Target investors may be retail or professional clients.

9.3 **If you have any doubts as to whether the investment is suitable for you, please contact a professional adviser.**

Appendix 2

Investment and borrowing powers

In this Appendix 2 **Scheme Property** means the property of each Sub-Fund.

1. Investment restrictions

- 1.1 These restrictions apply to the Trust and its Sub-Funds.
- 1.2 The Scheme Property will be invested with the aim of achieving the investment objectives of the Sub-Funds but subject to the limits on investment set out in the FCA Rules and the relevant investment policy.
- 1.3 Where investment in gold is permitted under the investment policy of a Sub-Fund, the Sub-Fund may also invest in gold.
- 1.4 Except where the investment policy of a Sub-Fund permits otherwise, derivative instruments will only be used by the Sub-Funds for Efficient Portfolio Management purposes.
- 1.5 The investment objective and policy of the Sub-Funds are subject to the NURS limits on investment under COLL 5, which are summarised below. The Manager must ensure that, taking account of the investment objective and the investment policy of a Sub-Fund, the Sub-Fund's investments provide a prudent spread of risk.

2. Transferable securities and money market instruments

2.1 Types of transferable security

- 2.1.1 A transferable security is an investment which is a share, a debenture, an alternative debenture, a government and public security, a warrant, or a certificate representing certain securities (as such terms are defined in the Glossary).
- 2.1.2 An investment is not a transferable security if the title to it cannot be transferred or can be transferred only with the consent of a third party.
- 2.1.3 In applying paragraph 2.1.2 to an investment which is issued by a body corporate, and which is a unit or a debenture (as such terms are defined in the Glossary), the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored.
- 2.1.4 An investment is not a transferable security unless the liability of the holder of it to contribute to the debts of the issuer is limited to any amount for the time being unpaid by the holder of it in respect of the investment.

2.2 Criteria for investment in transferable securities

- 2.2.1 The Sub-Funds may invest in a transferable security only to the extent that the transferable security fulfils the following criteria:
 - (a) the potential loss which that Sub-Fund may incur with respect to holding the transferable security is limited to the amount paid for it;

- (b) its liquidity does not compromise the Manager's ability to comply with its obligations to redeem Units at the request of any qualifying Unitholder;
- (c) reliable valuation is available for it as follows:
 - (i) in the case of a transferable security admitted to or dealt in on an eligible market (see further paragraph 2.11 for an explanation of eligible market) where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers;
 - (ii) in the case of a transferable security not admitted to or dealt in on an eligible market, where there is a valuation on a periodic basis which is derived from information from the issuer of the transferable security or from competent investment research;
- (d) appropriate information is available for it as follows:
 - (i) in the case of a transferable security admitted to or dealt in on an eligible market, where there is regular, accurate and comprehensive information available to the market on the transferable security or, where relevant, on the portfolio of the transferable security;
 - (ii) in the case of a transferable security not admitted to or dealt in on an eligible market where there is regular and accurate information available to the Manager on the transferable security or, where relevant, on the portfolio of the transferable security;
- (e) it is negotiable; and
- (f) its risks are adequately captured by the risk management process of the Manager.

2.2.2 Unless there is information available to the Manager that would lead to a different determination, a transferable security which is admitted to or dealt in on an eligible market shall be presumed:

- (a) not to compromise the ability of the Manager to comply with its obligations to redeem Units at the request of any qualifying Unitholder; and
- (b) to be negotiable.

2.3 Closed-ended funds constituting transferable securities

A unit in a closed-ended fund shall be taken to be a transferable security for the purposes of investment by the Sub-Fund, provided it fulfils the criteria for transferable securities set out in paragraph 2.2 and either:

- 2.3.1 where the closed-ended fund is constituted as an investment company or a unit trust:
 - (a) it is subject to corporate governance mechanisms applied to companies; and
 - (b) where another person carries out asset management activity on its behalf that person is subject to national regulation for the purpose of investor protection; or
- 2.3.2 where the closed-ended fund is constituted under the law of contract:
 - (a) it is subject to corporate governance mechanisms equivalent to those applied to companies; and
 - (b) it is managed by a person who is subject to national regulation for the purpose of investor protection.
- 2.4 Transferable securities linked to other assets
 - 2.4.1 The Sub-Fund may invest in any other investment which shall be taken to be a transferable security for the purposes of investment by the Sub-Fund provided the investment:
 - (a) fulfils the criteria for transferable securities set out in paragraph 2.2; and
 - (b) is backed by or linked to the performance of other assets which may differ from those in which the Sub-Fund can invest.
 - 2.4.2 Where an investment in paragraph 2.4.1 of this Appendix 2 contains an embedded derivative component, the requirements and the FCA Rules with respect to derivatives and forwards will apply to that component.
- 2.5 Approved money market instruments

An approved money market instrument is a money market instrument which is normally dealt in on the money market, is liquid and has a value which can be accurately determined at any time.
- 2.6 A money market instrument shall be regarded as normally dealt in on the money market if it:
 - 2.6.1 has a maturity at issuance of up to and including 397 days;
 - 2.6.2 has a residual maturity of up to and including 397 days;
 - 2.6.3 undergoes regular yield adjustments in line with money market conditions at least every 397 days; or
 - 2.6.4 has a risk profile, including credit and interest rate risks, corresponding to that of an instrument which has a maturity as set out in paragraphs 2.6.1 or 2.6.2 above or is subject to yield adjustments as set out in paragraph 2.6.3 above.

- 2.7 A money market instrument shall be regarded as liquid if it can be sold at limited cost in an adequately short time frame, taking into account the obligation of the Manager to redeem Units at the request of any qualifying Unitholder.
- 2.8 A money market instrument shall be regarded as having a value which can be accurately determined at any time if accurate and reliable valuation systems, which fulfil the following criteria, are available:
- 2.8.1 enabling the Manager to calculate a net asset value in accordance with the value at which the instrument held in the portfolio could be exchanged between knowledgeable willing parties in an arm's length transaction; and
 - 2.8.2 based either on market data or on valuation models including systems based on amortised costs.
- 2.9 A money market instrument that is normally dealt in on the money market and is admitted to or dealt in on an eligible market shall be presumed to be liquid and have a value which can be accurately determined at any time unless there is information available to the Manager that would lead to a different determination.
- 2.10 Transferable securities and money market instruments generally to be admitted to or dealt in on an eligible market.
- 2.10.1 Transferable securities and money market instruments held within the Sub-Funds must be:
 - (a) admitted to or dealt in on an eligible market as described in paragraph 2.11.2(a); or
 - (b) recently issued transferable securities provided that the terms of issue include an undertaking that application will be made to be admitted to an eligible market and such admission is secured within a year of issue; or
 - (c) an approved money market instrument not admitted to or dealt in in respect of an eligible market within paragraphs 2.12 and 2.13, subject to paragraph 2.14.
 - 2.10.2 Sub-Funds may invest up to 20% of their Scheme Property in investments in transferable securities other than those referred to in paragraph 2.10.1 or money market instruments which are liquid and have a value which can be determined accurately at any time.
- 2.11 Eligible markets regime
- 2.11.1 To protect investors the markets in which investments of the Sub-Funds are dealt in or traded on should be of an adequate quality (**eligible**) at the time of acquisition of the investment and until it is sold. Where a market ceases to be eligible, investments on that market cease to be approved securities. The 20% restriction in paragraph 2.10.2 above on investment in non-approved securities applies and exceeding this limit because a market ceases to be eligible will generally be regarded as an inadvertent breach.
 - 2.11.2 A market is eligible for the purposes of the FCA Rules if it is:

- (a) a regulated market (as defined in the Glossary);
 - (b) a market in the UK or an EEA State which is regulated, operates regularly and is open to the public; or
 - (c) any market within paragraph 2.11.3.
- 2.11.3 A market not falling within paragraph 2.11.2 is eligible for the purposes of the FCA Rules if:
 - (a) the Manager after consultation with and notification to the Trustee decides that market is appropriate for investment of, or dealing in the Scheme Property;
 - (b) the market is included in a list in this Prospectus; and
 - (c) the Trustee has taken reasonable care to determine that adequate custody arrangements can be provided for the investment dealt in on that market; and all reasonable steps have been taken by the Manager in deciding whether that market is eligible.
- 2.11.4 In paragraph 2.11.3(a) a market must not be considered appropriate unless it is regulated, operates regularly, is recognised as a market or exchange or as a self-regulating organisation by an overseas regulator, is open to the public, is adequately liquid, and has adequate arrangements for unimpeded transmission of income and capital to or to the order of investors.
- 2.11.5 The eligible securities and derivatives markets for the Sub-Funds are set out in Appendix 4 and Appendix 5. New eligible securities markets may be added to the existing list in accordance with the FCA Rules governing approvals and notifications.
- 2.12 Money market instruments with a regulated issuer
 - 2.12.1 In addition to instruments admitted to or dealt in on an eligible market, the Sub-Funds may invest in an approved money-market instrument provided it fulfils the following requirements:
 - (a) the issue or the issuer is regulated for the purposes of protecting investors and savings; and
 - (b) the instrument is issued or guaranteed in accordance with paragraph 2.13.
 - 2.12.2 The issue or the issuer of a money market instrument other than one dealt in on an eligible market, shall be regarded as regulated for the purposes of protecting investors and savings if:
 - (a) the instrument is an approved money market instrument;
 - (b) appropriate information is available for the instrument (including information which allows an appropriate assessment of the credit rates risks related to investments in it) in accordance with paragraph 2.14 below; and

- (c) the instrument is freely transferable.

2.13 Issuers and guarantors of money market instruments

2.13.1 The Sub-Funds may invest in an approved money market instrument if it is:

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

2.13.2 An establishment shall be considered to satisfy the requirement in paragraph 2.13.1(c)(ii) if it is subject to and complies with prudential rules, and fulfils one or more of the following criteria:

- (a) it is located in the EEA;
- (b) it is located in an OECD country belonging to the Group of Ten;
- (c) it has at least one investment grade rating;
- (d) on the basis of an in-depth analysis of the issuer, it can be demonstrated that the prudential rules applicable to that issuer are at least as stringent as those laid down by UK or EU law.

2.14 Appropriate information for money market instruments

2.14.1 In the case of an approved money market instrument within paragraph 2.13.1(b) or issued by a body referred to at COLL 5.2.10E G; or

which is issued by an authority within paragraph 2.13.1(a)(ii) or a public international body within paragraph 2.13.1(a)(vi), but is not guaranteed by a central authority within paragraph 2.13.1(a)(i), the following information must be available:

- (a) information on both the issue or the issuance programme, and the legal and financial situation of the issuer prior to the issue of the instrument, verified by appropriately qualified third parties not subject to instructions from the issuer;
- (b) updates of that information on a regular basis and whenever a significant event occurs; and
- (c) available and reliable statistics on the issue or the issuance programme.

2.14.2 In the case of an approved money market instrument issued or guaranteed by an establishment within paragraph 2.13.1(c) the following information must be available:

- (a) information on the issue or the issuance programme or on the legal and financial situation of the issuer prior to the issue of the instrument;
- (b) updates of that information on a regular basis and whenever a significant event occurs; and
- (c) available and reliable statistics on the issue or the issuance programme, or other data enabling an appropriate assessment of the credit risks related to investment in those instruments.

2.14.3 In the case of an approved money market instrument within paragraphs 2.13.1(a)(i), 2.13.1(a)(iv) or 2.13.1(a)(v) or which is issued by an authority within paragraph 2.13.1(a)(ii) or a public international body within paragraph 2.13.1(a)(vi) and is guaranteed by a central authority within paragraph 2.13.1(a)(i) information must be available on the issue or the issuance programme, or on the legal and financial situation of the issuer prior to the issue of the instrument.

3. **Spread limits**

3.1 This paragraph does not apply to government and public securities. Please see paragraph 4 below. For the purpose of this paragraph a "single body" bears the meaning as set out in the FCA Rules.

3.2 Not more than 20% in value of the Scheme Property may consist of deposits with a single body. In applying this limit, all uninvested cash comprising capital property held by the Trustee should be included in calculating the total sum of the deposits held by it on behalf of a Sub-Fund.

3.3 Not more than 10% in value of the Scheme Property may consist of transferable securities or approved money market instruments issued by any single body. This limit is increased to 25% in value of the Scheme Property in respect of covered bonds. In applying the increased limit of 25% certificates representing certain securities are to be treated as equivalent to the underlying security.

3.4 The exposure to any one counterparty in an OTC derivative transaction must not exceed 10% in value of the Scheme Property. For the purposes of calculating this limit, the rules and conditions set out in COLL 5.6.7 R (7) to (11) inclusive apply.

3.5 Not more than 35% in value of the Scheme Property may consist of the units of any one collective investment scheme.

4. **Government and Public Securities**

4.1 Where no more than 35% in value of the Scheme Property is invested in government and public securities issued or guaranteed by the UK or any one EEA State, or local authority of the UK or an EEA State, a non-EEA State, or a public international body to which the UK or one or more EEA States belong, there is no limit on the amount which may be invested in such securities in any one issue.

4.2 More than 35% of the Scheme Property may be invested in transferable securities or approved money market instruments issued by or on behalf of or guaranteed by a single named issuer which is the UK or an EEA State, or local authority of the UK or an EEA State, a non-EEA State, or a public international body to which the UK or one or more EEA States belong, namely:

4.2.1 the governments of the United Kingdom (including the Scottish Administration, the Executive Committee of the Northern Ireland Assembly, the National Assembly of Wales);

4.2.2 the governments of an EEA State (i.e. Austria, Belgium, Bulgaria, Croatia, Republic of 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, Sweden);

4.2.3 the governments of the following non-EEA States: Australia, Canada, Japan, New Zealand, Switzerland and the United States of America; and

4.2.4 the following public international bodies: World Bank and its affiliates; European Community and its affiliates; Inter-American Development Bank; Asian Development Bank; KFW International Finance; and Nordic Investment Bank.

4.3 The Manager has consulted with the Trustee and considers that the issuers named in paragraph 4.2 above are ones which are appropriate in accordance with the investment objectives of the Sub-Funds set out in Appendix 1. If more than 35% in value of the Scheme Property is invested in government and public securities issued by any one issuer, no more than 30% in value of the Scheme Property may consist of such securities of any one issue and the Scheme Property must include at least six different issues whether of that issuer or another issuer.

5. **Collective Investment Schemes (non-feeder schemes)**

5.1 Except where the investment policy of a Sub-Fund is inconsistent with this, up to 100% in value of Scheme Property may be invested in units or shares in other collective investment schemes (referred to in this paragraph as a **second scheme**).

- 5.2 Investment may be made in a second scheme managed by the Manager or its Associate, including in another Sub-Fund (referred to in this paragraph as a **second Sub-Fund**).
- 5.3 Any second scheme must either:
- 5.3.1 be a UK UCITS scheme or satisfy the conditions necessary for it to enjoy the rights conferred by the UCITS Directive (Directive 2009/65/EC) as implemented in the EEA; or
 - 5.3.2 be an authorised NURS;
 - 5.3.3 be a recognised scheme (as defined in the Glossary); or
 - 5.3.4 be constituted outside the UK and the investment and borrowing powers of which are the same or more restrictive than those of a NURS;
 - 5.3.5 be a scheme not falling within paragraphs 5.3.1 to 5.3.4 above and in respect of which no more than 20% in value of the scheme property (including any transferable securities which are not approved securities) is invested;
- 5.4 The second scheme must also:
- 5.4.1 operate on the principle of the prudent spread of risk;
 - 5.4.2 be prohibited from having more than 15% in value of the property of that scheme consisting of units in collective investment schemes;
 - 5.4.3 allow participants to have their units redeemed in accordance with the scheme at a price related to the net value of the property to which the units relate and determined in accordance with the scheme.
- 5.5 Where the second scheme is an umbrella collective investment scheme, paragraphs 5.4.1 to 5.4.3 and the spread limits set out at paragraph 3 apply to each sub-fund of the second scheme as if it were a separate scheme.
- 5.6 The Sub-Funds may invest in eligible second schemes which are managed or operated by the Manager or its Associate or a second Sub-Fund. However, where such an investment or disposal of units or shares is made and there is a charge in respect of such investment or disposal, the Manager must pay the relevant Sub-Fund the amount referred to in either paragraph 5.7 or paragraph 5.8 within four Business Days following the date of the agreement to invest or dispose.
- 5.7 When an investment is made, the amount referred to in paragraph 5.6 is either:
- 5.7.1 any amount by which the consideration paid by Sub-Fund for the units or shares in the second scheme or second Sub-Fund exceeds the price that would have been paid for the benefit of the second scheme or second Sub-Fund had the units or shares been newly issued or sold by it; or
 - 5.7.2 if such price cannot be ascertained by the Manager, the maximum amount of any charge permitted to be made by the seller of units or shares in the second scheme or second Sub-Fund.

- 5.8 When a disposal is made, the amount referred to in paragraph 5.6 is any charge made for the account of the authorised fund manager or operator of the second scheme (or, in relation to a second Sub-Fund, the Manager) or an Associate of any of them in respect of the disposal.
- 5.9 A Sub-Fund may invest in or dispose of the shares in a second Sub-Fund only if the conditions in COLL 5.6.11 R (2) are satisfied.
6. **Feeder schemes**
- 6.1 Except where the investment policy of a Sub-Fund is inconsistent with this, up to 100% in value of Scheme Property may be invested in units or shares in other collective investment schemes which are feeder schemes (**feeder second schemes**).
- 6.2 Any feeder second scheme must be:
- 6.2.1 a feeder UCITS;
 - 6.2.2 a feeder NURS;
 - 6.2.3 a scheme dedicated to units in a single property authorised investment fund;
 - 6.2.4 a scheme dedicated to units in a recognised scheme.
- 6.3 The relevant Master Scheme of the feeder second scheme must comply with the relevant COLL requirements to be a second scheme for the purposes of COLL 5.2.13 and COLL 5.6.10 (as applicable).
- 6.4 Not more than 35% in value of the Scheme Property of a Sub-Fund may consist of units of one or more schemes permitted under paragraph 6.2 above.
- 6.5 The Sub-Fund must not invest directly in units of the relevant Master Scheme.
- 6.6 The Manager will only invest in a feeder second scheme where it can show on reasonable grounds that such investment is in the interests of investors and no less advantageous than if the Sub-Fund had held units directly in the relevant Master Scheme.

7. Warrants and nil and partly paid securities

- 7.1 Warrants may only be held if it is reasonably foreseeable there will be no change to the Scheme Property between the acquisition of the warrant and its exercise and the rights conferred by the proposed warrant and all other warrants forming part of the Scheme Property at the time of the acquisition of the proposed warrant will be exercised and that the exercise of the rights conferred by the warrants will not contravene the FCA Rules.
- 7.2 Securities on which any sum is unpaid may be held provided that it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Sub-Fund at any time when the payment is required without contravening the FCA Rules.
- 7.3 A warrant may not be included in the Scheme Property unless it is listed on an eligible securities market.

8. Deposits

Up to 20% in value of the Sub-Fund can consist of deposits with a single body. A Sub-Fund may only invest in deposits with an Approved Bank and which are repayable on demand, or have the right to be withdrawn, and matures in no more than 12 months.

9. Derivatives: General

Except where the investment policy of a Sub-Fund permits otherwise, derivatives may be used by the Sub-Funds for Efficient Portfolio Management purposes only. The NAV of the Sub-Funds, which are permitted to use derivatives for investment purposes, could potentially be more volatile; however, it is the Investment Adviser's intention that the Sub-Funds, owing to their portfolio composition or the portfolio management techniques used, will not have volatility over and above the general market volatility of the markets of their underlying investments.

- 9.1 The use of derivatives for Efficient Portfolio Management is not intended to increase the risk profile of the Sub-Funds. However, to the extent that derivatives are used for investment purposes, the overall risk of loss to the Sub-Funds may be increased. Please also see "Risks" set out in paragraph 32 of the main body of this Prospectus.
- 9.2 The Sub-Funds may make use of a variety of derivative instruments in accordance with the FCA Rules.
- 9.3 A transaction in derivatives or a forward transaction cannot be effected for the Sub-Funds unless:
- 9.3.1 it is a permitted derivatives and forward transaction (broadly a derivative must be effected on or under the rules of any eligible derivatives market and have underlying consisting of any or all of the following; transferable securities, approved money market instruments, deposits, permitted derivatives, permitted collective investment schemes, permitted financial indices, interest rates, foreign exchange rates, currencies); and
 - 9.3.2 it is covered as required by the FCA Rules at COLL 5.3.3A R.

- 9.4 The exposure to the underlying assets must not exceed the limits in paragraph 3 and paragraph 3.1 except as provided in paragraph 9.6.
- 9.5 Where a transferable security or approved money market instrument embeds a derivative this must be taken into account for the purposes of complying with these investment restrictions.
- 9.6 If a Sub-Fund invests in an index-based derivative provided the relevant index falls within the FCA Rules at COLL 5.6.23 R the underlying constituents of the index do not have to be taken into account for the purposes of paragraphs 3 and 4 above, provided the Manager takes account of the requirements for a prudent spread of risk.
- 9.7 A derivative or forward transaction which will or could lead to the delivery of property for the account of the Sub-Funds may be entered into only if:
 - 9.7.1 that property can be held for the account of the Sub-Funds; and
 - 9.7.2 the Manager, having taken reasonable care, determines that delivery of the property under the transaction will not occur or will not lead to a breach of the FCA Rules.
- 9.8 No agreement by or on behalf of a Sub-Fund to dispose of property or rights (except for a deposit) may be made unless:
 - 9.8.1 the obligation to make the disposal and any other similar obligation could immediately be honoured by the Sub-Fund by delivery of property or the assignment of rights; and
 - 9.8.2 the property and rights at paragraph 9.8.1 are owned by the Sub-Fund at the time of the agreement.
- 10. **Permitted transactions (derivatives and forwards)**
- 10.1 A transaction in a derivative must:
 - 10.1.1 be in an Approved Derivative; or
 - 10.1.2 be an OTC derivative which complies with paragraph 10.5.
- 10.2 In addition:
 - 10.2.1 the underlying must be within COLL 5.6.4R(5) or COLL 5.2.20R(2)(f) to (i); and
 - 10.2.2 the exposure to the underlying must not exceed the limits set out at paragraphs 3 and 3.1 above.
- 10.3 A transaction in an Approved Derivative must be effected on or under the rules of an eligible derivatives market. A derivatives transaction must not cause the Sub-Funds to diverge from its investment objectives as stated in the Trust Deed and the most recently published prospectus and must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more transferable securities, approved money market instruments, collective investment scheme units or derivatives.
- 10.4 Any forward transaction must be with an Eligible Institution or an Approved Bank.

10.5 OTC transactions under this paragraph 10.5 must be:

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

- (a) an Eligible Institution or an Approved Bank; or
- (b) a person whose permission (including any requirements or limitations), as published in the Financial Services Register, or whose Home State authorisation, permits it to enter into the transaction as principal off-exchange; or
- (c) a CCP that is authorised in that capacity for the purposes of EMIR; or
- (d) a CCP that is recognised in that capacity in accordance with the process set out in article 25 of EMIR; or
- (e) to the extent not already covered above, a CCP supervised in a jurisdiction that:
 - (i) has implemented the relevant G20 reforms on over-the-counter derivatives to at least the same extent as the UK; and
 - (ii) is identified as having done so by the Financial Stability Board in its summary report on progress in implementation of G20 financial regulatory reforms dated 25 June 2019;

10.5.2 on approved terms; the terms of the transaction in derivatives are approved only if the Manager:

- (a) 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
- (b) can enter into one or more further transactions to sell, liquidate or close out that transaction at any time, at its fair value;

10.5.3 capable of reliable valuation; a transaction in derivatives is capable of reliable valuation only if the Manager 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:

- (a) on the basis of an up-to-date market value which the Manager and the Trustee have agreed is reliable; or
- (b) if the value referred to in paragraph (a) (above) is not available, on the basis of a pricing model which the Manager and the Trustee have agreed uses an adequate recognised methodology; and

10.5.4 subject to verifiable valuation; a transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by:

- (a) an appropriate third party which is independent from the counterparty of the derivative, at an adequate frequency and in such a way that the Manager is able to check it; or
- (b) a department within the Manager which is independent from the department in charge of managing the scheme property and which is adequately equipped for such a purpose.

11. Cover for transactions in derivatives and forward transactions

- 11.1 The Manager must ensure that each Sub-Fund's global exposure relating to derivatives and forwards transactions held for that Sub-Fund may not exceed the net value of its Scheme Property.
- 11.2 The Manager must calculate the Sub-Fund's global exposure on at least a daily basis. For the purposes of this paragraph, exposure must be calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

12. General

- 12.1 Underwriting and sub-underwriting contracts and placings may also, subject to certain conditions set out in the FCA Rules, be entered into for the account of the Sub-Funds.
- 12.2 Cash or near cash may be retained in the Scheme Property to enable the pursuit of the investment objective; or for redemption of Units; or efficient management of the Sub-Funds in accordance with its investment objective or for a purpose which may reasonably be regarded as ancillary to the investment objective of the Sub-Funds.
- 12.3 The Trust or the Trustee on behalf of the Trust must not provide any guarantee or indemnity in respect of the obligation of any person and none of the Scheme Property may be used to discharge any obligation arising under a guarantee or indirectly with respect to the obligation of any person.
- 12.4 Paragraph 12.3 does not apply to guarantees or indemnities specified in COLL 5.5.9 R (3).
- 12.5 Where investment in gold is permitted by a Sub-Fund's investment policy, no more than 10% in value of the Scheme Property of the Sub-Fund may consist of gold.

13. Stocklending

No Sub-Fund may enter into stocklending transactions.

14. Placings

Sub-Funds are permitted to participate in initial public offerings.

15. Immovables

The Trust may not invest in immovables directly.

16. Borrowing and lending powers

- 16.1 The Trust may, subject to the FCA Rules and the Trust Deed, borrow money from an Eligible Institution or an Approved Bank for the use of the Trust or a Sub-Fund on the

terms that the borrowing is to be repayable out of the Scheme Property and subject to the restrictions set out in paragraph 16.5.

- 16.2 The Trust will not lend any part of the Scheme Property other than money by way of deposit or otherwise.
- 16.3 The Trust will not lend any money which forms part of the Scheme Property. However, providing an officer of the Trust with money to meet expenditure does not constitute lending for the purposes of this prohibition. Neither acquiring a debenture nor placing money on deposit in a current account constitutes lending.
- 16.4 Where transactions in derivatives or forward transactions are used for the account of a Sub-Fund in accordance with the FCA Rules, this paragraph does not prevent the Trust (or the Trustee at the request of the Trust), from:
 - 16.4.1 lending, depositing, pledging or charging the Scheme Property of that Sub-Fund for margin requirements; or
 - 16.4.2 transferring Scheme Property of that Sub-Fund under the terms of an agreement in relation to margin requirements, provided that the Manager reasonably considers that both the agreement and the margin arrangements made under it (including in relation to the level of margin) provide appropriate protection to Unitholders.
- 16.5 The Manager must ensure that borrowing does not, on any Business Day, exceed 10% of the value of the Scheme Property. Borrowing must be on a temporary basis and not persistent and against these criteria the Manager must have regard to:
 - 16.5.1 the duration of any period of borrowing, and
 - 16.5.2 the number of occasions on which resort is had to borrowing in any period.
- 16.6 No period of borrowing should exceed three months without the prior consent of the Trustee which may only be given on such conditions as appear appropriate to the Trustee to ensure that borrowing does not cease to be on a temporary basis only.
- 16.7 These borrowing restrictions do not apply to "back to back" borrowing to be cover for transactions in derivatives and forward transactions.
- 16.8 The Trust will not issue any debenture unless it acknowledges or creates a borrowing that complies with COLL 5.5.4 R (1) to (6) inclusive.
- 16.9 The Scheme Property will not be mortgaged.

17. **Leverage**

- 17.1 Transactions introducing leverage are generally undertaken to reduce risk or cost in terms of fluctuations in prices, interest rates or exchange rates or involve receiving a premium for the writing of a covered call option or cash covered put option on the Scheme Property which the Trust is willing to buy or sell at the exercise price.
- 17.2 The types and sources of leverage and risks the Trust may employ are as follows:
 - 17.2.1 a Sub-Fund may borrow up to 10% of its NAV from an Approved Bank (subject to the provisions of paragraph 16.5), and the result of actively

investment borrowing may be that the Sub-Fund would display leveraged characteristics; and

17.2.2 the use of derivatives.

- 17.3 Any exposure by the Sub-Fund through the use of derivatives must be covered by cash or readily realisable assets held by the relevant Sub-Fund. Restrictions on the use of derivatives are outlined in the investment objective and policy of each Sub-Fund in Appendix 1 and at paragraphs 10 and 11.
- 17.4 The maximum level of Leverage, as defined by the AIFMD, a Sub-Fund may employ at any time is set out at paragraph 41.7 of the main body of this Prospectus.

Appendix 3

Historical Performance Data

The performance chart has been calculated on a NAV to NAV basis in Sterling, with income reinvested. The source of data is Morningstar.

The table shows the performance for all Sub-Funds to 31 December 2023.

For Sub-Funds with a Target Benchmark the performance data of the relevant Target Benchmark is shown below the relevant Sub-Fund's performance information. Past performance data relates to the Unit class referred to in the left hand column below which has been selected as a representative Unit class. The performance figures for other Unit classes in each Sub-Fund will be different. Please consult the KIID for the relevant Unit class for more detail.

Please note that past performance is not an indication of future performance.

Name and Unit Class	Percentage Growth 01/01/2023 to 31/12/2023	Percentage Growth 01/01/2022 to 31/12/2022	Percentage Growth 01/01/2021 to 31/12/2021	Percentage Growth 01/01/2020 to 31/12/2020	Percentage Growth 01/01/2019 to 31/12/2019
Quilter Cheviot Global Income and Growth Fund for Charities Income Units	10.56	-11.06	12.86	N/A	N/A
<i>Target Benchmark: UK Consumer Prices Index (CPI) +3.5%</i>	7.49	14.03	8.89	N/A	N/A

Note: Where it is stated that no data exists, the Fund does not have a full trading history for the period. A full trading history does not exist for Quilter Cheviot Global Income and Growth Fund for Charities as it launched on 8 January 2020.

Appendix 4

Eligible Securities Markets

The Sub-Funds may deal through securities markets established in the UK and EEA States on which transferable securities admitted to official listing in these states are dealt in or traded. In addition, up to 20% in value of the Sub-Funds may be invested in transferable securities which are not approved securities.

The Sub-Funds may also deal in certain of the securities markets listed below and those derivatives markets indicated in Appendix 5.

Any stock exchange located within the US, Canada, Japan, Switzerland, Australia, New Zealand or Hong Kong, and:

Brazil	Bolsa de Valores de Sao Paulo (BOVESPA), Bolsa de Valores de Rio de Janeiro
Channel Islands	Channel Islands Stock Exchange
Chile	Bolsa de Comercio de Santiago, Bolsa Electronica de Chile
China	Shanghai Securities Exchange, Shenzhen Stock Exchange
Colombia	Colombian Securities Exchange
Egypt	Egyptian Exchange (EGX)
India	BSE, National Stock Exchange of India
Indonesia	Indonesia Stock Exchange
International	International Capital Market Association (ICMA)
Israel	Tel-Aviv Stock Exchange
Korea	Korea Exchange
Malaysia	Bursa Malaysia
Mexico	Mexican Stock Exchange
Morocco	Casablanca Stock Exchange
Peru	Lima Stock Exchange
Philippines	The Philippine Stock Exchange
Russia	Moscow Exchange, MICEX-RTS
Singapore	The Singapore Exchange
South Africa	JSE Limited
Sri Lanka	Colombo Stock Exchange
Taiwan	Taiwan Stock Exchange, Greg Tai Securities Market
Thailand	The Stock Exchange of Thailand (SET)
Turkey	Istanbul Stock Exchange
UAE	Dubai Financial Market

Appendix 5

Eligible Derivatives Markets

Subject to its investment objective and policy, each Sub-Fund may deal through derivatives markets established in the UK or Member States of the European Union on which transferable derivatives admitted to official listing in the UK or Member State are dealt in or traded.

Set out below are the additional derivatives markets through which the Trust may invest or deal for the account of each Sub-Fund (subject to the Sub-Fund's respective investment objective and policy) when dealing in Approved Derivatives.

American Stock Exchange, Australian Stock Exchange, Bermuda Stock Exchange, BM&F BOVESPA, Bolsa De Valores De Colombia, Bombay Stock Exchange, Chicago Board of Trade, Chicago Board Options Exchange, Chicago Mercantile Exchange, EDX London, Eurex, EURONEXT, GRE-Tai Securities Market, Hong Kong Exchanges, ICE Futures US Inc, , Istanbul Stock Exchange, JASDAQ OTC, JSE Securities Exchange, Kansas City Board of Trade, Korea Exchange, Euronext - Liffe Administration and Management London International Financial Futures and Options Exchange, Malaysia Derivatives Exchange, Mercado Mexicano de Derivados, , MICEX-RTS, Montreal Stock Exchange, NASDAQ OMX Futures Exchange, National Stock Exchange (India), New York Futures Exchange, New York Mercantile Exchange, New York Stock Exchange, New Zealand Futures and Options Exchange, NYSE LIFFE US, OMLX, One Chicago, Osaka Securities Exchange, Oslo Stock Exchange, Pacific Stock Exchange, Philadelphia Board of Trade, Philadelphia Stock Exchange, Singapore Exchange, South Africa Futures Exchange (SAFEX), SIX Swiss Exchange, Sydney Futures Exchange, Taiwan Futures Exchange, Tel Aviv Stock Exchange, Thailand Futures Exchange, Tokyo Stock Exchange, Tokyo Financial Exchange, Toronto Futures Exchange, Toronto Stock Exchange and Turkish Derivatives Exchange.

Appendix 6

List of members of the Advisory Committee

- Shonaig Macpherson (Chair);
- Peter Cazalet; and
- Helen Simmons.

Appendix 7
Other Schemes managed by the Manager

List of other authorised funds for which the Manager acts as authorised corporate director:

Quilter Investors Cirilium OEIC

Quilter Investors Multi-Asset OEIC

Quilter Investors OEIC

Quilter Investors Series I

List of other authorised funds for which the Manager acts as manager:

Quilter Investors Trust

Appendix 8
List of Delegates and Sub-Delegates

Trustee's delegate	
Citibank N.A.	
Trustee's sub-delegates	
Australia	Citigroup Pty. Limited
Austria	Citibank Europe plc
Bahrain	Citibank, N.A., Bahrain Branch
Bangladesh	Citibank, N.A., Bangladesh Branch
Belgium	Citibank Europe plc
Bermuda	The Hong Kong & Shanghai Banking Corporation Limited acting through its agent, HSBC Bank Bermuda Limited
Bosnia-Herzegovina (Sarajevo)	UniCredit Bank d.d.
Bosnia-Herzegovina: Srpska (Banja Luka)	UniCredit Bank d.d.
Botswana	Standard Chartered Bank of Botswana Limited
Brazil	Citibank, N.A., Brazilian Branch
Bulgaria	Citibank Europe plc Bulgaria Branch
Canada	Citibank Canada
Chile	Banco de Chile
China B Shanghai	Citibank, N.A., Hong Kong Branch (For China B shares)
China B Shenzhen	Citibank, N.A., Hong Kong Branch (For China B shares)
China A Shares	Citibank (China) Co., Ltd (China A shares)
China Hong Kong Stock Connect	Citibank, N.A., Hong Kong Branch
Clearstream ICSD	
Colombia	Cititrust Colombia S.A. Sociedad Fiduciaria
Costa Rica	Banco Nacional de Costa Rica
Croatia	Privedna Banka Zagreb d.d.

Cyprus	Citibank Europe plc, Greece Branch
Czech Republic	Citibank Europe plc, organizacni slozka
Denmark	Citibank Europe plc
Egypt	Citibank, N.A., Egypt
Estonia	Swedbank AS
Euroclear	Euroclear Bank SA/NV
Finland	Citibank Europe plc
France	Citibank Europe plc
Georgia	JSC Bank of Georgia
Germany	Citibank Europe plc
Ghana	Standard Chartered Bank of Ghana Limited
Greece	Citibank Europe plc, Greece Branch
Hong Kong	Citibank N.A., Hong Kong Branch
Hungary	Citibank Europe plc, Hungarian Branch Office
Iceland	Islandsbanki hf
India	Citibank, N.A. Mumbai Branch
Indonesia	Citibank, N.A., Jakarta Branch
Ireland	Citibank N.A., London Branch
Israel	Citibank, N.A., Israel Branch
Italy	Citibank Europe plc
Jamaica	Scotia Investments Jamaica Limited
Japan	Citibank N.A., Tokyo Branch
Jordan	Standard Chartered Bank Jordan Branch
Kazakhstan	Citibank Kazakhstan JSC
Kenya	Standard Chartered Bank Kenya Limited
Korea (South)	Citibank Korea Inc.
Kuwait	Citibank N.A., Kuwait Branch

Latvia	Swedbank AS, based in Estonia and acting through its Latvian branch, Swedbank AS
Lithuania	Swedbank AS, based in Estonia and acting through its Lithuanian branch, Swedbank AB
Luxembourg	Only offered through the ICSDs - Euroclear & Clearstream
Macedonia	Raiffeisen Bank International AG
Malaysia	Citibank Berhad
Malta	Citibank is a direct member of Clearstream Banking, which is an ICSD
Mauritius	The Hong Kong & Shanghai Banking Corporation Limited
Mexico	Banco Nacional de Mexico, SA
Morocco	Citibank Maghreb S.A
Netherlands	Citibank Europe plc
New Zealand	Citibank, N.A., New Zealand Branch
Nigeria	Citibank Nigeria Limited
Norway	Citibank Europe plc
Oman	The Hong Kong & Shanghai Banking Corporation Limited acting through its agent, HSBC Bank Oman S.A.O.G
Pakistan	Citibank, N.A., Pakistan Branch
Panama	Citibank N.A., Panama Branch
Peru	Citibank del Peru S.A
Philippines	Citibank, N.A., Philippine Branch
Poland	Bank Handlowy w Warszawie SA
Portugal	Citibank Europe plc
Qatar	The Hong Kong & Shanghai Banking Corporation Limited acting through its agent, HSBC Bank Middle East Limited
Romania	Citibank Europe plc, Dublin - Romania Branch
Russia	AO Citibank
Saudi Arabia	The Hong Kong & Shanghai Banking Corporation Limited acting through its agent, HSBC Saudi Arabia Ltd.

Serbia	UniCredit Bank Srbija a.d.
Singapore	Citibank, N.A., Singapore Branch
Slovak Republic	Citibank Europe plc pobočka zahraničnej banky
Slovenia	UniCredit Banka Slovenia d.d. Ljubljana
South Africa	Citibank N.A., South Africa Branch
Spain	Citibank Europe plc
Sri Lanka	Citibank, N.A. Sri Lanka Branch
Sweden	Citibank Europe plc, Sweden Branch
Switzerland	Citibank N.A., London Branch
Taiwan	Citibank Taiwan Limited
Tanzania	Standard Bank of South Africa acting through its affiliate Stanbic Bank Tanzania Ltd
Thailand	Citibank, N.A., Bangkok Branch
Tunisia	Union Internationale de Banques
Turkey	Citibank, A.S.
UAE - Abu Dhabi Securities Exchange	Citibank N.A., UAE
United Arab Emirates DFM	Citibank N.A., UAE
United Arab Emirates NASDAQ Dubai	Citibank N.A., UAE
United Kingdom	Citibank N.A., London Branch
United States	Citibank N.A., New York offices
Uruguay	Banco Itau Uruguay S.A.
Vietnam	Citibank N.A., Hanoi Branch