

Investment Fund Services Limited

PROSPECTUS

of the

IFSL Trade Union Unit Trust

This Prospectus is dated and is valid as at 28 October 2024

This document constitutes the Prospectus for the IFSL Trade Union Unit Trust, which has been prepared in accordance with The Collective Investment Schemes Sourcebook (COLL).

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Definitions

<i>"The Act"</i>	The Financial Services and Markets Act 2000 (as amended);
<i>"the Administrator"</i>	SS&C Financial Services International Limited;
<i>"CASS"</i>	means the Client Assets Sourcebook which forms part of the FCA Handbook;
<i>"EEA"</i>	means the European Economic Area;
<i>"FCA"</i>	the Financial Conduct Authority;
<i>"FCA Handbook"</i>	means the handbook of rules of guidance published by the FCA from time to time;
<i>"the Fund"</i>	IFSL Trade Union Unit Trust;
<i>"the Investment Manager"</i>	Marlborough Investment Management Limited
<i>"ISA"</i>	Individual Savings Account;
<i>"Leverage"</i>	means any method by which exposure of the Fund is increased whether through borrowing of cash or transferrable securities or Leverage embedded in derivative positions or by any other means;
<i>"the Manager" or "IFSL"</i>	Investment Fund Services Limited;
<i>"OEIC Regulations"</i>	the Open-Ended Investment Companies Regulations 2001 as amended;
<i>"the Register"</i>	means the Register of Unitholders of the Trust;
<i>"the Registrar"</i>	SS&C Financial Services International Limited;
<i>"the Regulations"</i>	the OEIC Regulations and the Collective Investment Schemes Sourcebook ("COLL Sourcebook" or "COLL") which forms part of the FCA Handbook;
<i>"Scheme Property"</i>	means those assets which comprise the property of the Trust or which are attributed to a Fund (as the context requires);
<i>"SDRT"</i>	UK Stamp Duty Reserve Tax;
<i>"the Sub-Investment Manager"</i>	abrdrn Investments Limited
<i>"the Trust"</i>	IFSL Trade Union Unit Trust;
<i>"the Trust Deed"</i>	the trust deed dated 19 July 1961, plus nine supplemental deeds of the Trust;
<i>"the Trustee" or "HSBC"</i>	HSBC Bank plc;
<i>"UCITS"</i>	means an Undertaking for Collective Investment in Transferable Securities. This will include a UCITS Scheme or an EEA UCITS scheme, as defined in the Financial Conduct Authority Handbook;
<i>"UCITS Directive"</i>	means the European Parliament and Council Directive of 13 July 2009 on the coordination of laws, regulations and administrative provisions relation to undertakings for collective investment in transferable securities (UCITS) (No. 2009/65/EC) (as amended);
<i>"UCITS Scheme"</i>	means a UK UCITS, as defined in the FCA Handbook;

“UK UCITS”

means, in accordance with sections 236A and 237 of the Financial Services and Markets Act 2000, a collective investment scheme which may consist of several sub-funds, which is either an authorised unit trust scheme, an authorised contractual scheme, or an authorised open-ended investment company with the sole object of collective investment of capital raised from the public in transferable securities or other liquid financial assets, operating on the principle of risk-spreading, with units which are, at the request of holders, repurchased or redeemed, directly or indirectly, out of those undertakings’ assets, and which has identified itself as a UCITS in its prospectus and has been authorised accordingly by the FCA;

“Unit”

an income or an accumulation Unit in the Trust;

“Unitholder(s)”

a holder of Units in the Trust;

“VAT”

UK Value Added Tax.

The Manager

The Manager of the Trust is Investment Fund Services Limited (“**IFSL**”), a company limited by shares incorporated on 16 February 2007 in England and Wales under the Companies Act 1948. The registered and head office of the Manager is at Marlborough House, 59 Chorley New Road, Bolton BL1 4QP. This is the address at which notices or other documents may be served on the Trust. The amount of the Manager’s issued and fully paid share capital is £4,010,000. The Manager’s ultimate holding company is UFC Fund Management Plc, a public company incorporated in England and Wales.

The Manager is authorised and regulated by the Financial Conduct Authority. The Manager may provide investment services to other clients and funds and to companies in which the Manager may invest in accordance with the Regulations.

The Manager is also the authorised fund manager / authorised corporate director of the funds listed in Appendix 1. The names of the directors of the Manager together with a note of any significant business activities of the directors not connected with the business of the Manager appear in Appendix 1.

Remuneration Policy

The Manager has put in place a remuneration policy (the “Remuneration Policy”) that is in accordance with the requirements of SYSC 19 E of the FCA. The Remuneration Policy is designed to ensure that the Manager’s remuneration practices are consistent with and promote sound and effective risk management, do not encourage risk taking and are consistent with the risk profile of the Fund. The Manager considers the Remuneration Policy to be appropriate to the size, internal operations, nature scale and complexity of the Fund and in line with the risk profile, risk appetite and the strategy of the Fund.

The matters covered by the Remuneration Policy include:

- An assessment of the individual member of staff’s performance;
- restrictions on the awarding of guaranteed variable remuneration;
- the balance between fixed and variable remuneration;
- any payment of remuneration in the form of Units or shares in the Fund;
- any mandatory deferral periods for the payment of some or all of the variable remuneration component;
- the reduction or cancellation of remuneration in the case of under performance.

The Remuneration Policy will apply to the fixed and variable (if any) remuneration received by the identified staff.

The Manager will make details of its latest Remuneration Policy available on its website, www.ifslfunds.com, including a description of how remuneration and benefits are calculated and the identity of the persons responsible for awarding the remuneration and benefits. The Manager will provide paper copies free of charge upon written request to its operating address.

In respect of any investment management delegates, the Manager requires that:(i) the entities to which such activities have been delegated are subject to regulatory requirements on remuneration that are equally as effective as those applicable under the European Securities and Market’s (ESMA’s) Guidelines on Sound Remuneration Policies under the UCITS Directive and AIFMD / Article 14 of the UCITS Directive; or (ii) appropriate contractual arrangements are put in place with entities to which such activities have been delegated in order to ensure that there is no circumvention of the remuneration rules set out in the ESMA Guidelines or the FCA Handbook.

The Trustee

Terms of appointment

Pursuant to the agreement dated 18th March 2016 between the Fund, the Manager and the Trustee (the “Depositary Services Agreement”) and for the purposes of and in compliance with the Regulations, the Trustee

has been appointed as the Trustee to the Fund. The appointment of the Trustee under the Depositary Services Agreement may be terminated without cause by not less than 6 months written notice provided that the Depositary Services Agreement does not terminate until a replacement Trustee has been appointed.

The Trustee, HSBC Bank plc, is a public limited company incorporated in England and Wales with company registration number 00014259. HSBC Bank plc is a wholly owned subsidiary of HSBC Holdings plc. The Trustee's registered and head office is located at 8 Canada Square, London E14 5HQ and the principal business activity of the Trustee is the provision of financial services, including trustee and depositary services. The Trustee is authorised by the Prudential Regulation Authority and regulated by the Prudential Regulation Authority and the Financial Conduct Authority.

The fees to which the Trustee is entitled are set out below under the heading "Expenses".

Key Duties of the Trustee

The Trustee provides services to the Fund as set out in the Depositary Services Agreement and, in doing so, shall comply with the Regulations. The Depositary's duties include the following:

- (i) ensuring that the Fund's cash flows are properly monitored and that all payments made by or on behalf of applicants upon the subscription to Units of the Fund have been received.
- (ii) safekeeping of the Scheme Property, which includes (i) holding in custody all financial instruments that can be registered in a financial instruments account opened in the Trustee's books and all financial instruments that can be physically delivered to the Trustee; and (ii) verifying the ownership of other assets and maintaining records accordingly.
- (iii) ensuring that issues, redemptions and cancellations of the Units of each Fund are carried out in accordance with the Trust Deed, the Prospectus and the Regulations.
- (iv) ensuring that in transactions involving Scheme Property any consideration is remitted to the Fund within the usual time limits.
- (v) ensuring that the value of the Units of the Fund is calculated in accordance with the Regulations.
- (vi) carrying out the instructions of the Manager unless they conflict with the Trust Deed, the Prospectus or the Regulations.
- (vii) ensuring that a Fund's income is applied in accordance with the Regulations.

Delegation of safekeeping function

The Trustee may delegate its safekeeping functions subject to the terms of the Depositary Services Agreement. The Trustee has delegated to a number of delegates the custody of certain Scheme Property entrusted to the Trustee for safekeeping in accordance with the terms of written agreements between the Trustee and those delegates.

A list of delegates is set out in Schedule 6. Unitholders should note that the list of delegates is updated only at each Prospectus review.

Conflicts

From time to time actual or potential conflicts of interest may arise between the Trustee and its delegates. For example, such conflicts may arise; (i) where an appointed delegate is an affiliated group company and is providing a product or service to the Fund and has a financial or business interest in such product or service; or, (ii) where an appointed delegate is an affiliated group company which receives remuneration for other related products or services it provides to the Fund. The Trustee maintains a conflict of interest policy to address this.

In addition, actual or potential conflicts of interest may also arise between the Fund, the Unitholders or the Manager on the one hand and the Trustee on the other hand. For example, such actual or potential conflict may arise because the Trustee is part of a legal entity or is related to a legal entity which provides other products or services to the Fund and from which fees and profits in relation to the provision of those products or services may arise and from which the Trustee may benefit directly or indirectly. In addition, the Trustee may have a financial or business interest in the provision of such products or services, or receives remuneration for related

products or services provided to the Fund, or may have other clients whose interests may conflict with those of the Fund, the Unitholders or the Manager.

In particular, HSBC Bank plc may provide foreign exchange services to the Fund for which they are remunerated out of the property of the Fund. HSBC Bank plc or any of its affiliates or connected persons may also act as market maker in the investments of the Fund; provides broking services to the Fund 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 Fund; acts in the same transaction as agent for more than one client; has a material interest in the issue of the investments of the Fund; or earns profits from or has a financial or business interest in any of these activities.

The Trustee will ensure that any such additional services provided by it or its affiliates are on terms which are not materially less favourable to the Fund than if the conflict or potential conflict had not existed.

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 trustee 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.

Liability of the Trustee

In general, the Trustee is liable for losses suffered by the Fund as a result of its negligence or wilful default to properly fulfil its obligations. Subject to the paragraph below, and pursuant to the Depositary Services Agreement, the Trustee will be liable to the Fund for the loss of financial instruments of the Fund which are held in its custody. The Trustee will not be indemnified out of the Scheme Property for the loss of financial instruments where it is so liable.

The liability of the Trustee will not be affected by the fact that it has delegated safekeeping to a third party.

The Trustee will not be liable where the loss of financial instruments arises as a result of an external event beyond the reasonable control of the Trustee, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Trustee shall not be liable for any indirect, special or consequential loss.

In the event there are any changes to the Trustee's liability under the Regulations, the Manager will inform Unitholders of such changes without delay.

Unitholders have no personal right to directly enforce any rights or obligations under the Depositary Services Agreement.

Updated Information

Up to date information regarding the name of the Trustee, any conflicts of interest and delegations of the Trustee's safekeeping functions will be made available to Unitholders upon written request to the Manager.

Investment Manager

The Manager has appointed Marlborough Investment Management Limited as the Investment Manager to the Trust to provide investment management and advisory services.

The Investment Manager is authorised and regulated by the Financial Conduct Authority. Its principal activity is providing investment advisory management services, which include responsibilities as co-manufacturer of the Fund.

The Investment Manager has been appointed under an investment management agreement dated 28 October 2024 the ("Investment Management Agreement"). Subject to an express delegation given by the Investment Manager, pursuant to the Investment Management Agreement, the Investment Manager has discretion, on a day-to-day basis and subject to the overall control of the Manager, to purchase and sell securities (normally acting as agent for the Manager) and otherwise to manage the assets of the Fund for the account and in the name of the Trust, in relation to specific transactions. Under the Investment Management Agreement, the Investment Manager has the permission to delegate however where any delegation takes place the Investment Manager is responsible for oversight of any appointed party. The Investment Manager is remunerated by the

Manager out of the annual management charge.

The main terms of the arrangement between the Investment Manager and the Manager whereby the Investment Manager advises the Manager in relation to the Trust appear in Appendix 2.

Sub-Investment Manager

The Investment Manager has appointed the Sub-Investment Manager abrdn Investments Limited to provide investment management services to the Investment Manager in relation to the Fund.

The Sub-Investment Manager is authorised and regulated by the Financial Conduct Authority. Its principal activity is investment management.

Pursuant to an agreement between the Sub-Investment Manager, the Investment Manager and the Manager, the Sub-Investment Manager provides general discretionary investment management services in respect of the Fund. The Sub-Investment Manager has the authority to make decisions on behalf of the Manager in relation to the Fund's investments subject always to the provisions of the Trust Deed, this Prospectus, the Regulations and the investment objectives and policies of the Fund.

The Sub-Investment Manager will receive a fee paid out of the annual charge.

The Administrator and Registrar

The Manager has appointed SS&C Financial Services International Limited to act as Registrar to the Trust and also act as Administrator to the Trust.

The head office address for SS&C Financial Services International Limited is St. Nicholas Lane, Basildon, Essex, SS15 5FS.

The Auditors

The Auditors of the Trust are Shipleys LLP whose office is at 10 Orange Street, London WC2H 7DQ.

The Register

The Register of Unitholders is maintained by the Registrar at Marlborough House, 59 Chorley New Road, Bolton BL1 4QP where it can be inspected by Unitholders during normal office hours.

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

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

The Authorised Fund

Authorisation Date

The Trust now known as IFSL Trade Union Unit Trust was established on 19th July 1961 and authorised by the Board of Trade on 20th July 1961 with the Product Reference Number (PRN) 109745. The Trust is an authorised unit trust scheme and a UCITS scheme within the meaning of the Regulations.

Base Currency

The base currency of the Trust is pounds sterling.

Unitholder Liability

Individual Unitholders are not liable for the debts of the Trust.

Winding up of the Trust

The Trust will be wound up if the order declaring it to be an authorised unit trust scheme is revoked or if the Financial Conduct Authority, determines to revoke the order declaring the Trust to be an authorised unit trust scheme albeit subject to there being no material change in any relevant factor, at the request of the Manager or the Trustee or if there is a duly approved amalgamation or reconstruction of the Trust which results in the property of the Trust becoming the property of another authorised or recognised scheme.

If any of the events set out above occurs, COLL 6.2 (Dealing), COLL 6.3 (Valuation and Pricing) and COLL 5 (Investment and Borrowing Powers) of the Regulations will cease to apply. The Trustee shall cease to issue and cancel Units and the Manager will stop redeeming and selling Units.

The procedure to be followed in a winding-up of a Trust is that laid down by the Regulations, which currently provide as follows:-

- (i) Where the Financial Conduct Authority has determined to revoke the order declaring the Trust to be an authorised unit trust scheme following the passing of an extraordinary resolution approving the amalgamation or reconstruction of the Trust with another body or scheme, the Trustee shall wind up the Trust in accordance with that resolution on the terms of the approved amalgamation or reconstruction.
- (ii) In any other case, the Trustee shall as soon as practicable after the Trust falls to be wound up, realise the property of the Trust and, after paying thereout all liabilities properly so payable and retaining provision for the costs of the winding-up, distribute the proceeds of that realisation to the Unitholders and the Manager proportionately to their respective interests in the Trust (upon production by them or such evidence, if any, as the Trustee may reasonably require as to their entitlement thereto). Where the Trustee and one or more holders agree, the requirement to realise the property of the Trust shall not apply to that part of the property proportionate to the entitlement of that or those holders, and the Trustee may distribute that part in the form of property, after making such adjustments or retaining such provision as appears to the Trustee appropriate for ensuring that that or those holders bear a proportional share of the liabilities and costs.
- (iii) Any unclaimed net proceeds or other cash (including unclaimed distribution payments) held by the Trustee after the expiration of twelve months from the date on which the same became payable shall be paid by the Trustee into court subject to the Trustee having a right to retain any expenses incurred by them in making that payment into court.

On a winding up, Unitholders will have the right to receive their share of the net proceeds of the Trust fund. This right is in addition to any rights the Unitholders may have as beneficiaries under general trust law.

On completion of the winding up, where the order declaring the Trust to be an authorised unit trust scheme has not been revoked, the Trustee shall notify the Financial Conduct Authority in writing of that fact and at the same time the Manager or Trustee shall request the Financial Conduct Authority to revoke the order of authorisation.

Investment Objectives and Policy

Details of the investment objectives and the policies to be adopted by the Manager in relation to the Trust appear in Appendix 3.

The general investment powers for authorised unit trusts as allowed by the Regulations along with borrowing powers and efficient portfolio management appear in Appendix 5.

It is, however, important to note that these basic investment restrictions may be supplemented by further restrictions in the Trust Deed or this Prospectus.

In the event of conflict between the general investment powers, as allowed by the Regulations, then the investment objectives and policies in this Prospectus shall prevail over the general investment powers.

Investor Profile

The Trust is suitable for retail investors, professional investors and eligible counterparties whose investment requirements are aligned with the objectives, policies and risk profiles of the Trust. The Trust will be distributed primarily via fund platforms, wealth managers, discretionary fund managers and financial institutions. The Trust has no complex features or guarantees and investors do not necessarily need to have

investment experience however a basic understanding of investment markets, the kind of underlying investments of the Trust and the risks involved in investment is important.

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

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

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

The Trust may only be suitable for someone who is prepared to risk their money on the stock market and who is prepared to save over the medium to long term (5 years or more). It is a medium risk fund aiming to provide capital growth and a small income. It is not suitable for someone who is not prepared to take any risk with their capital or is likely to want to sell their investment within 5 years.

Historic Performance

Performance data for the Trust for the previous 5 years is shown in the table below. Further historic performance data is contained in the key investor information document which is available on request from the Manager. For up to date information visit the Manager's website www.ifslfunds.com or speak to the Manager on 0808 178 9321. Telephone calls may be recorded by the Manager.

	01.04.19 to 31.03.20	01.04.20 to 31.03.21	01.04.21 to 31.03.22	01.04.22 to 31.03.23	01.04.23 to 31.03.24
IFSL Trade Union Unit Trust, Income A Class Units	-0.07	24.44	4.21	3.45	11.57

Target Benchmark Performance

	01.04.19 to 31.03.20	01.04.20 to 31.03.21	01.04.21 to 31.03.22	01.04.22 to 31.03.23	01.04.23 to 31.03.24
*FTSE All Share Index	-18.45	26.71	13.03	2.92	8.43
**MSCI Europe ex UK Index	-7.48	34.38	6.26	9.54	13.57

*Source <https://www.ftserussell.com/legal/legal-disclaimer>

**Source <https://www.msci.com/notice-and-disclaimer>

Unitholder Reporting, Distributions and Accounting Dates

Accounting reference date and interim accounting periods

The annual accounting reference date of the Trust is 15th August. The Trust also has an interim accounting period commencing on 16th August in each year and ending on the 15th February in the following year.

Distributions

The annual income allocation date for the Trust is 15th October in each year. In addition, an allocation of income will be made in respect of the interim accounting period of the Trust on 15th April in each year.

The income distributed per Unit on any date is the total amount earned by the Trust during the accounting period in question, less the amount of any tax or expenses paid or payable by the Trust, divided by the number of Units

in issue at the end of the accounting period. No attempt is made to smooth the level of income over successive distribution dates.

Payments will be made by bank automated credit system. Cheques will not be sent for new investors who invest after 1st January 2018. Where new investor's bank details are not known or are inaccurate, accumulation Units or shares will be purchased, where available, otherwise any income from income Units or shares will be reinvested.

Unclaimed distributions will be moved from the distribution account into the Unclaimed Distributions Account six months after the distribution is paid. After six years from the payment date the unclaimed distribution will be forfeit and will be transferred back into the fund.

Equalisation

Income equalisation is no longer operated in respect of the Trust.

Unitholder Reporting

Long Reports based upon the accounting reference date for the Trust are available from 15th December in each year. In addition, as an allocation of income will be made in respect of the interim accounting period of the Trust. Long Reports are also available on 15th April in each year. Copies of these reports can be viewed on our website at www.ifslfunds.com or obtained from the Manager at Marlborough House, 59 Chorley New Road, Bolton BL1 4QP.

Characteristics of Units in the Trust

The Trust Deed of the Trust provides for both income Units and accumulation Units, however, the Trust issues only income Units at present. The holders of income Units are entitled to participate in the property of the Trust and the income thereof *pari passu* with the other Unitholders. In the case of income Units, each Unit represents one undivided share in the property of a Trust and entitles Unitholders to receive distributions of income as soon as practicable after the relevant accounting date and in any event on or before the relevant distribution date. The income of the Trust is distributed to the holders of the income Units in accordance with the provisions of the Trust Deed.

Title to the Units of the Trust will be determined by entries on a Register of Unitholders. No certificates will be issued and entry on the Register of Unitholders will constitute evidence of title.

The nature of the right of the Unitholders represented by the Units is that of a beneficial interest under a trust.

Further details of the Units of the Trust presently available, including details of their criteria for subscription and fee structure, are set out in Appendix 6.

The Trust currently offers 'A' Class Units and 'TU' Class Units. Entry to the TU Class Units is restricted to trade unions, trusts and charities who require additional services offered by TU Financial Management Services Limited.

A Class Units	Income
TU Class Units	Income

Further classes of Units may be established from time to time by the Manager in accordance with the Trust Deed and the applicable regulations. On the introduction of a new Unit class, a revised prospectus will be prepared setting out the details.

Meetings of Unitholders and rights to vote

Unitholders will receive at least 14 days' written notice of any meeting of Unitholders and are entitled to be counted in the quorum and vote at any such meeting either in person or by proxy or in the case of a body corporate by a duly authorised representative. The quorum for a meeting is two Unitholders, present in person or by proxy. If after a reasonable time from the time set for an adjourned meeting there is not two Unitholders present in person or by proxy, the quorum for an adjourned meeting shall be one Unitholder entitled to be counted in a quorum present. At any meeting of Unitholders, an extraordinary resolution put to the vote will be decided on a show of hands unless a poll is demanded by the Chairperson, by the Trustee or by at least two Unitholders. 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, shall have one vote. On a poll, every Unitholder who is present in person or by proxy shall have one vote for every complete undivided share in the property of the relevant Trust and a further part of one vote proportionate to any fraction of such an undivided share. 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.

In the case of joint Unitholders, the vote of the most senior who votes, whether in person or by proxy must be accepted to the exclusion of the votes of other joint Unitholders. For this purpose seniority must be determined by the order in which the names stand in the Register of Unitholders.

To be passed an extraordinary resolution must be carried by a majority of not less than 75 per cent of the votes cast at a meeting.

The Manager is only entitled to be counted in a quorum and vote at a meeting (and any adjournment thereof) in respect of Units which they hold on or on behalf of or jointly with a person who, if themselves the sole registered Unitholder would be entitled to vote and from whom they have received voting instructions.

“Unitholders” in this context means the persons who were entered on the Register of holders at a time to be determined by the Manager and stated in the notice of meeting which is a reasonable time before the notice of the relevant meeting is sent out.

Where an extraordinary resolution is required to conduct business at a meeting of Unitholders and every Unitholder is prohibited under COLL 4.4.8R(4) from voting, with the written agreement of the Trustee to the process, instead be passed with the written consent of Unitholders representing 75 per cent of the Units in issue.

Contracts and other relationships with parties

Directors

Appendix 1 contains details of the directors and their main business activities.

Investment Manager

Appendix 2 contains the main terms of the arrangement between the Manager and the Investment Manager.

The Trustee

The Trustee is paid a monthly fee plus VAT in remuneration for services from the property of the Trust. The Trustee fee is calculated, accrued and payable on the same basis as the Manager’s annual management charge. The Trustee fee is calculated on a sliding scale plus VAT per annum of the total value of the Fund.

- 0.020% per annum of the first £200 million of the Scheme Property;
- 0.015% per annum of the next £300 million of the Scheme Property;
- 0.0075% per annum of the next £500 million of the Scheme Property;
- 0.0060% per annum of the next £1 billion of the Scheme Property;
- 0.0050% per annum of the balance over £2 billion

In addition to the above fee, the Trustee levies transaction charges and custody charges of such amounts as may be agreed by the Manager and the Trustee. Transaction charges vary from country to country. Details of the ranges of charges based on geographic area are given below. Custody charges vary according to geographic location and market value of the holdings.

The current range of rates for the custody and transaction charges of the most commonly used countries are as shown below:

Ranges of Charges

Item	Range

Transaction Charges	£3.50 to £22
Custody Charges	0.0025% to 0.07%

The custody and transaction charges are currently exempt from value added tax.

The maximum charge for a transaction charge is £78 per transaction plus VAT (if applicable). The maximum charge for the custody charge is 0.5% of the value of the Asset per annum plus VAT where applicable. The currencies and transaction and custody charges are currently exempt from VAT.

Expenses

The Trustee is entitled to be reimbursed out of the property of the Trust for expenses properly incurred in performing duties imposed on it or exercising powers conferred upon it, by the Regulations together with any VAT payable. The relevant duties may include without limitations:

- (i) delivery of stock to the Trustee or custodian;
- (ii) custody of assets;
- (iii) collection of income;
- (iv) submission of tax returns;
- (v) handling of tax claims;
- (vi) preparation of Trustee's annual report;
- (vii) such other duties as the Trustee is required by law to perform;

In addition the Trustee may be paid the following expenses or disbursements (plus VAT).

- (i) all expenses of registration of assets in the name of the Trustee or its nominees or agents, of acquiring, holding, realising or otherwise dealing with any asset; of custody of documents; of insurance of documents and of collecting income or capital; of opening bank accounts, effecting currency transactions and transmitting money; relating to borrowings or other permitted transactions; of obtaining advice, including legal, accountancy or other advice, of conducting legal proceedings, of communicating with holders, the Manager, the Registrar or other persons in respect of the Trust, relating to any enquiry by the Trustee into the conduct of the Manager and any report to holders; or otherwise relating to the performance by the Trustee of its duties or the exercise by the Trustee of its powers; and

- (ii) all charges of nominees or agents in connection with any of the matters referred to at (i) above;

and

- (iii) any other costs, disbursements or expenses accepted under the laws of England and Wales from time to time as being properly chargeable by Trustees. If any person, at the request of the Trustee in accordance with the Regulations, provides services including but not limited to those of a custodian of property of the Trust, the expenses and disbursements hereby authorised to be paid to the Trustee out of the property of the Trust shall extend to the remuneration of such persons as approved by the Trustee and the Manager.

In addition, all expenses permitted by the Regulations and by the Trust Deed to be paid out of the property of the Trust may be so paid. At present these comprise in relation to the Trust:

- (i) broker's commission (where permitted under the FCA Handbook), fiscal charges, and other disbursements which are: (a) necessary to be incurred in effecting transactions for the Trust, and (b) normally shown in contract notes, confirmation notes and difference accounts as appropriate, and
- (ii) interest on borrowings permitted under the Trust Deed and all charges incurred in negotiating, entering into, varying, carrying into effect with or without variation, maintaining and terminating the borrowing arrangements, and
- (iii) taxation and duties payable in respect of the property of the Trust, the Trust Deed, the issue of Units, any Stamp Duty Reserve Tax payable in connection with the redemption of Units, and
- (iv) any costs incurred in modifying the Trust Deed constituting the Trust, including costs incurred in respect

of meetings of Unitholders convened for the purpose, where the modification is:-

- (a) necessary to implement, or necessary as a direct consequence of, any change in the law (including changes in the Regulations); or
 - (b) expedient having regard to any fiscal enactment and which the Manager and the Trustee agree is in the interest of Unitholders; or
 - (c) to remove from the Trust Deed constituting the Trust obsolete provisions, and
- (v) any costs incurred in respect of meetings of Unitholders convened on a requisition by Unitholders not including the Manager or an associate of the Manager, and
- (vi) the expenses of the Trustee in convening a meeting of Unitholders convened by the Trustee alone.

The following expenses will also be accrued and paid out of the property of the Trust as follows:-

- (i) the audit fees of the auditor and VAT thereon and any expenses of the auditor , and
- (ii) the fees of the Financial Conduct Authority or the corresponding fees of any regulatory authority in a country or territory outside the United Kingdom in which Units in the Trust are, or may be, marketed.

Valuation and Pricing of Trust Property

The property of the Trust will be valued for the purpose of determining prices at which Units may be purchased from or redeemed by the Manager on every business day (being a day on which the London Stock Exchange is open for trading, excluding the last business day before the 25th December) at 12.00 noon. The Manager may complete additional valuations from time to time in order to assist it in the performance of its duties.

If market conditions dictate, the Trust may be specially valued.

Valuation of the property of the Trust is carried out in accordance with the explanation included in Appendix 4. If, in the opinion of the Manager, the prices obtained are unreliable or no recent price exists or does not reflect the Manager's best estimate of the value of the Units, the Manager may substitute a value which, in the Manager's opinion is fair and reasonable.

Units are single-priced, which means that, subject to any initial charge or redemption charge, the price of a Unit for both buying and selling purposes will be the same and determined by reference to a particular valuation point. Each Unit represents a proportional share of the overall property attributable to the Trust. Therefore, the value of a Unit is calculated in broad outline, by calculating the net value of property attributable to the Trust, and dividing that value (or that part of that value attributed to Units of the class in question) by the number of Units (of the class in question) in issue.

The most recent prices in respect of Units of the Trust are published daily on www.ifslfunds.com, on www.fundlistings.com and are also available by telephone from the Manager on 0808 178 9321.

Dilution Adjustment

What is 'dilution'? Where the Trust buys or sells underlying investments in response to a request for the issue or redemption of Units, it will generally incur a cost (diluting the value of the Trust), made up of dealing costs and any spread between the bid and offer prices of the investments concerned, which is not reflected in the purchase or redemption price paid by or to the Unitholder and which is referred to as "dilution".

To mitigate the effect of dilution on the Trust as explained above, the Manager will recover the costs of dilution from investors on the issue or redemption of Units in the Trust. Instead of making a separate charge to investors when Units in the Trust are bought and sold, COLL permits the Manager to move the price at which Units are bought or sold on any given day. The single price can be swung higher or lower at the discretion of the Manager on the sale or redemption of Units in the Trust. This price movement from the mid-market price is known as the dilution adjustment. Any dilution adjustment applied is included in the price applied to the deal and is not disclosed separately.

The dilution adjustment for the Trust will be calculated by reference to the estimated costs of dealing in the underlying investments of the Trust, including any dealing spreads, commission and transfer taxes. The need to apply the dilution adjustment will depend on the volume of sales (Units issued) or redemptions.

What is the Manager's policy regarding dilution adjustment? Where applied, the amount of any swing is based on the estimated costs of dealing in the underlying investments of the Trust, including any dealing spreads, taxes or broker commissions (for example). In particular, the Manager may swing the price (make a dilution adjustment) in the following circumstances:

- in the case of a "large deal" relative to the Trust's size, where the potential cost to the Trust justifies the application of an adjustment;
- if the net effect of Units issues and redemptions during the period between two valuation points represents a potential impact on ongoing Unitholders;
- where the Trust is in decline (i.e. is experiencing a net outflow of investment);
- where there are inflows into the Trust (i.e. is experiencing a net inflow of investment);
- in any other case where the Manager believes that adjusting the Unit price is required to safeguard the interests of Unitholders.

As the requirement to swing the price is directly related to the net issue and sale of Units in the Trust, it is not possible to accurately predict when or how often dilution will occur in the future, however the Manager anticipates this to be infrequent.

How will it affect Unitholders? On the occasions that the dilution adjustment is not applied there may be an adverse impact on the total assets of the Trust which may otherwise constrain the future growth of the Trust. The Manager's dilution policy was introduced on 1st April 2019, therefore historic information on dilution adjustments made to Unit prices is not currently available and as a result the Manager is unable to accurately predict the likelihood of a dilution adjustment being applied, however the Manager anticipates this to be infrequent. Any dilution adjustment will be applied consistently and, in the usual course of business, automatically.

The Manager estimates dilution adjustments applicable to the redemption and purchase of Units will be - 0.0886% and 0.3218% respectively, based on the assets held in the Trust and the market conditions at the 30th April 2024.

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

The Manager will review the dilution adjustment on a quarterly basis, however it may at its discretion re-evaluate the adjustment in the event of significant market movement. The Manager may alter its current dilution adjustment policy by giving Unitholders notice and amending the prospectus at least 60 days before the change to the dilution policy is to take effect.

Dealing Rules

The Trust is single priced.

The Issue and Redemption of Units in the Trust

The Manager will normally be available from 9.00 a.m. to 5.00 p.m. from Monday to Friday excluding UK public and bank holidays or any day on which the London Stock Exchange is not open and excluding the last trading day before the 25th December or any day on which the Manager has notified the Trustee that it is not open for normal business or otherwise agreed between the Manager and the Trustee. The Manager's basis of dealing is currently a forward price basis for all transactions.

Applications may be made by completing an application form and delivering it to the Manager at Marlborough House, 59 Chorley New Road, Bolton BL1 4QP. The Manager may also, at its sole discretion, accept instructions by facsimile on such terms as it may specify. Applications may be faxed to the Manager on 01204 533045 or submitted through approved agents. The Manager may also, at its sole discretion, accept instructions by telephone on 0808 164 5458, or by email to dealing@ifslfunds.com, on such terms as it may specify. Application forms are available from the Manager.

Redemption instructions may be given by delivery to the Manager of written instructions for redemption by letter

to Marlborough House, 59 Chorley New Road, Bolton BL1 4QP or by fax to 01204 533045. Redemption instructions sent by fax must be followed up with the original signed instructions before any proceeds can be remitted. Redemption instructions may be given by telephone on 0808 164 5458, or by email to dealing@ifslfunds.com. Redemption instructions given by telephone must be confirmed in writing to the Manager prior to redemption proceeds being remitted. Redemption instructions are irrevocable.

The purchase/sale of Units will be transacted at a price calculated at the next valuation point, either on the same day or the next business day following receipt of the instruction. This is known as forward pricing. Notwithstanding this, the Manager is not bound to accept any application for the issue of Units unless it is accompanied by payment in full and by such evidence as the Manager may be required by applicable laws, rules and regulations to seek for the avoidance of money laundering. In the case of Regular Savings Plan issues and redemptions, all instructions must be given in writing; no contract notes will be issued. For lump sum purchases a contract note in respect of the issue of Units will be sent to the purchaser. Certificates will not be issued. Settlement for purchases will be due 4 business days from the date of the transaction. Payments due in respect of redemptions will be made, in accordance with the Regulations, not later than the close of business on the fourth business day following the later of the following times:-

- (i) the next valuation point occurring after the receipt by the Manager of the request to redeem the Units, or
- (ii) the time when the Manager has such duly executed instruments and authorisations as will transfer or enable the Manager to arrange for the transfer of title to the Units.

Unitholders may produce evidence of title to their Units by producing the contract notes issued to them by the Manager in respect of the issue of their Units. The Register of Unitholders maintained by the Registrar at Marlborough House, 59 Chorley New Road, Bolton BL1 4QP will be evidence of title.

The minimum investment by any one person in the Trust is £1,000. Further investment must be for a minimum of £500 unless made through the Regular Savings Plan where the minimum investment is £50 per month.

The Manager will ensure that the beneficial interest in the assets is transferred to the Trust with effect from the issue of the Units.

The Manager will not issue Units in the Trust in exchange for assets the holding of which would be inconsistent with the investment objective of that Trust.

We are unable to effect a change of title to Units on the authority of an electronic communication.

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

In specie redemptions

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

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

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

The Manager will select the property to be transferred (or sold) in consultation with the Trust's Trustee. The Manager must ensure that the property selection is made with a view to achieving no greater advantage or disadvantage to the redeeming Unitholder than to continuing Unitholders.

Suspension of dealings

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

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

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

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

Deferred redemption

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

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

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

Restrictions and Compulsory Transfer and Redemption

The Manager may from time to time impose such restrictions as it may think necessary for the purpose of ensuring that no Units are acquired or held by any person 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. In this connection, the Manager may, inter alia, reject in its discretion any application for the purchase, redemption or switching of Units.

The distribution of this Prospectus and the offering of Units in or to persons resident in or nationals of or citizens of jurisdictions outside the UK or who are nominees of, custodians or trustees for, citizens or nationals of other countries may be affected by the laws of the relevant jurisdictions. Such Unitholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of any Unitholder to satisfy themselves as to the full observance of the laws and regulatory requirements of the relevant jurisdiction, including obtaining any governmental, exchange control or other consents which may be required, or compliance with other necessary formalities needing to be observed and payment of any issue, transfer or other taxes or duties due in such jurisdiction. Any such Unitholder will be responsible for any such issue, transfer or other taxes or payments by whomsoever payable and the Trust (and any person acting on behalf of it) shall be fully indemnified and held harmless by such Unitholder for any such issue, transfer or other taxes or duties as the Trust (and any person acting on behalf of it) may be required to pay.

If it comes to the notice of the Manager that any Units ("affected Units") are owned directly or beneficially in breach of any law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory, which would (or would if other Units were acquired or held in like circumstances) result in the Trust incurring any liability to taxation which the Trust would not be able to recoup itself or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulations of any country or territory) or by virtue of which the Unitholder or Unitholders in question is/are not qualified to hold such Units or if it reasonably believes this to

be the case, the Manager may give notice to the Unitholder(s) of the affected Units requiring the transfer of such Units to a person who is qualified or entitled to own them or that a request in writing be given for the redemption of such Units. If any Unitholder upon whom such a notice is served does not within thirty days after the date of such notice transfer their affected Units to a person qualified to own them or submit a written request for their redemption to the Manager or establish to the satisfaction of the Manager (whose judgement is final and binding) that they or the beneficial owner is qualified and entitled to own the affected Units, they shall be deemed upon the expiration of that thirty day period to have given a request in writing for the redemption or cancellation (at the discretion of the Manager) of all the affected Units pursuant to the Regulations.

A Unitholder who becomes aware that they are holding or owns affected Units shall forthwith, unless they has already received a notice as aforesaid, either transfer all their affected Units to a person qualified to own them or submit a request in writing to the Manager for the redemption of all their affected Units.

Where a request in writing is given or deemed to be given for the redemption of affected Units, such redemption will be effected in the same manner as provided for under the Regulations, if effected at all.

The Manager is under no obligation to account to the Trustee or to the Unitholders for any profit made on the issue of Units or on re-issue or cancellation of Units which have been redeemed.

Where the Manager deals as principal in the Units in the Trust, any profits or losses arising from such transactions shall accrue to the Manager and not to the Trust.

Subject to and in accordance with the Regulations, the issue or cancellation of Units may take place through the Trustee directly.

Where the Manager decides to close a class of Unit in any of the Funds, the Manager may mandatorily redeem a Unitholder's investment. The Manager will provide Unitholders with no less than 30 days' notice prior to the redemption.

Management Charges

Initial Charge

On the issue of Units, an addition in respect of a preliminary service charge of such amount as may from time to time be fixed by the Manager, will be made and paid to the Manager. As at the date of this Prospectus, the current preliminary service charge is 0% for the Trust. The initial charge is deducted from the investment proceeds at the outset and is calculated as a percentage of the price of a Unit.

Annual Management Charge

The Manager will be remunerated out of the property of the Trust by an annual management charge of such amount as shall from time to time be fixed by it.

The current annual charge in respect of the Unit classes available is set out in Appendix 6.

The annual management charge shall accrue monthly and be debited to the property of the Trust at monthly intervals, and will be reflected in the value of Units on a daily basis. The charge is calculated on the mid-value of the Trusts' property on the last working day of the month prior to the accrual period, and is paid to the Manager monthly in arrears.

Registration charge

The Manager is entitled to a charge to be taken out of the property of the Trust for the maintenance of the Register. The registration fee is currently £10 per annum per Unitholder on the main Register, plus £10 per annum per Unitholder on the sub-registers held in respect of those investing through regular savings or via an ISA.

General Information

Copies of the Trust Deed constituting the Trust together with all amending instruments may be inspected, and photocopies obtained, at Marlborough House, 59 Chorley New Road, Bolton BL1 4QP. A charge of £5 will be made per Trust Deed copied.

Copies of the Annual and half-yearly Long Form Reports for the Trust may be inspected, and copies obtained, at Marlborough House, 59 Chorley New Road, Bolton BL1 4QP.

Any notice or document of change will be served to Unitholders in writing.

Changes to the Trust

Where any changes are proposed to be made to the Trust the Manager will assess whether the change is fundamental, significant or notifiable in accordance with COLL 4.3. If the change is regarded as fundamental, Unitholder approval will be required. If the change is regarded as significant, not less than 60 days' prior written notice will be given to Unitholders. If the change is regarded as notifiable, Unitholders will receive suitable notice of the change.

Foreign Account Tax Compliance Act

The Foreign Account Tax Compliance Act (FATCA) was passed into US law in 2010 as part of the Hiring Incentives to Restore Employment Act. The aim of FATCA, which is to counter tax evasion by US citizens, is achieved by the imposition of a 30% withholding tax on US-sourced income and proceeds from the sale of assets received by non-compliant financial institutions. As a qualifying financial institution, the Manager must therefore comply with FATCA to avoid this withholding tax.

To be compliant with FATCA the Manager must provide information about certain US persons' unitholdings. To facilitate a UK financial institution's compliance obligations the UK has signed an intergovernmental agreement (IGA) with the US. Under the IGA and its accompanying UK law, the information submitted to the Manager by Unitholders may be passed on to HM Revenue & Customs and this information will, in turn, be shared by HM Revenue & Customs with the US Internal Revenue Service.

A failure to provide the information required by the Manager may result in the Manager taking appropriate action against the Unitholder including invoking the 'Restrictions and Compulsory Transfer and Redemption' provisions set out on page 14.

FATCA is a complex area of tax law and investors should consult their professional advisers on the implications it may have for them.

UK International Tax Compliance Agreements (ITC)

In addition to the agreement signed by the UK with the US to implement the Foreign Account Tax Compliance Act (FATCA) the UK has now signed additional agreements (IGAs) with a number of other jurisdictions. Details of the jurisdictions and agreements can be found at www.hmrc.gov.uk/fatca/index.htm.

These additional IGAs, as transposed into UK law, require the Manager to report to HMRC the details of relevant taxpayers holding assets with the Manager so the UK can exchange this information with the relevant jurisdictions on an automatic basis. The IGAs became effective on, or after, 1 July 2014, and requires the Manager to obtain mandatory evidence as to whether the tax residency(s) of any individual, or in the case of non-individuals what their ITC classification is. The Manager is also required to identify any existing Unitholder as a relevant taxpayer or in the case of non-individuals what their ITC classification is, within the meaning of the IGAs based on the records the Manager holds.

Under UK law implementing the IGAs the Manager is required to disclose such information as may be required under the IGAs to HMRC on any Unitholder who is considered to have become a relevant taxpayer, within the meaning of the IGA. Investors should consult their own tax advisers regarding any potential obligations that the IGAs may impose on them.

These statements are based on UK law and HMRC practice as known at the date of this document. Unitholders are recommended to consult their professional advisers if they are in any doubt about their tax position.

Money Laundering

The Money Laundering Regulations 2007, The Proceeds of Crime Act 2003, The FCA Senior Management Arrangements Systems & Controls Sourcebook and Joint Money Laundering Group Steering Committee guidance notes (which are updated from time to time) state that we must check an investor's identity and the

source of the money invested. The checks may include an electronic search of information held about you on the electoral roll, and using credit reference agencies, which may keep a record of this information although this is only to verify your identity and will not affect your credit rating.

Data Protection

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

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

Purpose	Type of data	Basis for processing
Providing investment and administration services to you	Identity, contact and financial data	Performance of a contract with you
Carrying out identity checks, anti-money laundering checks and checks with fraud prevention agencies	Identity, contact and financial data	Necessary to comply with a legal obligation
Statistical analysis to understand how you use the Manager's services	Identity, contact, financial, transaction, technical, usage and marketing and communications data	Necessary for the Manager's legitimate interests (to improve its services and develop its business)
To inform you about updates to the service and to notify you about other products and services offered by the Manager that may be of relevance to you.	Identity, contact, usage and marketing and communications data	Necessary for the Manager's legitimate interests (to market its services and develop its business) or, if the Manager cannot rely on legitimate interest for direct electronic marketing, where you have given us your consent to receive such marketing.
To ask you to participate in surveys for market research purposes, and to analyse those surveys and research to benchmark our services.	Identity, contact and marketing and communications data	Necessary for our legitimate interests (to improve our services and develop our business)

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

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

Your personal data may be processed outside the United Kingdom where it is necessary in order to provide the services to you. In each instance, the Manager will ensure that the transfer is in compliance with the

requirements of applicable data protection law (such as the transfer being to a country approved as providing adequate protection; there being appropriate safeguards in place; or one of the derogations for specific situations applying to the transfer).

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

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

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

Governing Law

The Trust, the Trust Deed, this Prospectus and any matters arising out of or in connection with a Unitholder's investment in the Trust and the establishment, management and administration of the Trust shall be governed by and construed in accordance with the laws of England and Wales. The rights of the Unitholders and the construction and effect of the provisions of the Trust Deed and this Prospectus shall be subject to the exclusive jurisdiction of the courts of England and Wales.

Fair Treatment of Investors

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

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

Risk Factors

The following risk factors should be considered before making your investment decision:

General risk factors

- 1) Past performance is not necessarily a guide to future performance. Investments and the income derived from them can fall as well as rise and you may not get back the amount originally invested. This may be due, for example, to market movement or variations in the exchange rates between currencies.
- 2) There is no certainty that a Fund's investment objective will be achieved.
- 3) If you have any doubts about the suitability of an investment, please contact your authorised financial adviser. Please note Investment Fund Services Limited does not provide investment advice.
- 4) The Fund will be exposed to stock markets and market conditions can change rapidly. Prices can move irrationally and be affected unpredictably by diverse factors, including political and economic events.

- 5) Where a Fund pays out income, the level of income payments may not be constant and may fluctuate.
- 6) For Funds where the annual management charge is to be taken from the income generated by the Fund and there is insufficient income within the Fund to meet that charge, the balance will be deducted from the Fund's capital and to that extent may erode or constrain capital growth.
- 7) For Funds where the annual management charge is to be taken from capital rather than income, either fully or partially, the future growth of these Funds may be constrained, or capital eroded, as a result.
- 8) Where Funds are subject to an initial charge, the charge is deducted from an investment at the outset and an equivalent rise in the value of the Units is required before the original investment can be recovered. The Fund should therefore be viewed as a long-term investment.
- 9) Funds typically have exposure to overseas markets, either directly or indirectly, and are therefore exposed to currency risk. As a result, the value of your investment can be affected by changes in exchange rates.
- 10) Inflation will affect the real value of your savings and investments, which may reduce the buying power of the money you have saved and your investments. i.e. £1 in the future may not be equivalent to £1 today.
- 11) The Fund's investments, be they held directly or indirectly, may be subject to liquidity constraints, which means that the investments may trade infrequently and in small volumes, or that a particular instrument is difficult to buy or sell. Investments which are normally liquid may also be subject to periods of disruption in difficult market conditions. As a result, changes in the value of investments may be unpredictable and, in certain circumstances, it may be difficult to sell an investment at the last market price quoted or at a value considered by the Investment Manager to be fair. This may lead to liquidity constraints on the Fund affected.
- 12) Where assets are held in custody, there may be a risk of loss resulting from the insolvency, negligence or fraudulent action of the custodian or sub-custodian.
- 13) A Fund will be exposed to a credit risk on parties with whom it trades and will also bear the risk of settlement default. The Fund may enter into transactions in over-the-counter markets which will expose them to the credit of its counterparties and their abilities to satisfy the terms of such contracts.
- 14) Where Funds have a relatively small number of holdings, this can make them more volatile than funds with greater diversification.
- 15) ISA Investments - The favourable tax treatment of ISAs may not be maintained indefinitely. If you are unsure of your tax position you should consult a tax adviser.
- 16) The summary of the UK tax treatment in section "Taxation" is based on current law and practice, as at the date of the prospectus, which is subject to change. It does not consider individual circumstances which may affect the UK tax treatment. In particular, the levels of relief from taxation may depend upon individual circumstances. Tax advantages associated with fund structures may be changed by future legislation as may those associated with the underlying investments and their domicile.
- 17) The Fund may incur Leverage, through borrowing cash up to 10% of the value of the Fund Property, in which case a Fund's exposure may be increased by reinvesting such cash borrowings. If the interest costs associated with the borrowings are greater than any investment income and gains earned on investments made through the use of borrowing, the value of the Units in a Fund may decline more rapidly than would otherwise be the case.
- 18) The Fund may be subject to Leverage, through investment in derivatives, which may increase risk. Leverage means that the return or loss on an investment is subject to a multiplier increasing exposure to that investment and magnifying the volatility and risk of loss should the value of that investment decline. The use of Leverage creates special risks and may significantly increase a Fund's investment risk. Leverage may create an opportunity for greater yield and total return but, at

the same time, will increase the exposure of a Fund to capital risk. The Fund may be subject to Leverage through the use of derivatives for hedging or for investment purposes. The Leverage limits are disclosed in the “Investment and Borrowing Powers” section.

- 19) The value of Funds may be affected by uncertainties such as international political developments, civil conflicts and war, changes in government policies, restrictions on foreign investment and other developments in the laws and regulations of countries in which investments may be made.
- 20) The operations of Funds can be subject to human error, faulty processes or governance, or technological failures. Operational risks may subject a Fund to errors affecting valuation, pricing, accounting, tax reporting, financial reporting, custody and trading, among other things. Operational risks may go undetected for long periods of time, and even if they are detected it may prove impractical to recover prompt or adequate compensation from those responsible.
- 21) Funds may be subject to management risk as they are actively managed investment funds. When managing a Fund and applying investment techniques and risk analyses, the Investment Manager's assessment of market or economic trends, their choice or design of any software models they use, their allocation of assets, or other decisions regarding how the Fund's assets will be invested cannot be guaranteed to ensure positive returns on investments.
- 22) In extreme market conditions redemptions in the Fund may be deferred or suspended, where Funds invest in other collective investment schemes, such as other funds and investment trusts, redemptions in these underlying funds may also be deferred or suspended, which may affect the liquidity of the Funds.
- 23) Cyber security risks may result in:
 - financial losses to the Fund and the Unitholders;
 - the inability of a Fund to transact business with its Unitholders;
 - delays or mistakes in the calculation of the prices or to other materials provided to Unitholders;
 - the inability to process transactions with Unitholders or the parties;
 - violations of privacy and other laws;
 - regulatory fines, penalties and reputational damage; and
 - compliance and remediation costs, legal fees and other expenses. The Fund's service providers (including but not limited to the Manager and the Trustee and their agents), financial intermediaries, companies in which the Fund invest and parties with which the Fund engages in portfolio or other transactions also may be adversely impacted by cyber security risks in their own business, which could result in losses to the Fund or the Unitholders.

While measures have been developed which are designed to reduce the risks associated with cyber security, there is no guarantee that those measures will be effective, particularly since the Fund does not directly control the cyber security defences or plans of its service providers, financial intermediaries and companies in which the Fund invest or with which it does business.

- 24) Where cancellation rights are applicable, if you choose to exercise your cancellation rights and the value of your investment falls before notice of cancellation is received by us in writing, a full refund of the original investment will not be provided but rather the original amount less the fall in value.
- 25) The Manager does not permit the Fund to be used for the purposes of “market timing”. For this purpose, market timing is defined as a trading strategy with the intention of taking advantage of short term changes in market prices. The Manager will undertake monitoring activities to ensure that market timing does not take place in relation to the Fund.
- 26) The Manager, the Investment Manager, and other partners may deal in assets which they have, directly or indirectly, an interest which may involve a potential conflict with the Manager's duty. The Manager and the Investment Manager(s) will ensure that such deals are completed on terms which are not less favourable to the Fund than if the potential conflict had not existed. Such potential conflicts or duties may arise because the Manager or the Investment Manager(s) may have invested directly or indirectly in the Fund.

Fund specific risk factors

IFSL Trade Union Unit Trust

- (a) Whilst shares investments carry potential for attractive returns over the longer term, the volatility of these returns can also be relatively high.
- (b) The Funds may be exposed to smaller companies which are typically riskier than larger, more established companies. Difficulty in trading may arise, resulting in a negative impact on your investment. Shares in smaller companies may be harder to sell at a desired price and/or in a timely manner, especially in difficult market conditions.
- (c) The Funds may invest in other collective investment schemes and as such a Fund will bear its portion of the expenses of the other collective investment scheme, including management, performance and/or other fees. These fees will be in addition to the management fees and other expenses which a Fund bears directly with its own operations.
- (d) Where a Fund invests in other collective investment schemes, these underlying funds may suspend the issue, cancellation, sale, redemption and exchange of units/shares in those funds. This would prevent these underlying funds being sold during the period of the suspension and may have liquidity implications for the Fund.
- (e) Subject to COLL, the Funds may invest in unregulated collective investment schemes (including hedge funds). Investment in unregulated collective investment schemes carries additional risks as these Funds may not be under the regulation of a competent regulatory authority, may use leverage and may carry increased liquidity risk as units/shares in such Funds may not be readily realisable.
- (f) The Funds may have exposure to commodity investments. Investors should bear in mind that commodity prices react, among other things, to economic factors such as changing supply and demand relationships, weather conditions and other natural events, the agricultural, trade, fiscal, monetary and other policies of governments and other unforeseeable events.

Complaints

If you have a complaint concerning your investment you should write in the first instance to the Manager's Compliance Officer at Marlborough House, 59 Chorley New Road, Bolton BL1 4QP as soon as possible, setting out your grounds for the complaint. A written complaints procedure is available on request. If we are unable to resolve your complaint to your satisfaction, you may also complain directly to the Financial Ombudsman Service at The Financial Ombudsman Service, Exchange Tower, London E14 9SR. More details about the Financial Ombudsman Service are available from the Manager.

Compensation

If you make a valid claim against us and we are unable to meet our liabilities to you, you may be entitled to compensation under the Financial Services Compensation Scheme. A summary of your rights under the Financial Services Compensation Scheme can be obtained from the Manager at Marlborough House, 59 Chorley New Road, Bolton BL1 4QP. Alternatively, you can visit the scheme's website at www.fscs.org.uk, or by writing to Financial Services Compensation Scheme, PO Box 300, Mitcheldean, GL17 1DY.

Taxation

The following summary is intended to offer some guidance on the United Kingdom ("UK") taxation of the Trust and its Unitholders, but should not be regarded as definitive, nor as a substitute for taking separate professional advice. If investors are in any doubt as to their tax position, they should consult a professional adviser.

Income Received by the Trust

Dividends received by a Trust from a UK company and any part of dividend distributions from UK open-ended investment companies and authorised unit trusts constitute franked investment income and are not liable to corporation tax. Other sources of income, for example bank deposit interest or dividends received by the Trust from overseas companies, are liable to corporation tax at the rate of 20% but after deducting allowable management expenses and the gross amount of any interest distributions.

The Trustee will be deemed to make distributions in respect of income available for payment to Unitholders whether or not it in fact does so. Each distribution may comprise:

- (i) a “dividend” distribution or
- (ii) an “interest” distribution.

A trust cannot distribute/accumulate both an interest and a dividend payment for the same distribution period. The Trust will make dividend distributions except where over 60% of the Trust’s property has been invested throughout the distribution period in interest paying and related investments in which case it will make interest distributions.

Dividend Distributions by the Trust

Under current UK taxation legislation, no withholding tax will be deducted from dividend distributions paid, or accumulated, by a Trust.

The Fund will make dividend distributions without deduction of income tax. The first £500 dividend income including of dividend distributions received by individual investors in any tax year is covered by the dividend allowance and is exempt from UK income tax. Amounts received in excess of this should be reported on the individual investor’s UK Self-Assessment Tax Return and individual investors liable to income tax at the basic rate will have an additional liability to income tax equal to 8.75% of the dividends to the extent that such sum, when treated as the top slice of the individual’s income, falls above the threshold for basic rate tax. Higher rate taxpayers will have a further liability to income tax equal to 33.75% of the dividends to the extent that such sum, when treated as the top slice of the individual’s income, falls above the threshold for higher rate tax. Additional rate taxpayers will have a further liability to income tax equal to 39.35% of the dividends to the extent that such sum, when treated as the top slice of the individual’s income, falls above the threshold for the additional rate of tax.

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

In broad terms, the portion treated as being ‘franked’ will be such proportion of the Fund’s total income (brought into account when determining the distribution for the period in question) which consists of dividend income received which is treated as exempt under Part 9A of CTA 2009. The ‘franked’ portion will be treated as exempt dividend income when received by a UK resident corporate Unitholder (unless the Unitholder is treated as a dealer in securities for tax purposes). The ‘unfranked’ portion will be treated as an annual payment from which income tax at a rate of 20% has been deducted. A UK resident corporate Unitholder will, therefore, be subject to corporate tax at the rate applicable to that corporate Unitholder but with credit for the income tax deducted. Such Unitholders may, therefore, be liable to further tax and any ability to claim repayment of the income tax credit will be limited to the corporate Unitholder’s share of the Fund’s liability to corporation tax for the distribution period in question.

Currently, distributions from the Trust are classified as dividend distributions.

The Trust is required to report details of interest paid to residents of the European Union and certain other jurisdictions to HM Revenue and Customs each year and also, on request, payments to UK residents.

Capital Gains

As an authorised unit trust, the Trust is not subject to UK taxation on capital gains arising on the disposal of investments within the Trust.

Capital gains made by individual Unitholders who are resident in the UK for tax purposes on the sale, disposal or as a result of any other chargeable event will be tax free if they fall within an individual’s annual capital gains exemption. For the tax year 2024/2025, the first £3,000 of an individual’s chargeable gains (that is after deduction of allowable losses) from all sources will, therefore, be exempt from capital gains tax. Subject to their personal circumstances, gains in excess of this amount are taxed at 10% for basic rate taxpayers and 20% for higher and additional rate taxpayers.

Capital gains made by Unitholders liable to UK corporation tax will be taxable at the corporation tax rate applicable to that corporate Unitholder after taking account the availability of any indexation relief. Authorised

investment funds are currently subject to a special rate of corporation tax of 20%.

APPENDIX 1

Further Information

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

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

Directors of the Manager

The directors of Investment Fund Services Limited are:

Andrew Staley

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

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

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

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

Sally Helston – Also a director of Marlborough Partnership Limited.

Katherine Damsell – Independent non-executive director and Chair of the IFSL Board.

Sarah Peaston – Independent non-executive director – Also an independent non-executive director of Marlborough Select Platform Limited.

APPENDIX 2

Main terms of the arrangements between the Manager and the Investment Manager

Marlborough Investment Management Limited is the Investment Manager to the Manager in relation to the Trust. The Investment Manager is authorised and regulated by the Financial Conduct Authority. Its principal activity is the provision of investment management services.

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

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

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

APPENDIX 3

Investment Objectives and Policies

IFSL Trade Union Unit Trust

Objective

The aim of the Fund is to provide capital growth, that is, to increase the value of an investment, over a minimum of 5 years, together with some income, which is money paid out of an investment such as dividends from shares.

The Fund aims to outperform the benchmark (60% FTSE All Share Index and 40% MSCI Europe ex UK Index) by 1% each year over any 3 year period, with income reinvested and after any charges have been taken out of the Fund. However, there is no certainty this will be achieved.

Policy

At least 80% of the Fund will be invested in the shares of companies listed on UK and European stock markets, with between 50-70% invested in the UK and 30-50% elsewhere in Europe.

The Fund is actively managed which means the Investment Manager decides which investments to buy or sell and when. Investment decisions are taken based on individual company research in addition to the Investment Manager's view on global economic and market conditions.

The Investment Manager uses the FTSE All Share and MSCI Europe ex UK indices as a reference point when constructing the portfolio and for risk management purposes.

From time to time the Fund may also hold other funds (which could include other funds managed by the Manager or the Investment Manager), which themselves invest in UK and European companies although this will not exceed 5%.

The Fund will typically hold a small cash balance (less than 5%) to enable the ready settlement of liabilities, for the efficient management of the Fund and in pursuit of the Fund's objectives although may occasionally exceed this figure. The Fund may also use money market funds for cash management purposes.

Performance target

The performance target is the level of performance the Fund aims to deliver.

The Manager believes the target is appropriate based on the investment policy of the Fund and the constituents of each index.

It is the Manager's current intention that the Trust should be available to investors through an ISA and the Trust is currently managed taking account of any criteria laid down to ensure appropriate qualification.

APPENDIX 4

Valuation and Pricing

The value of the property of the Fund shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions.

1. All the property of the Fund (including receivables) is to be included, subject to the following provisions.
2. Property which is not cash (or other assets dealt with in paragraph 3 below) shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:
 - (a) units or shares in a collective investment scheme:
 - (i) if a single price for buying and selling units or shares is quoted, at that price; or
 - (ii) if separate buying and selling prices are quoted, at the average of the two prices provided the buying price has been reduced by any initial charge included therein and the selling price has been increased by any exit or redemption charge attributable thereto; or
 - (iii) if, in the opinion of the 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) exchange-traded derivative contracts:
 - (i) if a single price for buying and selling the exchange-traded derivative contract is quoted, at that price; or
 - (ii) if separate buying and selling prices are quoted, at the average of the two prices;
 - (c) over-the-counter derivative contracts shall be valued in accordance with the method of valuation as shall have been agreed between the Manager and the Trustee;
 - (d) any other investment:
 - (i) if a single price for buying and selling the security is quoted, at that price; or
 - (ii) if separate buying and selling prices are quoted, at the average of the two prices; or
 - (iii) if, in the opinion of the 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
 - (e) property other than that described in (a), (b), (c) and (d) above: at a value which, in the opinion of the Manager, represents a fair and reasonable mid market price.
3. Cash and amounts held in current, deposit and margin accounts and in other time-related deposits shall be valued at their nominal values.
4. 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 and all consequential action required by the Regulations or the Trust Deed shall be assumed (unless the contrary has been shown) to have been taken.
5. Subject to paragraphs 6 and 7 below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the

Manager, their omission shall not materially affect the final net asset amount.

6. Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph 5.
7. All agreements are to be included under paragraph 5 which are, or ought reasonably to have been, known to the person valuing the property assuming that all other persons in the Manager's employment take all reasonable steps to inform it immediately of the making of any agreement.
8. Deduct an estimated amount for anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the property of the Fund; on realised capital gains in respect of previously completed and current accounting periods; and on income where liabilities have accrued) including (as applicable and without limitation) capital gains tax, income tax, corporation tax, value added tax, stamp duty and stamp duty reserve tax.
9. Deduct an estimated amount for any liabilities payable out of the property of the Fund and any tax thereon treating items as accruing from day to day.
10. Deduct the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings.
11. Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.
12. Add any other credits or amounts due to be paid into the property of the Fund.
13. Add a sum representing any interest or any income accrued due or deemed to have accrued but not received and any stamp duty reserve tax provision anticipated to be received.
14. Currencies or values in currencies other than the base currency shall be converted at the relevant valuation point at a rate of exchange that is not likely to result in any material prejudice to the interests of Unitholders or potential Unitholders.

APPENDIX 5

Investment and Borrowing Powers

1 General rules of investment

The Scheme Property of the Trust will be invested with the aim of achieving the investment objective of the Trust but subject to the limits set out in Chapter 5 of the COLL Sourcebook ("COLL 5") and this Prospectus. These limits apply to the Trust as summarised below.

1.1 Prudent spread of risk

The Manager must ensure that, taking account of the Investment Objectives and Policy of the Trust, the property of the Trust aims to provide a prudent spread of risk.

1.2 Cover

1.2.1 Where the COLL Sourcebook allows a transaction to be entered into or an investment to be retained only (for example, investment in nil and partly paid securities and the general power to accept or underwrite) if possible obligations arising out of the investment transactions or out of the retention would not cause any breach of any limits in COLL 5, it must be assumed that the maximum possible liability of the Trust under any other of those rules has also to be provided for.

1.2.2 Where a rule in the COLL Sourcebook permits an investment transaction to be entered into or an investment to be retained only if that investment transaction, or the retention, or other similar transactions, are covered:

1.2.2.1 it must be assumed that in applying any of those rules, the Trust must also simultaneously satisfy any other obligation relating to cover; and

1.2.2.2 no element of cover must be used more than once.

2 UCITS schemes – general

2.1 The property of the Trust must, except where otherwise provided in COLL 5, only consist of any or all of:

- a) transferable securities;
- b) approved money market instruments;
- c) units in collective investment schemes;
- d) permitted derivatives and forward transactions; and
- e) permitted deposits;

3 Transferable securities

3.1 A transferable security is an investment falling within article 76 (Shares etc), article 77 (instruments creating or acknowledging indebtedness), article 78 (government and public securities), article 79 (instruments giving entitlement to investments) and article 80 (certificates representing certain securities) of the Regulated Activities Order.

3.2 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.

3.3 In applying paragraph 3.2 above to an investment which is issued by a body corporate, and which is an investment falling within articles 76 (shares, etc) or 77 (instruments creating or acknowledging indebtedness) of the Regulated Activities Order, the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored.

- 3.4** 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.
- 3.5** The Trust may invest in a transferable security only to the extent that the transferable security fulfils the following criteria:
- 3.5.1** the potential loss which the Trust may incur with respect to holding the transferable security is limited to the amount paid for it;
- 3.5.2** its liquidity does not compromise the ability of the Manager to comply with its obligation to redeem Units at the request of any qualifying Unitholder under the FCA Handbook;
- 3.5.3** reliable valuation is available for it as follows:
- 3.5.3.1** in the case of a transferable security admitted to or dealt in on an eligible market, where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers;
- 3.5.3.2** in the case of a transferable security not admitted to or dealt in on an eligible market, where there is a valuation on a periodic basis which is derived from information from the issuer of the transferable security or from competent investment research;
- 3.5.4** appropriate information is available for it as follows:
- 3.5.4.1** in the case of a transferable security admitted to or dealt in on an eligible market, where there is regular, accurate and comprehensive information available to the market on the transferable security or, where relevant, on the portfolio of the transferable security;
- 3.5.4.2** in the case of a transferable security not admitted to or dealt in on an eligible market, where there is regular and accurate information available to the Manager on the transferable security or, where relevant, on the portfolio of the transferable security;
- 3.5.5** it is negotiable; and
- 3.5.6** its risks are adequately captured by the risk management process of the Manager.
- 3.6** 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:
- 3.6.1** not to compromise the ability of the Manager to comply with its obligation to redeem Units at the request of any qualifying Unitholder; and
- 3.6.2** to be negotiable.
- 4. Close-end fund constituting transferable securities**
- 4.1** A unit in a closed end fund shall be taken to be a transferable security for the purposes of investment by the Trust, provided it fulfils the criteria for transferable securities set out in 3.5 above and either:
- 4.1.1** where the closed end fund is constituted as an investment company or a unit trust:
- 4.1.1.1** it is subject to corporate governance mechanisms applied to companies; and
- 4.1.1.2** where another person carries out asset management activity on its behalf, that person is subject to national regulation for the purpose of investor protection; or
- 4.1.2** where the closed end fund is constituted under the law of contract:
- 4.1.2.1** it is subject to corporate governance mechanisms equivalent to those applied to

companies; and

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

5. Transferable securities linked to other assets

5.1 The Trust may invest in any other investment which shall be taken to be a transferable security for the purposes of investment by the Trust provided the investment:

5.1.1 fulfils the criteria for transferable securities set out in 3.5 above; and

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

5.2 Where an investment in 5.1 contains an embedded derivative component, the requirements of this paragraph with respect to derivatives and forwards will apply to that component.

6. Approved Money-Market Instruments

6.1 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.

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

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

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

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

6.2.4 has a risk profile, including credit and interest rate risks, corresponding to that of an instrument which has a maturity as set out in 6.2.1 or 6.2.2 or is subject to yield adjustments as set out in 6.2.3.

6.2.5 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.

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

6.2.6.1 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

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

6.2.7 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.

7. Transferable securities and money-market instruments generally to be admitted or dealt in on an Eligible Market

7.1 Transferable securities and approved money-market instruments held within a Trust must be:

7.1.1 admitted to or dealt on an eligible market (as described in 8.3.1 or 8.3.2); or

- 7.1.2 dealt on an eligible market (as described in 8.4); or
- 7.1.3 for an approved money-market instrument not admitted to or dealt in on an eligible market, within 9.1; or
- 7.1.4 recently issued transferable securities provided that:
 - 7.1.4.1 the terms of issue include an undertaking that application will be made to be admitted to an eligible market; and
 - 7.1.4.2 such admission is secured within a year of issue.
- 7.1.5 However, the Trust may invest no more than 10% of property of the Trust in transferable securities and approved money-market instruments other than those referred to in 7.1.

8 Eligible markets regime: purpose

- 8.1 To protect investors the markets on which investments of the Trust 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.
- 8.2 Where a market ceases to be eligible, investments on that market cease to be approved securities. The 10% restriction in 7.1.5 above on investing in non-approved securities applies and exceeding this limit because a market ceases to be eligible will generally be regarded as an inadvertent breach.
- 8.3 A market is eligible for the purposes of the rules if it is:
 - 8.3.1 a regulated market as defined in the FCA Handbook; or
 - 8.3.2 a market in an EEA State which is regulated, operates regularly and is open to the public.
- 8.4. A market not falling within paragraph 8.3 of this Appendix is eligible for the purposes of COLL 5 if:
 - 8.4.1 the Manager, after consultation with and notification to the Trustee, decides that market is appropriate for investment of, or dealing in, the property of the Trust;
 - 8.4.2 The following are eligible markets for the purpose of the paragraphs above:
 - a. Securities which are admitted to official listing on the London Stock Exchange;
 - b. The Alternative Investment Market (AIM) of the London Stock Exchange;
 - c. Securities which are traded on a market established in an EEA State on which transferable securities admitted to official listing in the EEA State are dealt or traded;
 - d. Securities which are admitted to official listing on the Swiss Exchange;

The Trust may invest in approved securities on the markets described in (a) to (d) above if:

- 8.4.3 the Trustee has taken reasonable care to determine that:
 - 8.4.3.1 adequate custody arrangements can be provided for the investment dealt in on that market; and
 - 8.4.3.2 all reasonable steps have been taken by the Manager in deciding whether that market is eligible.
 - 8.5 In paragraph 8.4, a market must not be considered appropriate unless it is regulated, operates regularly, is recognised, is open to the public, is adequately liquid and has adequate arrangements for unimpeded transmission of income and capital to or for the order of investors.
- ## **9. Money-market instruments with a regulated issuer**
- 9.1 In addition to instruments admitted to or dealt in on an eligible market, the Trust may invest in an

approved money-market instrument provided it fulfils the following requirements:

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

9.1.2 the instrument is issued or guaranteed in accordance with paragraph 10 below.

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

9.2.1 the instrument is an approved money-market instrument;

9.2.2 appropriate information is available for the instrument (including information which allows an appropriate assessment of the credit risks related to investment in it), in accordance with paragraph 11 below; and

9.2.3 the instrument is freely transferable.

10. Issuers and guarantors of money-market instruments

10.1 A Trust may invest in an approved money-market instrument if it is:

10.1.1 issued or guaranteed by any one of the following:

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

10.1.1.2 a regional or local authority of the United Kingdom or an EEA State;

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

10.1.1.4 the European Union or the European Investment Bank;

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

10.1.1.6 a public international body to which the United Kingdom or one or more EEA States belong; or

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

10.1.3 issued or guaranteed by an establishment which is:

10.1.3.1 subject to prudential supervision in accordance with criteria defined by the UK or EU law; or

10.1.3.2 subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by UK or EU law.

10.2 An establishment shall be considered to satisfy the requirement in 10.1.3.2 if it is subject to and complies with prudential rules, and fulfils one or more of the following criteria:

10.2.1 it is located in the European Economic Area;

10.2.2 it is located in an OECD country belonging to the Group of Ten;

10.2.3 it has at least investment grade rating;

10.2.4 on the basis of an in-depth analysis of the issuer, it can be demonstrated that the prudential rules applicable to that issuer are at least as stringent as those laid down by the UK or EU law.

11. Appropriate information for money-market instruments

- 11.1** In the case of an approved money-market instrument within 10.1.2 or issued by a body of the type referred to in COLL 5.2.10EG, or which is issued by an authority within 10.1.1.2 or a public international body within 10.1.1.6 but is not guaranteed by a central authority within 10.1.1.1, the following information must be available:
- 11.1.1** information on both the issue or the issuance programme, and the legal and financial situation of the issuer prior to the issue of the instrument, verified by appropriately qualified third parties not subject to instructions from the issuer;
 - 11.1.2** updates of that information on a regular basis and whenever a significant event occurs; and
 - 11.1.3** available and reliable statistics on the issue or the issuance programme.
- 11.2** In the case of an approved money-market instrument issued or guaranteed by an establishment within 10.1.3, the following information must be available:
- 11.2.1** information on the issue or the issuance programme or on the legal and financial situation of the issuer prior to the issue of the instrument;
 - 11.2.2** updates of that information on a regular basis and whenever a significant event occurs; and
 - 11.2.3** available and reliable statistics on the issue or the issuance programme, or other data enabling an appropriate assessment of the credit risks related to investment in those instruments.
- 11.3** In the case of an approved money-market instrument:
- 11.3.1** within 10.1.1.1, 10.1.1.4 or 10.1.1.5; or
 - 11.3.2** which is issued by an authority within 10.1.1.2 or a public international body within 10.1.1.6 and is guaranteed by a central authority within 10.1.1.1;
 - 11.3.3** 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.

12. Spread: general

- 12.1** This rule on spread does not apply to government and public securities.
- 12.2** For the purposes of this requirement companies included in the same group for the purposes of consolidated accounts as defined in accordance with Directive 83/349/EEC or in the same group in accordance with international accounting standards are regarded as a single body.
- 12.3** Not more than 20% in the value of the property of the Trust is to consist of deposits with a single body.
- 12.4** Not more than 5% in value of the property of the Trust is to consist of transferable securities or approved money market instruments issued by any single body, except that the limit of 5% is raised to 10% in respect of up to 40% in value of the property of the Trust (covered bonds need not be taken into account for the purposes of applying the limit of 40%). For these purposes certificates representing certain securities are treated as equivalent to the underlying security.
- 12.5** The limit of 5% is raised to 25% in value of the property of the Trust in respect of covered bonds provided that when a Trust invests more than 5% in covered bonds issued by a single body, the total value of covered bonds held must not exceed 80% in value of the property of the Trust.
- 12.6** The exposure to any one counterparty in an OTC derivative transaction must not exceed 5% in value of the property of the Trust. This limit is raised to 10% where the counterparty is an Approved Bank.
- 12.7** Not more than 20% in value of the property of the Trust is to consist of transferable securities and approved money market instruments issued by the same group.
- 12.8** Not more than 20% in value of the property of the Trust is to consist of the units of any one collective

investment scheme. It is the Manager's intention that currently, no more than 5% of the Trust will be invested in collective investment schemes.

12.9 In applying the above limits in 12.3, 12.4 and 12.6, and subject to 12.5, not more than 20% in value of the property of the Trust is to consist of any combination of two or more of the following:

12.9.1 transferable securities (including covered bonds) or approved money market instruments issued by; or

12.9.2 deposits made with; or

12.9.3 exposures from OTC derivatives transactions made with a single body.

12.10 In applying the limits in 12.6 and 12.9 of this paragraph 12, the exposure in respect of an OTC derivative may be reduced to the extent that collateral is held in respect of it if the collateral meets each of the following conditions:

12.10.1 it is marked-to-market on a daily basis and exceeds the value of the amount at risk;

12.10.2 it is exposed only to negligible risks (e.g. government bonds of first credit rating or cash) and is liquid;

12.10.3 it is held by a third party custodian not related to the provider or is legally secured from the consequences of a failure of a related party; and

12.10.4 can be fully enforced by the UCITS scheme at any time.

12.11 For the purposes of calculating the limits in 12.6 and 12.9 of this paragraph 12 (Spread: general), OTC derivative positions with the same counterparty may be netted provided that the netting procedures:

12.11.1 comply with the conditions set out in Section 3 ((Contractual netting (Contracts for novation and other netting agreements)) of Annex III to the Banking Consolidation Directive; and

12.11.2 are based on legally binding agreements.

12.12 In applying this paragraph 12, all derivatives transactions are deemed to be free of counterparty risk if they are performed on an exchange where the clearing house meets each of the following conditions:

12.12.1 it is backed by an appropriate performance guarantee; and

12.12.2 it is characterised by a daily mark-to-market valuation of the derivative positions and at least daily margining.

13. Spread: government and public securities

13.1 The following paragraph applies to government and public securities ("such securities").

13.2 Where no more than 35% in value of the property of the Trust is invested in such securities issued by any one body, there is no limit on the amount which may be invested in such securities or in any one issue.

13.3 The Trust may invest more than 35% in value of the property of the Trust in such securities issued by any one body provided that:

13.3.1 the Manager has before any such investment is made consulted with the Trustee and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objectives of the authorised Trust;

13.3.2 no more than 30% in value of the property of the Trust consists of such securities of any one issue;

- 13.3.3** the property of the Trust includes such securities issued by that or another issuer, of at least six different issues;
- 13.3.4** the disclosures required by the FCA have been made.
- 13.4** In relation to such securities;
- 13.4.1** issue, issued and issuer include guarantee, guaranteed and guarantor; and
- 13.4.2** an issue differs from another if there is a difference as to repayment date, rate of interest, guarantor or other material terms of issue.
- 13.5** Notwithstanding paragraph 12.1 and subject to paragraphs 13.2 and 13.3, in applying the 20% limit in paragraph 12.9 with respect to a single body, government and public securities issued by that body shall be taken into account.
- 14. Investment in collective investment schemes**
- 14.1** Up to 30% in value of the property of the Trust may be invested in units or shares in other collective investment schemes (“Second Scheme”) provided that the Second Scheme satisfies all of the following conditions:
- 14.1.1** The Second Scheme must:
- 14.1.1.1** satisfy the conditions necessary for it to enjoy the rights conferred by the UCITS Directive; or
- 14.1.1.2** be a recognised scheme under the provisions of s.272 of the Financial Services and Markets Act 2000 (individually recognised overseas schemes) that is authorised by the supervisory authorities of Guernsey, Jersey or the Isle of Man (provided the requirements of article 50(1)(e) of the UCITS Directive are met); or
- 14.1.1.3** be authorised as a non-UCITS retail scheme (provided the requirements of Article 50(1) (e) of the UCITS Directive are met); or
- 14.1.1.4** be authorised in another EEA State (provided the requirements of Article 50(1) (e) of the UCITS Directive are met); or
- 14.1.1.5** be authorised by the competent authority of an OECD member country (other than another EEA State) which has:
- signed the IOSCO Multilateral Memorandum of Understanding; and
 - approved the scheme's management company, rules and Trustee/custody arrangements; (provided the requirements of article 50(1) (e) of the UCITS Directive are met);
- 14.1.2** The Second Scheme must comply, where relevant, with COLL 5.2.15R (Investment in associated collective investment schemes) and COLL 5.2.16R (Investment in other group schemes);
- 14.1.3** The Second Scheme must have terms which prohibit more than 10% in value of the Scheme Property consisting of units in collective investment schemes; and
- 14.1.4** Where the Second Scheme is an umbrella, the provision of 14.1.2, 14.1.3 and COLL5.2.11R (Spread: general) apply to each sub-fund as if it were a separate scheme.
- 15. Investment in nil and partly paid securities**
- 15.1** A transferable security or an approved money market instrument on which any sum is unpaid falls within a power of investment only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Trust, at the time when payment is required,

without contravening the rules in COLL 5.

16. Derivatives for Efficient Portfolio Management

16.1 The Manager may enter into certain transactions for the purpose of efficient portfolio management and to provide protection against exchange rate and price movements. The transactions must be economically appropriate to the purposes of efficient portfolio management, must be for the purpose of the reduction of relevant risks or the reduction of relevant costs or the generation of additional capital or income for a Trust with either no, or at least an acceptably low, level of risk, and the transactions must be fully covered by cash or other property sufficient to meet any obligations that could arise. Examples of these techniques include the following;

16.1.1 Currency loans, currency options or futures or forward transactions in currencies to hedge exchange rates.

16.1.2 The use of options or futures to hedge against price movements in respect of property held in the Trust.

16.1.3 The use of derivatives to acquire or dispose of property held in the Trust at an advantageous price.

16.1.4 The writing of call or put options on property held in the Trust.

16.2 A Trust may enter into approved derivative transactions on derivatives markets which are eligible.

16.3 Stocklending - the property of the Trust may be used in stocklending arrangements permitted under the Regulations when it reasonably appears to the Manager to be economically appropriate to do so with a view to generating additional income for the Trust with no, or no unacceptable, degree of risk.

Briefly, such arrangements are those where the Trust delivers securities which are the subject of the arrangement in return for which it is agreed that securities of the same type and amount should be redelivered to the Trustee at a later date. The Trustee at the time of delivery receives collateral to cover against the risk of the future redelivery not being completed. There is no limit on the value of the property of the Trust which may be the subject of stock lending arrangements. Such arrangements must always comply with the requirements of the Taxation of Chargeable Gains Act 1992, section 263C. The arrangements must also comply with the requirements of the Regulations and the Guidance on Stocklending issued by the FCA as amended from time to time.

17 Risk management

17.1 The Manager uses a risk management process, as reviewed by the Trustee, enabling it to monitor and measure as frequently as appropriate the risk of a Trust's positions and their contribution to the overall risk profile of the Trust.

18 Investment in deposits

18.1 A Trust may invest in deposits only with an Approved Bank and which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months.

19 Significant influence

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

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

19.1.2 The acquisition gives the Manager that power.

19.2 For the purposes of paragraph 19.1, the Manager is to be taken to have power significantly to influence the conduct of business of a body corporate if it can, because of the transferable securities held by it across all Trusts it manages, exercise or control the exercise of 20% or more of the voting rights in that body corporate (disregarding for this purpose any temporary suspension of voting rights

in respect of the transferable securities of that body corporate).

20 Concentration

A UCITS Scheme:

- 20.1** must not acquire transferable securities other than debt securities which
- 20.1.1** do not carry a right to vote on any matter at a general meeting of the body corporate that issued them; and
 - 20.1.2** represent more than 10% of these securities issued by that body corporate;
- 20.2** must not acquire more than 10% of the debt securities issued by any single issuing body;
- 20.3** must not acquire more than 25% of the units in a collective investment scheme;
- 20.4** must not acquire more than 10% of the approved money market instruments issued by any single body;
- 20.5** need not comply with the limits in paragraphs 20.2, 20.3 and 20.4 of this Appendix if, at the time of the acquisition, the net amount in issue of the relevant investment cannot be calculated.

21 Stock lending

- 21.1** The entry into stock lending transactions or repo contracts for the account of the Trust is permitted for the generation of additional income for the benefit of the Trust, and hence for its investors.
- 21.2** The specific method of stock lending permitted in this paragraph is in fact not a transaction which is a loan in the normal sense. Rather it is an arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992, under which the lender transfers securities to the borrower otherwise than by way of sale and the borrower is to transfer those securities, or securities of the same type and amount, back to the lender at a later date. In accordance with good market practice, a separate transaction by way of transfer of assets is also involved for the purpose of providing collateral to the "lender" to cover them against the risk that the future transfer back of the securities may not be satisfactorily completed.
- 21.3** The Manager may only enter into a stock lending arrangement or repo contract in accordance with the rules in this paragraph if it reasonably appears to the company to be appropriate to do so with a view to generating additional income for the Trust with an acceptable degree of risk.
- 21.4** The Manager or the Trustee at the request of the Manager may enter into a repo contract or a stock lending arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992 (without extension by section 263C), but only if all the terms of the agreement under which securities are to be re-acquired by the Trustee for the account of the Trust, are in a form which is acceptable to the Trustee and are in accordance with good market practice and the counterparty is;
- 21.4.1** an authorised person; or
 - 21.4.2** a person authorised by a Home State regulator; or
 - 21.4.3** a person registered as a broker-dealer with the Securities and Exchange Commission of the United States of America; or
 - 21.4.4** a bank, or a branch of a bank, supervised and authorised to deal in investments as principal, with respect to OTC derivatives by at least one of the following federal banking supervisory authorities of the United States of America:
 - the office of the Comptroller of the Currency;
 - the Federal Deposit Insurance Corporation;
 - the Board of the Governors of the Federal Reserve System; and
 - the Office of Thrift Supervision; and
 - 21.4.5** collateral is obtained to secure the obligation of the counterparty. Collateral must be

acceptable to the Trustee, adequate and sufficiently immediate.

21.5 The Trustee must ensure that the value of the collateral at all times is at least equal to the value of the securities transferred by the Trustee. This duty may be regarded as satisfied in respect of collateral the validity of which is about to expire or has expired where the Trustee takes reasonable care to determine that sufficient collateral will again be transferred at the latest by the close of business on the day of expiry.

21.6 Any agreement for transfer at a future date of securities or of collateral (or of the equivalent of either) may be regarded, for the purposes of valuation under the COLL Sourcebook, as an unconditional agreement for the sale or transfer of property, whether or not the property is part of the property of the Trust.

21.7 There is no limit on the value of the Scheme Property which may be the subject of repo contracts or stock lending transactions.

22 Cash and near cash

22.1 Cash and near cash must not be retained in the Scheme Property except to the extent that, where this may reasonably be regarded as necessary in order to enable:

22.1.1 the pursuit of the Trust's investment objectives; or

22.1.2 the redemption of units; or

22.1.3 efficient management of the Trust in accordance with its investment objectives; or

22.1.4 other purposes which may reasonably be regarded as ancillary to the investment objectives of the Trust.

22.2 During the period of the initial offer the Scheme Property of the Trust may consist of cash and near cash without limitations.

23 General

23.1 It is not intended that the Trust will have an interest in any immovable property or tangible movable property.

23.2 A potential breach of any of these limits does not prevent the exercise of rights conferred by investments held by the Trust if the consent of the Trustee is obtained in writing but, in the event of a consequent breach, the Manager must then take such steps as are necessary to restore compliance with the investment limits as soon as practicable having regard to the interests of Unitholders.

24 Underwriting

24.1 Underwriting and sub underwriting contracts and placings may also, subject to certain conditions set out in the COLL Sourcebook, be entered into for the account of the Trust.

25 Borrowing powers

25.1 The Trust may, and subject to the COLL Sourcebook, borrow money from an Eligible Institution or an Approved Bank for the use of the Trust on terms that the borrowing is to be repayable out of the property of the Trust.

25.2 Borrowing must be on a temporary basis, must not be persistent, and in any event must not exceed three months without the prior consent of the Trustee, which may be given only on such conditions as appear appropriate to the Trustee to ensure that the borrowing does not cease to be on a temporary basis.

25.3 The Manager must ensure that borrowing does not, on any business day, exceed 10% of the value of the Trust.

25.4 These borrowing restrictions do not apply to “back to back” borrowing for currency hedging purposes (i.e. borrowing permitted in order to reduce or eliminate risk arising by reason of fluctuations in exchange rates).

APPENDIX 6

Unit Classes

Unit Class	Minimum Initial Investment	Minimum Holding	Minimum Subsequent Investments	Minimum Regular Savings	Minimum Redemption	Initial Charge	Annual Management Charge
A Class	£1,000	£1,000	£500	£50	N/A	0%	0.75%
TU Class*	£5,000,000	£5,000,000	£500	£50	N/A	0%	1.00%

*Entry to the TU Class Units is restricted to trade unions, trusts and charities who require additional services offered by TU Financial Management Services Limited.

The above Unit classes are available as Income only.

APPENDIX 7

List of Trustee Delegates and Sub-delegates

Argentina	HSBC Bank Argentina S.A.
Australia	HSBC Bank Australia Limited
Austria	HSBC Continental Europe S.A., Germany
Bahrain	HSBC Bank Middle East Ltd, Bahrain
Bangladesh	The Hongkong and Shanghai Banking Corporation, Bangladesh
Belgium	BNP Euronext, Belgium
Belgium	Euroclear Bank S.A./N.V.
Benin	Societe Generale Cote d'Ivoire
Botswana	Standard Chartered Bank Botswana Ltd
Brazil	BNP Paribas Brasil S.A
Bulgaria	UniCredit Bulbank AD
Burkina Faso	Societe Generale Cote d'Ivoire
Canada	Royal Bank of Canada
Chile	Banco Santander Chile
China	HSBC Bank (China) Company Ltd
Colombia	Santander CACEIS Services Columbia S.A. Sociedad Fiduciara
Costa Rica	Banco Nacional De Costa Rica
Croatia	Privredna Banka Zagreb d.d
Cyprus	BNP Paribas S.A. Athens Branch
Czech Republic	Ceskoslovenska Obchodni Banka, AS
Denmark	Skandinaviska Enskilda Banken AB (publ), Copenhagen Branch
Egypt	HSBC Bank Egypt SAE
Estonia	AS SEB Pank
Finland	Skandinaviska Enskilda Banken AB (publ.), Helsinki Branch
France	CACEIS Bank France
Germany	HSBC Continental Europe S.A., Germany
Ghana	Stanbic Bank Ghana Ltd
Greece	BNP Paribas S.A. Athens Branch
Hong Kong	The Hongkong and Shanghai Banking Corporation Limited, Hong Kong
Hungary	Unicredit Bank Hungary Zrt
Iceland	Landsbankinn h.f.
India	The Hongkong and Shanghai Banking Corporation Ltd, India
Indonesia	PT Bank, HSBC, Indonesia
Ireland	HSBC Bank Plc, UK
Israel	Bank Leumi Le-Israel BM
Italy	BNP Paribas S.A.
Ivory Coast	Societe Generale Cote d'Ivoire

Japan	The Hongkong and Shanghai Banking Corporation Limited, Japan
Jordan	Bank of Jordan
Kenya	Stanbic Bank Kenya Ltd
Kuwait	HSBC Bank Middle East Ltd, Kuwait Branch
Latvia	AS SEB Banka
Lithuania	AB SEB Bankas
Luxembourg	Clearstream Banking SA
Malaysia	HSBC Bank Malaysia Berhad
Mali	Societe Generale Cote d'Ivoire
Mauritius	The Hongkong and Shanghai Banking Corporation Limited, Mauritius
Mexico	HSBC Mexico, S.A.
Morocco	Citibank Maghreb S.A.
Netherlands	BNP Euronext
New Zealand	The Hongkong and Shanghai Banking Corporation Limited, New Zealand
Niger	Societe Generale Cote d'Ivoire
Nigeria	Stanbic IBTC Bank
Norway	Skandinaviska Enskilda Banken AB (publ), Oslofilialen
Oman	HSBC Bank Oman S.A.O.G.
Pakistan	Citibank NA
Palestine	Bank of Jordan Plc Palestine Branch
Peru	Citibank del Peru
Philippines	The Hongkong and Shanghai Banking Corporation Limited, Philippines
Poland	Bank Polska Kasa Opieki S.A.
Portugal	BNP Euronext
Qatar	HSBC Bank Middle East Ltd, Qatar Branch
Romania	Citibank Europe plc, Dublin Romania branch
Russia	AO Citibank Russia
Saudi Arabia	HSBC Saudi Arabia Limited
Senegal	Societe Generale Cote d'Ivoire
Serbia	UniCredit Bank Srbija A.D.
Singapore	The Hongkong and Shanghai Banking Corporation Ltd, Singapore
Slovakia	Ceskoslovenska Obchodna Banka AS
Slovenia	Unicredit Banka Slovenia DD
South Africa	Standard Bank of South Africa
South Korea	The Hongkong and Shanghai Banking Corporation Limited, Korea
Spain	BNP Paribas S.A.
Sri Lanka	The Hongkong and Shanghai Banking Corporation Limited, Sri Lanka
Sweden	Skandinaviska Enskilda Banken AB (publ.)
Switzerland	Credit Suisse, Switzerland (Ltd)

Taiwan	HSBC Bank (Taiwan) Limited
Tanzania	Standard Chartered Bank (Mauritius) Ltd, Tanzania
Thailand	The Hongkong and Shanghai Banking Corporation Ltd, Thailand
Togo	Societe Generale Cote d'Ivoire
Tunisia	Union Internationale de Banques Tunisia
Turkey	Turk Ekonomi Bankasi A.S.
Uganda	Standard Chartered (Uganda) Ltd
United Arab Emirates	HSBC Bank Middle East Ltd
United Kingdom	HSBC Bank Plc
United States	HSBC Bank (USA) NA
Vietnam	HSBC Bank (Vietnam) Ltd
Zambia	Stanbic Bank Zambia Ltd - Lusaka
Zimbabwe	Standard Bank of South Africa Limited