

# **Prospectus**

of

## **ACUMEN OEIC**

**An Investment Company with Variable Capital**

Prepared in accordance with the Collective Investment Schemes Sourcebook  
Dated and valid as at: 7<sup>th</sup> April 2021

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**Authorised Corporate Director**

Investment Fund Services Limited, a wholly owned subsidiary of UFC Fund Management plc

Registered Office and Operating Address:

Marlborough House

59 Chorley New Road

Bolton, BL1 4QP

(Authorised and regulated by the Financial Conduct Authority)

**Registered and Head Office of the Company**

Marlborough House

59 Chorley New Road

Bolton, BL1 4QP

**Investment Manager**

Tavistock Wealth Limited

Operating Address:

1 Bracknell Beeches

Old Bracknell Lane

Bracknell

Berkshire, RG12 7BW

(Authorised and regulated by the Financial Conduct Authority)

**Depositary**

NatWest Trustee and Depositary Services Limited

250 Bishopsgate, London

EC2M 4AA

(Authorised and Regulated by the Financial Conduct Authority)

**Custodian and Hedging Agent**

BNP Paribas Securities Services

10 Harewood Avenue

London, NW1 6AA

(Authorised and supervised in France by Autorité de Contrôle Prudentiel (“ACP”) and by the Autorité de Marchés Financiers (“AMF”) and authorised by and subject to limited regulation by the Financial Conduct Authority for the conduct of its investment business in the UK)

**Administrators and Registrar**

Investment Fund Services Limited, a wholly owned subsidiary of UFC Fund Management plc

Registered Office and Operating Address:

Marlborough House

59 Chorley New Road

Bolton, BL1 4QP

(Authorised and regulated by the Financial Conduct Authority)

**Solicitors**

Burges Salmon LLP

One Glass Wharf

Bristol, BS2 0ZX

**Auditors**

Ernst & Young LLP

Atria One

144 Morrison Street

Edinburgh, EH3 8EX

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

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

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

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

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

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

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

This Prospectus is based on information, law and practice as at the date "valid as at" date on the front cover and below. The Company and the ACD cannot be bound by a Prospectus which is out of date when a new version has been issued. Investors should check with the ACD that this is the most recently published Prospectus.

The authorised corporate director, Investment Fund Services Limited has taken all reasonable care to ensure that the information contained in this document is, to the best of its knowledge and belief, in accordance with the facts and does not omit anything material to such information. The ACD accepts responsibility accordingly. The Investment Manager accepts sole responsibility for the information relating to it contained in this Prospectus and has taken all reasonable care to ensure that the information set out in this Prospectus is, to the best of its knowledge and belief, accurate as at the date of this Prospectus.

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

### **US Tax Reporting**

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

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

A "U.S Person" means any citizen or resident of the United States of America, its territories and possessions including the State and District of Columbia and all areas subject to its jurisdiction (including the Commonwealth of Puerto Rico), any corporation, trust, partnership or other entity created or organised in or under the laws of the United States of America, any state thereof or any estate or trust the income of which is subject to United States federal income tax, regardless of source. The expression also includes any person falling within the definition of the term "U.S Person" under Regulation S promulgated under the United States Securities Act of 1933.

This Prospectus is dated and valid as at 7<sup>th</sup> April 2021

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## 1 INTERPRETATION

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

|  |  |
|--|--|
| "ACD"  | means the Authorised Corporate Director of the Company holding office from time to time pursuant to the Regulations being Investment Fund Services Limited as at the date of this Prospectus;  |
| "Act"  | means the Financial Services and Markets Act 2000 (as amended restated, re-enacted or replaced from time to time);   |
| "Administrator"                                      | means Investment Fund Services Limited;  |
| "Applicant"  | means any person applying for Shares issued by the Company in respect of the Funds;  |
| "Business Day"                                       | Monday to Friday excluding UK public and bank holidays or any day on which the London Stock Exchange is not open and excluding the last trading day before the 25th December or any day on which the ACD has notified the Depositary that it is not open for normal business or otherwise agreed between the ACD and the Depositary; |
| "Collective Investment Schemes Sourcebook" or "COLL" | means the Collective Investment Schemes Sourcebook issued by the FCA pursuant to the Act, as amended or replaced from time to time;  |
| "Company"  | means the ACUMEN OEIC;   |
| "Custodian"  | means BNP Paribas Securities Services;   |
| "Dealing Day"  | means 9 am to 5 pm on any Business Day;  |
| "Depositary"   | means the person appointed from time to time by the Company or otherwise as depositary pursuant to the Regulations being NatWest Trustee and Depositary Services Limited as at the date of this Prospectus;  |
| "EEA"  | means the European Economic Area;  |
| "Exchange traded fund" or "ETF"                      | an exchange traded fund is an investment fund that is listed on a stock exchange;  |
| "FCA"  | means the Financial Services Authority in respect of matters prior to 1 April 2013 and, in respect of matters after that date, The Financial Conduct Authority or any succession entity from time to time.   |
| "Fund or Funds, "Sub-Fund" or "Sub-Funds"            | means the sub-fund or sub-funds from time to time of the Company (being part of the scheme property which is pooled separately) and to which specific assets and liabilities of the Company may be allocated and which is invested in accordance with the investment objective applicable to such Fund;                              |
| "Instrument of Incorporation" or "Instrument"        | means the instrument of incorporation constituting the Company, as amended from time to time;  |

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|-----------------------------------|---|
| <b>"Investment Manager"</b>       | means Tavistock Wealth Limited;   |
| <b>"ISA"</b>                      | means an individual savings account under The Individual Savings Account Regulations 1998 (as amended).   |
| <b>"NAV" or "net asset value"</b> | means the value of the scheme property less the relevant liabilities as the context requires and in accordance with the Company's Instrument and the Regulations;   |
| <b>"OEIC Regulations"</b>         | means the Open-Ended Investment Companies Regulations 2001 (as amended);  |
| <b>"Registrar"</b>                | means Investment Fund Services Limited (IFSL);  |
| <b>"Regulations"</b>              | means the OEIC Regulations and the Collective Investment Schemes Sourcebook;  |
| <b>"scheme property"</b>          | means those assets which comprise the property of the Company or which are attributed to a Fund (as the context requires);  |
| <b>"Shares"</b>                   | means the shares issued in respect of each Fund of the Company as specified herein;   |
| <b>"Shareholder"</b>              | means a holder of Shares in the Company as evidenced by an entry in the register;   |
| <b>"Trading Day"</b>              | means any day on which the London Stock Exchange is open for trading;   |
| <b>"UCITS"</b>                    | means an Undertaking for Collective Investment in Transferable Securities. This will include a UCITS Scheme or an EEA UCITS scheme, as defined in the Financial Conduct Authority Handbook;   |
| <b>"UCITS Directive"</b>          | means the European Parliament and Council Directive of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities ("UCITS") (No.2009/65/EC) (as amended);  |
| <b>"UCITS Scheme"</b>             | means a UK UCITS, as defined in the FCA handbook;   |
| <b>"UK UCITS"</b>                 | means, in accordance with sections 236A and 237 of the Financial Services and Markets Act 2000, a collective investment scheme which may consist of several sub-funds, which is either an authorised unit trust scheme, an authorised contractual scheme, or an authorised open-ended investment company with the sole object of collective investment of capital raised from the public in transferable securities or other liquid financial assets, operating on the principle of risk-spreading, with units which are, at the request of holders, repurchased or redeemed, directly or indirectly, out of those undertakings' assets, and which has identified itself as a UCITS in its prospectus and has been authorised accordingly by the FCA; |
| <b>"VAT"</b>                      | means UK value added tax  |

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## 2 CONSTITUTION OF THE COMPANY

### *General*

The Company is an open-ended investment company with variable capital incorporated under the OEIC Regulations. The Company is a UCITS Scheme as defined in COLL and is also an umbrella company for the purposes of the OEIC Regulations. The Company is incorporated in England and Wales with registered number IC000783. The Company was authorised by an order made by FCA with effect from 2 November 2009 with the Product Reference Number (PRN) 504576.

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

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

The operation of the Company is governed by the Regulations, the Company's Instrument and this Prospectus.

### **Structure of the Company**

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

As at the date of this Prospectus, the Company has the following Funds:

- **ACUMEN Portfolio 3** (PRN: 780587);
- **ACUMEN Portfolio 4** (PRN: 635479);
- **ACUMEN Portfolio 5** (PRN: 635480);
- **ACUMEN Portfolio 6** (PRN: 635481);
- **ACUMEN Portfolio 7** (PRN: 780588);
- **ACUMEN Portfolio 8** (PRN: 780589); and
- **ACUMEN Income Portfolio** (PRN: 734153).

The property attributable to each Fund shall be managed as if such Fund belonged to the "UCITS Scheme" category as specified in COLL. Subject to the terms set out in this Prospectus, holders of Shares in the Funds are entitled to receive the net income derived from that Fund and to redeem their Shares at a price linked to the value of the property of the relevant Fund. Shareholders do not have any proprietary interest in the undertaking assets of the Company. The Shareholders of the Company will not be liable for the debts of the Company.

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

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Each Fund will be charged with the liabilities, expenses, costs and charges of the Company attributable to that Fund and within a Fund, the charges will be allocated between classes of shares in accordance with the terms of issue of the shares of those classes (as applicable). Any assets, liabilities, expenses, costs or charges not attributable to a particular Fund may be allocated by the ACD in a manner which is fair to the shareholders generally but they will be normally allocated by the ACD to all Funds pro rata to the value of the net assets of the relevant Funds.

Investors should note that (where Shares in more than one Fund are available), the Company's Funds are segregated portfolios of assets and, accordingly, the assets of a Fund belong exclusively to that Fund, and shall not be used to discharge, directly or indirectly, the liabilities of, or claims against, any other person or body, including the Company or any other Fund, and shall not be available for any such purpose.

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

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

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

Investment of the assets of each of the Funds must comply with COLL, the Company's Instrument, the terms of this Prospectus and the investment objective and policy of the relevant Fund. Details of the investment objective and policy applicable to the Funds currently available are set out below. A summary of the general investment and borrowing restrictions which are relevant to the management of the Company and its Funds from time to time are set out in Appendix 1 to this Prospectus. A list of the eligible markets is set out in Appendix 2.

#### **ACUMEN Portfolio 3**

##### **Investment objective**

The aim of the Fund is to increase in value, over a minimum of 5 years, by investing in a range of asset classes and global markets. The Fund will do this through a combination of capital growth, which is profit on investments held, and income, which is money paid out of investments such as dividends from shares and interest from bonds.

##### **Investment policy**

The Fund will be actively managed, which means the Investment Manager decides which investments to buy and sell, and when, on a low risk strategy.

The Fund will aim to maintain a risk rating classification of 3. This risk classification is based on a range the Investment Manager maintains from 1 (lowest risk) to 10 (highest risk).

At least 80% of the Fund will be invested in exchange traded funds (ETFs), which typically track an index. Through these ETFs the Fund will gain exposure to a range of asset classes across different industries and geographical regions including:

- Between 65% and 100% in bonds and cash.
- Up to 35% in shares of companies.
- Up to 15% in 'alternatives', such as property, commodities (for example gold and oil) and regulated funds employing a hedge fund type strategy.

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- The Fund may also be exposed to other asset classes including, money market instruments (which are short term loans) and other permitted investments, although this is expected to be minimal.

Bonds, which are loans typically issued by companies, governments and other institutions, may be either investment grade, where the issuer has a high and reliable capacity to repay the debt, or sub-investment grade, which can be more vulnerable to changing market conditions but typically pay a higher rate of interest.

Up to 20% of the Fund may be held directly in cash or money market instruments, or in other types of funds. The Fund may invest in funds operated by the Investment Manager, ACD or its associates.

The Fund may use derivatives (instruments whose returns are linked to another asset, market or other variable factor) to reduce risk in the Fund (also known as hedging) and for investment purposes, in order to help the Fund meet its investment objective. The Fund will not always hold these instruments however at times they may be held for extended periods. ETFs and other funds purchased will also have the ability to use derivatives to varying degrees.

#### **Assessing performance:**

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

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

### **ACUMEN Portfolio 4**

#### **Investment objective**

The aim of the Fund is to increase in value, over a minimum of 5 years, by investing in a range of asset classes and global markets. The Fund will do this through a combination of capital growth, which is profit on investments held, and income, which is money paid out of investments such as dividends from shares and interest from bonds.

#### **Investment policy**

The Fund will be actively managed, which means the Investment Manager decides which investments to buy and sell, and when, on a lowest medium risk strategy.

The Fund will aim to maintain a risk rating classification of 4. This risk classification is based on a range the Investment Manager maintains from 1 (lowest risk) to 10 (highest risk).

At least 80% of the Fund will be invested in exchange traded funds (ETFs), which typically track an index. Through these ETFs the Fund will gain exposure to a range of asset classes across different industries and geographical regions including:

- Between 40% and 80% in bonds and cash.
- Between 20% and 60% in shares of companies.
- Up to 20% in alternatives, such as property, commodities (for example gold and oil) and regulated funds employing a hedge fund type strategy.
- The Fund may also be exposed to other asset classes including, money market instruments (which are short term loans) and other permitted investments, although this is expected to be minimal.

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Bonds, which are loans typically issued by companies, governments and other institutions, may be either investment grade, where the issuer has a high and reliable capacity to repay the debt, or sub-investment grade, which can be more vulnerable to changing market conditions but typically pay a higher rate of interest.

Up to 20% of the Fund may be held directly in cash or money market instruments, or in other types of funds. The Fund may invest in funds operated by the Investment Manager, ACD or its associates.

The Fund may use derivatives (instruments whose returns are linked to another asset, market or other variable factor) to reduce risk in the Fund (also known as hedging) and for investment purposes, in order to help the Fund meet its investment objective. The Fund will not always hold these instruments however at times they may be held for extended periods. ETFs and other funds purchased will also have the ability to use derivatives to varying degrees.

### **Assessing performance:**

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

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

Please note both ACUMEN 4 and ACUMEN 5 use the IA Mixed Investment 20-60% shares sector as a comparison benchmark however ACUMEN 4 is a lower risk fund. Investors should be considerate of the different risk profiles when comparing performance against the benchmark and reaching a conclusion on its return (which is the money made or lost on an investment). Over the longer-term, lower risk profile funds would be expected to be less volatile and as a result potentially deliver a reduced return versus a higher risk alternative.

## **ACUMEN Portfolio 5**

### **Investment objective**

The aim of the Fund is to increase in value, over a minimum of 5 years, by investing in a range of asset classes and global markets. The Fund will do this through a combination of capital growth, which is profit on investments held, and income, which is money paid out of investments such as dividends from shares and interest from bonds.

### **Investment policy**

The Fund will be actively managed, which means the Investment Manager decides which investments to buy and sell, and when, on a low medium risk strategy.

The Fund will aim to maintain a risk rating classification of 5. The risk classification is based on a range the Investment Manager maintains from 1 (lowest risk) to 10 (highest risk).

At least 80% of the Fund will be invested in exchange traded funds (ETFs), which typically track an index. Through these ETFs the Fund will gain exposure to a range of asset classes across different industries and geographical regions including:

- Between 30% and 70% in bonds and cash.
- Between 20% and 60% in shares of companies.

- 
- Up to 20% in alternatives, such as property, commodities (for example gold and oil) and regulated funds employing a hedge fund type strategy.
  - The Fund may also be exposed to other asset classes including, money market instruments (which are short term loans) and other permitted investments, although this is expected to be minimal.

Bonds, which are loans typically issued by companies, governments and other institutions, may be either investment grade, where the issuer has a high and reliable capacity to repay the debt, or sub-investment grade, which can be more vulnerable to changing market conditions but typically pay a higher rate of interest.

Up to 20% of the Fund may be held directly in cash or money market instruments, or in other types of funds. The Fund may invest in funds operated by the Investment Manager, ACD or its associates.

The Fund may use derivatives (instruments whose returns are linked to another asset, market or other variable factor) to reduce risk in the Fund (also known as hedging) and for investment purposes, in order to help the Fund meet its investment objective. The Fund will not always hold these instruments however at times they may be held for extended periods. ETFs and other funds purchased will also have the ability to use derivatives to varying degrees.

#### **Assessing performance:**

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

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

Please note both ACUMEN 4 and ACUMEN 5 use the IA Mixed Investment 20-60% shares sector as a comparison benchmark however ACUMEN 5 is a higher risk fund. Investors should be considerate of the different risk profiles when comparing performance against the benchmark and reaching a conclusion on its return. Over the longer-term higher risk profile funds would be expected to be more volatile and as a result potentially deliver a higher return versus a lower risk alternative.

## **ACUMEN Portfolio 6**

### **Investment objective**

The aim of the Fund is to increase in value, over a minimum of 5 years, by investing in a range of asset classes and global markets. The Fund will do this through a combination of capital growth, which is profit on investments held, and income, which is money paid out of investments such as dividends from shares and interest from bonds.

### **Investment policy**

The Fund will be actively managed, which means the Investment Manager decides which investments to buy and sell, and when, on a high medium risk strategy.

The Fund will aim to maintain a risk rating classification of 6. This risk classification is based on a range the Investment Manager maintains from 1 (lowest risk) to 10 (highest risk).

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At least 80% of the Fund will be invested in exchange traded funds (ETFs), which typically track an index. Through these ETFs the Fund will gain exposure to a range of asset classes across different industries and geographical regions including:

- Between 40% and 85% in shares of companies.
- Between 15% and 60% in bonds and cash.
- Up to 25% in alternatives, such as property, commodities (for example gold and oil) and regulated funds employing a hedge fund type strategy.
- The Fund may also be exposed to other asset classes including, money market instruments (which are short term loans) and other permitted investments, although this is expected to be minimal.

Bonds, which are loans typically issued by companies, governments and other institutions, may be either investment grade, where the issuer has a high and reliable capacity to repay the debt, or sub-investment grade, which can be more vulnerable to changing market conditions but typically pay a higher rate of interest.

Up to 20% of the Fund may be held directly in cash or money market instruments, or in other types of funds. The Fund may invest in funds operated by the Investment Manager, ACD or its associates.

The Fund may use derivatives (instruments whose returns are linked to another asset, market or other variable factor) to reduce risk in the Fund (also known as hedging) and for investment purposes, in order to help the Fund meet its investment objective. The Fund will not always hold these instruments however at times they may be held for extended periods. ETFs and other funds purchased will also have the ability to use derivatives to varying degrees.

#### **Assessing performance:**

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

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

Please note both ACUMEN 6 and ACUMEN 7 use the IA Mixed Investment 40-85% shares sector as a comparison benchmark however ACUMEN 6 is a lower risk fund. Investors should be considerate of the different risk profiles when comparing performance against the benchmark and reaching a conclusion on its return. Over the longer-term, lower risk profile funds would be expected to be less volatile and as a result potentially deliver a reduced return versus a higher risk alternative.

### **ACUMEN Portfolio 7**

#### **Investment objective**

The aim of the Fund is to increase in value, over a minimum of 5 years, by investing in a range of asset classes and global markets. The Fund will do this through a combination of capital growth, which is profit on investments held, and income, which is money paid out of investments such as dividends from shares and interest from bonds.

#### **Investment policy**

The Fund will be actively managed, which means the Investment Manager decides which investments to buy and sell, and when, on a highest medium risk strategy.

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The Fund will aim to maintain a risk rating classification of 7. This risk classification is based on a range the Investment Manager maintains from 1 (lowest risk) to 10 (highest risk).

At least 80% of the Fund will be invested in exchange traded funds (ETFs), which typically track an index. Through these ETFs the Fund will gain exposure to a range of asset classes across different industries and geographical regions including:

- Between 40% and 85% in shares of companies.
- Up to 50% in bonds and cash.
- Up to 25% in alternatives, such as property, commodities (for example gold and oil) and regulated funds employing a hedge fund type strategy.
- The Fund may also be exposed to other asset classes including, money market instruments (which are short term loans) and other permitted investments, although this is expected to be minimal.

Bonds, which are loans typically issued by companies, governments and other institutions, may be either investment grade, where the issuer has a high and reliable capacity to repay the debt, or sub-investment grade, which can be more vulnerable to changing market conditions but typically pay a higher rate of interest.

Up to 20% of the Fund may be held directly in cash or money market instruments, or in other types of funds. The Fund may invest in funds operated by the Investment Manager, ACD or its associates.

The Fund may use derivatives (instruments whose returns are linked to another asset, market or other variable factor) to reduce risk in the Fund (also known as hedging) and for investment purposes, in order to help the Fund meet its investment objective. The Fund will not always hold these instruments however at times they may be held for extended periods. ETFs and other funds purchased will also have the ability to use derivatives to varying degrees.

#### **Assessing performance:**

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

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

Please note both ACUMEN 6 and ACUMEN 7 use the IA Mixed Investment 40-85% shares sector as a comparison benchmark however ACUMEN 7 is a higher risk fund. Investors should be considerate of the different risk profiles when comparing performance against the benchmark and reaching a conclusion on its return. Over the longer-term, higher risk profile funds would be expected to be more volatile and as a result potentially deliver a higher return versus a lower risk alternative.

### **ACUMEN Portfolio 8**

#### **Investment objective**

The aim of the Fund is to increase in value, over a minimum of 5 years, by investing in a range of asset classes and global markets. The Fund will do this through a combination of capital growth, which is profit on investments held, and income, which is money paid out of investments such as dividends from shares and interest from bonds.

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## **Investment policy**

The Fund will be actively managed, which means the Investment Manager decides which investments to buy and sell, and when, on a high risk strategy.

The Fund will aim to maintain a risk rating classification of 8. This classification is based on a range the Investment Manager maintains from 1 (lowest risk) to 10 (highest risk).

At least 80% of the Fund will be invested in exchange traded funds (ETFs), which typically track an index. Through these ETFs the Fund will gain exposure to a range of asset classes across different industries and geographical regions including:

- Between 60% and 100% in shares of companies.
- Up to 40% in bonds and cash.
- Up to 30% in alternatives, such as property, commodities (for example gold and oil) and regulated funds employing a hedge fund type strategy.
- The Fund may also be exposed to other asset classes including, money market instruments (which are short term loans) and other permitted investments, although this is expected to be minimal.

Bonds, which are loans typically issued by companies, governments and other institutions, may be either investment grade, where the issuer has a high and reliable capacity to repay the debt, or sub-investment grade, which can be more vulnerable to changing market conditions but typically pay a higher rate of interest.

Up to 20% of the Fund may be held directly in cash or money market instruments, or in other types of funds. The Fund may invest in funds operated by the Investment Manager, ACD or its associates.

The Fund may use derivatives (instruments whose returns are linked to another asset, market or other variable factor) to reduce risk in the Fund (also known as hedging) and for investment purposes, in order to help the Fund meet its investment objective. The Fund will not always hold these instruments however at times they may be held for extended periods. ETFs and other funds purchased will also have the ability to use derivatives to varying degrees.

### **Assessing performance:**

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

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

## **ACUMEN Income Portfolio**

### **Investment objective**

The aim of the Fund is to provide income, that is money paid out from investments such as dividends from shares and interest from bonds, with the potential for some increase, over a minimum of 5 years, in the value of an investment.

The Fund aims to provide an average annual income in excess of inflation (as determined by the UK Consumer Price Index) by 1%, over any 5-year period on a rolling basis. However, there is no guarantee this will be achieved.

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## **Investment policy**

The Fund will be actively managed, which means the Investment Manager decides which investments to buy and sell, and when, on a low medium risk strategy.

The Fund will aim to maintain a risk rating classification of 5. This risk classification is based on a range the Investment Manager maintains from 1 (lowest risk) to 10 (highest risk).

At least 80% of the Fund will be invested in exchange traded funds (ETFs), which typically track an index. Through these ETFs the Fund will gain exposure to a range of asset classes across different industries and geographical regions including:

- Between 30% and 70% in bonds and cash.
- Between 20% and 60% in shares of companies.
- Up to 20% in alternatives, such as property, commodities (for example gold and oil) and regulated funds employing a hedge fund type strategy.
- The Fund may also be exposed to other asset classes including, money market instruments (which are short term loans) and other permitted investments, although this is expected to be minimal.

Bonds, which are loans typically issued by companies, governments and other institutions, may be either investment grade, where the issuer has a high and reliable capacity to repay the debt, or sub-investment grade, which can be more vulnerable to changing market conditions but typically pay a higher rate of interest.

Up to 20% of the Fund may be held directly in cash or money market instruments, or in other types of funds. The Fund may invest in funds operated by the Investment Manager, ACD or its associates.

The Fund may use derivatives (instruments whose returns are linked to another asset, market or other variable factor) to reduce risk in the Fund (also known as hedging) and for investment purposes, in order to help the Fund meet its investment objective. The Fund will not always hold these instruments however at times they may be held for extended periods. ETFs and other funds purchased will also have the ability to use derivatives to varying degrees.

## **Performance Target**

The performance target is the level of performance the Fund aims to deliver however there is no certainty this will be achieved. The Fund targets an average annual income in excess of inflation (as determined by the UK Consumer Price Index) by 1%, over any 5-year period on a rolling basis, net of fees. The UK Consumer Price Index is one of the most widely used measures of inflation.

## **Assessing performance:**

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

The Fund's investment policy puts it in the IA Mixed Investment 20-60% shares sector. You may wish to assess the Fund's performance compared to the performance of this sector. However, unlike the Fund, investors should note that not all funds in this IA sector have an income mandate, (where the fund prioritises income over an increase in capital), as detailed above. As such, the Fund's focus on maintaining income may lead to deviation from the benchmark from a performance perspective.

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## Typical Investor

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

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

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

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

The Funds are intended to be suitable for investors who can remain invested in the Fund(s) for the medium to long term, in this case 3 to 7 years or more.

## 4 RISK FACTORS

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

### General risk warnings

- (a) Past performance is not a guide to future performance. There can be no assurance that any appreciation in the value of the investments will occur. The value of Shares and the income derived from them can go down as well as up and as a result the investor may not get back the amount originally invested. This can be as a result of market movements and also of variations in the exchange rates between currencies.
- (b) Investment in a Fund is not guaranteed and your investment is at risk. You may lose some or all of your investment.
- (c) The ACD's initial charge (as set out in section 24 under the heading "**The Authorised Corporate Director's Charges**") is deducted from an investment at the outset such that an equivalent rise in the value of the Shares is required before the original investment can be recovered. The Shares should therefore be viewed as a medium to long term investment in line with the investment term as applicable.
- (d) The summary of the UK tax treatment in section 27 of this Prospectus is based on current law and practice which may change. It does not take into account particular circumstances which may affect the UK tax treatment. In particular the levels of relief from taxation will depend upon individual circumstances and may change.

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- (e) Legal and regulatory changes could occur that may affect the ability of the Funds to pursue their investment strategies.
  - (f) Investors are reminded that in certain circumstances their right to redeem Shares (including redemption by way of switching) may be suspended.
  - (g) The Funds may be subject to the risk that a settlement in a transfer system does not take place as expected because a counterparty does not pay or deliver on time as expected.
  - (h) Inflation can affect the value of your investment.
  - (i) **The Company is permitted to use derivatives for both efficient portfolio management (including hedging) as well as for investment purposes in order to achieve the investment objective of the relevant Fund. The use of derivatives may mean that the net asset value of a particular Fund could be subject to volatility from time to time, however it is the ACD's intention that, owing to the portfolio composition or the management techniques used, the Funds will not have volatility over and above the general market volatility of their underlying investments, and therefore it is not anticipated that the use of derivative techniques will change the risk profile of the Funds.**
  - (j) The Funds will invest in other collective investment schemes in accordance with their investment objectives and policies. The Funds are therefore dependent on the underlying schemes performing in accordance with their own objectives, this is not something the ACD or the Investment Manager are in a position to control.
  - (k) There is no guarantee that the Funds will achieve their investment objectives.
  - (l) Where the investment objective of a Fund is to treat the generation of income as a higher priority than capital growth, or where the generation of income and capital growth have equal priority, all or part of the ACD's fee may be charged against capital rather than income. This will enhance income returns but may constrain future capital growth.
  - (m) Where a Fund invests in other collective investment schemes, the charges and expenses policies of these underlying schemes may indirectly affect the performance of each Fund.
  - (n) Where a Fund invests in other collective investment schemes, these underlying schemes may suspend the issue, cancellation, sale, redemption and exchange of shares in those schemes. This would prevent these underlying schemes being sold during the period of the suspension and may have liquidity implications for the Fund.
  - (o) The Funds' investments may be subject to liquidity constraints, which means that investments may trade infrequently and in small volumes, or that a particular instrument is difficult to buy or sell. Normally liquid investment may also be subject to periods of disruption in difficult market conditions. As a result, changes in the value of investments may be unpredictable and, in certain circumstances, it may be difficult to deal an investment at the latest market price quoted or at a value considered by the ACD to be fair.
  - (p) The underlying funds into which a Fund invests may invest in bonds, the return on which depends on the issuer's ability to make its payments. There is a risk that the issuer will fail to do so. Although these bonds generally have a high rating, these ratings are subjective and a high rating does not guarantee an issuer's ability to pay.

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- (q) The underlying funds into which a Fund invests may invest in less economically developed (known as emerging) markets which can involve greater risks than well developed economies. Amongst other issues, the level of government supervision and market regulation may be less than in more developed economies and could affect the value of your investment. Investment in emerging markets also increases the risk of settlement default.
  - (r) Investments in shares are subject to market risks that may cause their prices to fluctuate over time. This can affect the value of your investment.
  - (s) The underlying funds into which a Fund invests may provide exposure to physical goods (known as commodities). 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 all of which may affect your investment.
  - (t) All investors should note that, as there is no segregation of liabilities between the different share classes of a Fund, there is a risk that the settlement of currency hedging transactions or the requirement for collateral (if relevant) in relation to a hedged share class could have an adverse impact on the net asset value of the other share classes in issue.

#### **Risks associated with hedged share classes**

- (a) Gains or losses arising from currency hedging transactions are borne by the shareholders of the relevant hedged share class.
- (b) The ACD will undertake certain hedging transactions specifically to reduce the exposure of the hedged share classes to movements in the base currency of the Company, however these strategies will not completely eliminate the exposure of these share classes and no assurance can be given that the hedging objective will be achieved. Shareholders in hedged share classes may still be exposed to an element of currency exchange risk.
- (c) Currency exchange rate fluctuations will impact the value of a Fund which holds currencies or assets denominated in currencies that differ from the Base Currency of the Fund. The hedged share classes do not look to remove that currency exposure.
- (d) Investors should be aware that there is a risk that the hedging strategy used by the ACD may limit holders of the hedged share classes from benefitting if the relevant hedged share class currency falls against the reference currency.

## **5 THE AUTHORISED CORPORATE DIRECTOR**

The authorised corporate director ("ACD") of the Company is Investment Fund Services Limited, a wholly owned subsidiary of Marlborough Group Holdings Limited and the ultimate holding company of Investment Fund Services Limited is UFC Fund Management plc. The ACD is a private company limited by shares, incorporated in England and Wales on 16 February 2007 under the Companies Act 1985. The registered and head office of the ACD is at Marlborough House, 59 Chorley New Road, Bolton BL1 4QP. This is the address at which notices or other documents may be served on the Company. The amount of the ACD's issued and fully paid share capital is £10,000.

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The ACD is authorised and regulated by the FCA. The ACD may provide investment services to other clients and Funds and to companies in which the Company may invest in accordance with the Regulations.

The directors of the ACD are listed in Appendix 3.

The ACD provides its services to the Company under the terms of a service agreement (the "**ACD Agreement**"). The ACD Agreement will terminate with immediate effect if the ACD ceases to hold office as such. The ACD's appointment may be terminated by the Company in a general meeting at any time. Otherwise, save by reason of certain events of default as specified in the ACD Agreement, the Company may terminate the ACD's appointment on 3 months' notice. No such notice shall take effect until the appointment of a successor ACD. The ACD Agreement contains an indemnity from the Company to the ACD in respect of losses, claims and similar liabilities incurred by the ACD as such, save where such losses, claims and similar liabilities arise from the negligence, default, breach of duty or breach of trust of the ACD.

The ACD is responsible for managing and administering the Company's affairs in compliance with COLL. The ACD may delegate its management and administration functions, but not responsibility for such functions, to third parties, including its associates subject to COLL. The ACD has delegated the investment management function to Tavistock Wealth Limited.

Further details in respect of the ACD's delegated functions are set out in sections 6 to 9 below.

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

In accordance with the Regulations, the ACD has in place a number of policies which set out how it operates and manages the Funds in a number of key areas. Further information is available on request from the ACD.

### **Remuneration Policy**

The ACD 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 ACD'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 Funds. The ACD considers the Remuneration Policy to be appropriate to the size, internal operations, nature scale and complexity of the Funds and in line with the risk profile, risk appetite and the strategy of the Funds.

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 Funds;
- 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.

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

The ACD will make details of its latest Remuneration Policy available on its website, [www.ifslfunds.com](http://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 ACD will provide paper copies free of charge upon written request to its operating address.

In respect of any investment management delegates, the ACD 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.

## **6 THE DEPOSITARY**

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

The Depositary's duties include the following:-

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

### **Registered Office and Head Office**

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

### **Principal Business Activity**

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

### **Terms of Appointment**

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

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

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

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

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

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

### **Delegation of Safekeeping Functions**

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

The Depositary has delegated safekeeping of the Scheme Property to BNP Paribas Securities Services, London Branch (“the Custodian”). In turn, the Custodian has delegated the custody of assets in certain markets in which the Scheme may invest to various sub-delegates (“Sub-Custodians”).

A list of Sub-Custodians is set out in Appendix 5. Investors should note that the list of Sub-Custodian is updated only at each Prospectus review.

### **Conflicts of Interest**

- (a) The Depositary may act as the depositary of other open-ended investment companies and as trustee or custodian of other collective investment schemes.
- (b) It is possible that the Depositary and/or its delegates and sub-delegates may in the course of its or their business be involved in other financial and professional activities which may on occasion have potential conflicts of interest with the Scheme or a particular Sub-Fund and/or other funds managed by the ACD or other funds for which the Depositary acts as the depositary, trustee or custodian. The Depositary will, however, have regard in such event to its obligations under the Depositary Agreement and the Regulations and, in particular, will use reasonable endeavours to ensure that the performance of its duties will not be impaired by any such involvement it may have and that any conflicts which may arise will be resolved fairly and in the best interests of Shareholders collectively so far as practicable, having regard to its obligations to other clients.

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Nevertheless, as the Depositary operates independently from the Company, Shareholders, the ACD and its associated suppliers and the Custodian, the Depositary does not anticipate any conflicts of interest with any of the aforementioned parties.

### **Updated Information**

The ACD will supply a Shareholder with up-to-date details of the above information, including an up-to-date list of Sub-Custodians, on written request to its operating address.

## **7 THE CUSTODIAN**

The Depositary has delegated custody of the Company's property to BNP Paribas Securities Services (the London branch).

## **8 INVESTMENT MANAGER**

Tavistock Wealth Limited is the investment manager (the "**Investment Manager**") appointed by the ACD to the Company. The Investment Manager's principal activity is the provision of investment advisory services. The Investment Manager is authorised and regulated by the Financial Conduct Authority.

Pursuant to an agreement between the Investment Manager and the ACD, the Investment Manager provides general discretionary investment management services in respect of the Funds. The Investment Manager has the authority to make decisions on behalf of the ACD in relation to the management, purchase, sale, retention, exchange or other dealings with assets, and has full discretion to make such investments on such markets at such times as the Investment Manager sees fit and otherwise to act as it shall deem appropriate, subject always to the provisions of the Instrument of the Company, this Prospectus and the Regulations and the investment objectives and policies of the Funds.

The investment management agreement may be terminated by the Investment Manager in part or in whole after an initial 5 year term from the effective date of the agreement by the Investment Manager giving to the ACD not less than 12 months' notice in writing to expire at any time. The Investment Manager may terminate the investment management agreement on 6 (six) months' written notice to the ACD in the event that the ACD novates or assigns the agreement pursuant to a Change of Control of the ACD ("Change of Control" means a change of control where "Control" has the meaning given to it by section 416 of the Income and Corporation Taxes Act 1988). The investment management agreement may also be terminated by the ACD with immediate effect where it is in the interests of the Shareholders to do so.

## **9 ADMINISTRATOR, REGISTRAR AND THE HEDGING AGENT**

### **Administrator and Registrar**

The ACD is the Administrator and Registrar of the Company and has not delegated the performance of these functions.

### **Hedging Agent**

The ACD has delegated the performance of certain services in relation to hedging to BNP Paribas Securities Services, London Branch (the "Hedging Agent"). The Hedging Agent is responsible for providing services in relation to the hedged share classes of the Company.

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## **10 THE AUDITORS**

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

## **11 REGISTER**

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

## **12 NO LIABILITY TO ACCOUNT**

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

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

## **13 SHARES IN THE COMPANY**

Under the Company's Instrument, the Company is currently permitted to issue the following share classes:

Income Shares (Net and Gross);

Accumulation Shares (Net and Gross);

Limited Issue Accumulation Share; and

Limited Issue Income Shares

Each of the above classes of Shares may be further classified as “Retail”, “Institutional” or “Hedged” using one or more of the letters “A” to “Z” (inclusive), the numbers “0” to “9” (inclusive) or under such other designation as the ACD may by resolution from time to time decide.

As at the date of this Prospectus, only Class X Accumulation Shares (Net), Class X USD Hedged Accumulation Shares (Net) and Class X Income Shares (Net) are available as follows:

| <b>Fund</b>               | <b>Share Class</b>                     |
|---------------------------|--|
| <b>ACUMEN Portfolio 3</b> | <b>X (Net Accumulation)</b>            |
|                           | <b>X USD Hedged (Net Accumulation)</b> |
| <b>ACUMEN Portfolio 4</b> | <b>X (Net Accumulation)</b>            |
|                           | <b>X USD Hedged (Net Accumulation)</b> |

|                                |  |
|--------------------------------|--|
| <b>ACUMEN Portfolio 5</b>      | <b>X (Net Accumulation)</b><br><b>X USD Hedged (Net Accumulation)</b>            |
| <b>ACUMEN Portfolio 6</b>      | <b>X (Net Accumulation)</b><br><b>X USD Hedged (Net Accumulation)</b>            |
| <b>ACUMEN Portfolio 7</b>      | <b>X (Net Accumulation)</b><br><b>X USD Hedged (Net Accumulation)</b>            |
| <b>ACUMEN Portfolio 8</b>      | <b>X (Net Accumulation)</b><br><b>X USD Hedged (Net Accumulation)</b>            |
| <b>ACUMEN Income Portfolio</b> | <b>X (Net Income and Accumulation)</b><br><b>X USD Hedged (Net Accumulation)</b> |

Class X USD Hedged Income Shares (Net) are not currently available, should these become available the method set out below will be applied.

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

Each Share is deemed to represent one undivided unit of entitlement in the property of a Fund. If both income and accumulation Shares are in existence, the number of undivided units of entitlement in the scheme property of the Fund represented by each accumulation Share increases as income is accumulated.

No bearer Shares are issued.

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

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

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

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

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No certificates will be issued in respect of a holding of Shares. Ownership of Shares will be evidenced by an entry in the Company's register of Shareholders. Should any Shareholder require evidence of title to Shares the ACD will, upon such proof of identity and the payment of such fee (if any) as the ACD may reasonably require, supply the Shareholder with a certified copy of the relevant entry in the register relating to the Shareholder's holding of Shares.

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

### **Currency Hedged Share Classes**

As indicated above, the Company issues currency hedged share classes in order to offer investors the convenience of dealing in currencies other than the Fund's Base Currency. The hedged share classes aim to provide the holders of such shares with a return correlated to the Base Currency performance of the Funds, by attempting to reduce the effect of exchange rate fluctuations between the Base Currency and the relevant hedged currency.

All costs (including any gains and losses) associated with operating hedging transactions for these share classes will be borne by the shareholders in these share classes.

Share class hedging activity does not form part of the investment strategy of the Funds but is designed to reduce exchange rate fluctuations between the currency of the hedged share class and either the material currency exposures within the Fund's portfolio or the Base Currency.

### **How does the hedge work?**

The ACD employs a currency overlay to hedge the Net Asset Value of the relevant share class, which is intended to reduce (but not eliminate) currency exposure between the Base Currency and the currency of the relevant share class. The ACD's strategy is for the Fund to purchase hedging instruments that are intended to offset the effect of exchange rate movements, typically forward currency exchange contracts. In summary:

- new purchases of hedged shares are converted into the Fund's Base Currency using the spot rate as close to the valuation point of the relevant Dealing Day as possible;
- the Base Currency exposure is then hedged back to the currency of the relevant hedged share class using forward currency contracts;
- the gains (or losses) of each currency hedge are included in the calculation of the NAV for the share class on the relevant Dealing Day and attributed to the capital account, however these gains/losses shall be unrealised (so effectively un-invested) until the contract is rolled (i.e. renewed);
- the hedging contracts should be rolled at least quarterly in order to crystallise any gains or losses. However, during periods of high market volatility, the hedging contracts might be rolled more often, hence crystallising any gains or losses more rapidly than would otherwise have been the case. This is intended to reduce (but not eliminate) a variation in returns between the Fund's hedged share classes and those share classes denominated in the Base Currency.

The hedging position will be reviewed on each Dealing Day (or on any other day on which a valuation of the scheme property of a Fund is carried out) and adjusted when there is a material change to the dealing volume of a Fund. Each hedged share class has a target hedge ratio of 100% of the relevant share class and a tolerance limit of +/- 2%. If, on any Dealing Day, the value of the relevant Fund moves outside of the tolerance limit, then the hedge position will be rebalanced to bring the hedge back within the target ratio (either by putting on an additional hedge position or closing-out part of the existing position). Investors should note that, although the ACD will

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typically look to hedge 100% of the NAV of the relevant hedged share class, the hedge may not always be 100% to avoid transaction costs for small deals.

As noted above, forward currency contracts (or other instruments that are intended to achieve a comparable result) will be used to hedge the total NAV (capital and revenue) of each hedged share class.

All gains and losses associated with forward currency contracts (or other instruments that are intended to achieve a comparable result) in respect of each hedged share class are allocated to capital only.

### **Limited Issue**

Limited Issue Shares are only available for purchase during a limited period of time. The ACD may limit the issue of Shares in certain circumstances. If Limited Issue arrangements are put in place, the circumstances and conditions of the Limited Issue will be set out in the Prospectus.

Where Limited Issue arrangements are in place, the ACD may not provide for the further issue of Shares unless at the time of the issue, the ACD is satisfied on reasonable grounds that the proceeds of that subsequent issue can be invested without compromising the Company's investment objective or materially prejudicing existing Shareholders.

Currently, no Limited Issue arrangements are in place in respect of the Shares.

## **14 VALUATIONS**

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

Each Share linked to a Fund represents a proportional share of the overall property attributable to that Fund. Broadly the price of a Share is calculated by reference to the net asset value of the Fund, and dividing that value (or that part of that value attributed to Shares of the class in question) by the number of Shares (of that class in question) in issue.

Valuations are normally carried out on each Dealing Day. The valuation point for the purposes of determining the price of Shares in the Company is 12.00 noon (UK time) on each Business Day.

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

The value of the scheme property attributable of the Company or a Fund (as the case may be) is, for all purposes, valued on the following basis (which is set out in full in the Instrument):

- 14.1 All the scheme property (including receivables) is to be included, subject to the following provisions.
- 14.2 Scheme Property which is not cash (or other assets dealt with in sections 14.3 and 14.4 below) shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:
  - (a) units or shares in a collective investment scheme:

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- (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 an initial charge included therein and the selling price has been increased by any exit or redemption charge attributable thereto; or
  - (iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a value which, in the opinion of the ACD, is fair and reasonable;
- (b) exchange-traded derivative contracts:
- (i) if a single price for buying and selling the exchange-traded derivative contract is quoted, at that price; or
  - (ii) if separate buying and selling prices are quoted, at the average of the two prices;
- (c) over-the-counter derivative contracts shall be valued in accordance with the method of valuation as shall have been agreed between the ACD and the Depositary;
- (d) any other investment:
- (i) if a single price for buying and selling the security is quoted, at that price; or
  - (ii) if separate buying and selling prices are quoted, at the average of the two prices; or
  - (iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if the most recent price available does not reflect the ACD's best estimate of the value, at a value which, in the opinion of the ACD, is fair and reasonable; and
- (e) property other than that described in (a), (b), (c) and (d) above: at a value which, in the opinion of the ACD, represents a fair and reasonable mid-market price.
- 14.3 Cash and amounts held in current and deposit accounts and in other time-related deposits shall be valued at their nominal values.
- 14.4 In determining the value of the scheme property, all instructions given to issue or cancel shares shall be assumed (unless the contrary is shown) to have been carried out and any cash payment made or received and all consequential action required by the Regulations or this Instrument shall be assumed (unless the contrary has been shown) to have taken place.
- 14.5 Subject to paragraphs 14.6 and 14.7 below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the ACD, their omission shall not materially affect the final net asset amount.

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- 14.6 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 14.5.
  - 14.7 All agreements are to be included under paragraph 14.5 which are, or ought reasonably to have been, known to the person valuing the property assuming that all other persons in the ACD's employment take all reasonable steps to inform it immediately of the making of any agreement.
  - 14.8 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 scheme; 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 will be deducted.
  - 14.9 An estimated amount for any liabilities payable out of the scheme property and any tax thereon treating periodic items as accruing from day to day will be deducted.
  - 14.10 The principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings will be deducted.
  - 14.11 An estimated amount for accrued claims for tax of whatever nature which may be recoverable will be added.
  - 14.12 Any other credits or amounts due to be paid into the scheme property will be added.
  - 14.13 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 will be added.
  - 14.14 Currencies or values in currencies other than base currency or (as the case may be) the designated currency of a Fund shall be converted at the relevant valuation point at a rate of exchange that is not likely to result in any material prejudice to the interests of shareholders or potential shareholders.

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

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

### ***Fair Value Pricing***

Where the ACD has reasonable grounds to believe that:

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

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

The circumstances which may give rise to a fair value price being used includes:

- (a) where there has been no recent trade in the security concerned; or
- (b) or due to the suspension of dealings in an underlying collective investment scheme;
- (c) where there has been the occurrence of a significant event since the most recent closure of the market where the price of the security is taken.

## **15 PRICES OF SHARES**

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

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

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

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

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

[www.tavistockwealth.com](http://www.tavistockwealth.com);

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

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

Shareholders may also obtain share prices on the following number: **0808 178 9321**.

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

## **16 STAMP DUTY RESERVE TAX**

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

- **Third party transfers of Shares without reregistration**

Where a third party buys Shares from a Shareholder and the transaction is not handled by the ACD (i.e. a third party purchase where only beneficial ownership of the Shares

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change) then the principal SDRT charge on agreements to transfer for consideration will still apply at 0.5%.

- **Non-pro rata in specie redemptions**

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

## **17 DILUTION LEVY**

*What is 'dilution'?* – where a Fund buys or sells underlying investments in response to a request for the issue or redemption of Shares, it will generally incur a cost, made up of dealing costs and any spread between the bid and offer prices of the investments concerned, which is not reflected in the issue or redemption price paid by or to the Shareholder and which is referred to as "dilution".

To mitigate the effects of dilution the ACD has discretion to charge a dilution levy based on historical data on the purchase or redemption of shares in a Fund. A dilution levy is a separate charge of such amount or rate as determined by the ACD. Any dilution levy must be fair to all Shareholders and potential Shareholders.

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

- where a Fund experiences a large level of net sales or redemptions on any Business Day, relative to its size (i.e. net sales or redemptions equivalent to greater than 5% of the net asset value of the relevant Fund);
- where a Fund is in continuing decline, in terms of net asset value, as a result of poor market conditions or continual net redemptions;
- on "large deals", which for this purpose is defined as a single purchase or redemption of shares equivalent to more than 5% of the net asset value of the relevant Fund.

The amount is not retained by the ACD but is paid into the affected Fund.

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

Based on the number of Shareholders in each Fund and their average shareholding, as well as historic subscription and redemption volumes, the ACD does not currently envisage that a dilution levy will be applied to any "large redemption deals" in the Funds, as it is unlikely that any single holder will have control of greater than 5% of any single Fund. However, where it is applied, the ACD believes that the amount will not normally exceed 1% of the net asset value of shares being bought or sold.

## **18 PURCHASE, REDEMPTION AND EXCHANGE OF SHARES**

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

Requests for the purchase, redemption and exchange of Shares are normally dealt with by the issue or cancellation of such Shares by the Company. However, in certain circumstances, the

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

The ACD may not sell a share at a higher price, or redeem a share at a lower price from its box (in both cases before application of any initial charge or deduction of SDRT as applicable) than the price notified to the Depositary in respect of the Valuation Point concerned.

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

## **Purchase**

### ***Applications***

Subject to restrictions applicable to certain classes of Shares, applications for Shares linked to the Funds may be made by any person. Shares to satisfy an application received before the valuation point of the Funds (see "Valuations" above for details of the valuation points) on a Dealing Day will be sold at a price based on that day's valuation and Shares to satisfy an application received after the valuation point or on a day which is not a Dealing Day, will be sold at a price based on the valuation point on the next Dealing Day.

Applications may be made by completing an application form and delivering it to the ACD, marked for the attention of Investment Fund Services Ltd, Marlborough House, 59 Chorley New Road, Bolton BL1 4QP, by facsimile on 01204 533045, or by email to [dealing@ifslfunds.com](mailto:dealing@ifslfunds.com). The ACD may also, at its sole discretion, accept instructions by telephone on 0808 164 5458 between 9.00am and 5.00pm on any Business Day on such terms as it may specify. Application forms are available from the ACD at its website at [www.ifslfunds.com](http://www.ifslfunds.com) or by telephone on 0808 178 9321 (overseas +44 1204 803 932). The ACD may require telephone or electronic requests to be confirmed in writing.

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

Applications will not be acknowledged but a contract note will be sent on or before the next Business Day following the Valuation Point. Certificates will not be issued. Where the total price payable for all Shares for which the application is made would include a fraction of one penny it will be rounded up or down to the nearest penny.

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

If an Applicant defaults in making any payment in money or transfer of property due to the ACD in respect of the sale or issue of Shares, the Applicant shall indemnify the ACD and/or the Company (as the case may be) in respect of any loss or cost incurred by either of them as a result of such default and the Company is entitled to make any necessary amendment to the register and the ACD will become entitled to the Shares in place of the Applicant (subject, in case of an issue

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of Shares, to the ACD's payment of the purchase price to the Company). The ACD may in its discretion delay arranging for the issue of the Shares until payment has been received.

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

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

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

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

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

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

The ACD or registrar may use external credit reference agencies to verify your identity and/or bank details. This will not have any effect on your credit history.

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

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

### ***Minimum Purchase***

In respect of Shares in the Funds, the minimum value which any one person may purchase initially is £1,000 in respect of Class X Shares and \$1,000 in respect of Class X USD Hedged. The minimum value which may be the subject of any subsequent purchase in respect of the Funds is £500 in respect of Class X Shares and \$500 in respect of Class X USD Hedged. However, the ACD may, by special arrangement and at its discretion, either agree on an individual basis a lower amount in relation to the minimum value requirements, or waive such requirements at its discretion. The ACD may also offer a "Regular Savings Plan" in respect of certain classes of shares, whereby shares can be purchased monthly, the settlement for which is collected via direct debit. The minimum value of shares purchased in one single transaction under a Regular Savings Plan is:

| Share Class        | Minimum Regular Savings Amount per Transaction |
|--------------------|--|
| Class X            | £100   |
| Class X USD Hedged | Not available                                  |

### ***Redemption***

Shares in the Funds may be redeemed on any Dealing Day. Shares to be redeemed pursuant to a redemption request received before the valuation point of the relevant Fund on a Dealing Day will be redeemed at a price based on that day's valuation and Shares to be redeemed pursuant to a redemption request received after that time, or on a day which is not a Dealing Day, will be redeemed at a price based on the valuation made on the next Dealing Day.

Dealings are on a forward price basis as explained in the paragraph headed "**Prices of Shares**" above. Redemption instructions may be given by delivery to the ACD of written instructions for redemption (by letter to the ACD marked for the attention of Investment Fund Services Ltd, Marlborough House, 59 Chorley New Road, Bolton BL1 4QP, by fax on 01204 533045) or by email to [dealings@ifslfunds.com](mailto:dealings@ifslfunds.com). Redemption instructions may be given by telephone on 0808 164 5458 between 9.00am and 5.00pm on any Business Day. Redemption instructions are irrevocable. Redemption instructions sent by fax or by email must be followed up with the original signed instructions before any proceeds can be remitted, except in instances where a coverall agreement is already in place for the account.

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

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

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

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

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

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

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

The ACD will select the property to be transferred (or sold) in consultation with the Company's Depository. The ACD must ensure that the property selection is made with a view to achieving no greater advantage or disadvantage to the redeeming Shareholder than to continuing Shareholders.

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

If a redemption request is in respect of only some of the Shares held, the minimum value of Shares which may be the subject of redemption is £500 in respect of Class X Shares and \$500 in respect of Class X USD Hedged. Where the value of an individual holding of Shares would, in consequence of a request for redemption/cancellation, fall below £1,000 in respect Class X Shares in any Fund and \$1,000 in respect of Class X USD Hedged, such request may be treated as a request for redemption/cancellation of all the Shares held by such shareholder.

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

With regard to regular savings plans the minimum values shown above will only apply where regular monthly contributions (where applicable) have been discontinued.

### **Deferred Redemption**

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

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

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

## **19 SWITCHING AND CONVERSIONS**

### **Conversions**

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

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Share class conversions are not possible between different currency share classes.

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

If a shareholder wishes to convert shares he should apply to the ACD in the same manner as for a sale as set out in section 18 above.

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

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

Depending on the circumstances, Share class conversions within the same Sub-Fund may be treated as a disposal for capital gains tax purposes. Share class conversions within the same Sub-Fund (where no other consideration is given or received) will generally not be treated as a disposal for capital gains tax purposes provided the property subject to the scheme and the rights of participants to share in the capital and income in relation to that property are the same immediately before and after the event (ignoring any changes as a result of a variation in management charges). In particular, where the classes do not have the same rights to income and capital, for example, where a class is hedged, a conversion may give rise to a liable to capital gains tax or corporation tax on chargeable gains. Shareholders who are in any doubt as to their tax treatment should seek their own professional advice.

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

### **Switches**

Where shares in more than one Sub-Fund are available, Shareholders may (subject to the qualifications below) exchange shares in one Sub-Fund for shares in a different Sub-Fund.

The right to exchange is subject to the following:

- the ACD and the Depositary are not obliged to give effect to a request for exchange of Shares if the value of the Shares to be exchanged is less than the minimum permitted transaction (see above) or if it would result in the Shareholder holding Shares of any class of less than the minimum holding for that class of Share (see above);
- the ACD may decline to permit an exchange into a Fund in respect of which there are no Shares in issue, or in any case in which they would be entitled under COLL to refuse to give effect to a request by the shareholder for the redemption of Shares of the old class or the issue of Shares of the new class.
- the ACD does not allow switches between different currency share classes.

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

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

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

Instructions for switching Shares may be given to the ACD in writing marked for the attention of Investment Fund Services Ltd, Marlborough House, 59 Chorley New Road, Bolton BL1 4QP, by fax on 01204 533045 or by email to [dealing@ifslfunds.com](mailto:dealing@ifslfunds.com) at the ACD's discretion.

### ***Application***

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

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

## **20 SUSPENSION AND RESTART OF DEALINGS**

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

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

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

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

## **21 MANDATORY REDEMPTION OF SHARES**

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

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

- (b) may (or may if other Shares are acquired or held in like circumstances) result in the Company incurring any liability to taxation including withholding tax or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory); or
- (c) are held in any manner by virtue of which the shareholder or shareholders in question is/are not qualified to hold such shares; or
- (d) are owned by a Shareholder who is registered in a jurisdiction (where the Fund is not registered or recognised by the relevant competent authority) whereby communication with that shareholder by the ACD, on behalf of the Fund, might constitute a breach of the regulations in that jurisdiction (unless specific action is taken by the ACD to prevent such a communication constituting a breach),

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

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

## 22 DISTRIBUTION

The annual accounting period for the Company and the Funds ends on 31 October (the "**accounting reference date**"). The half-yearly accounting period ends on 30 April (the "**interim accounting reference date**").

Allocations and, if relevant, distributions of income will be made in respect of the Funds as follows:

| <b>Fund</b>             | <b>Annual allocation of income</b> | <b>Interim allocation of income</b> |
|-------------------------|------------------------------------|-------------------------------------|
| ACUMEN Portfolio 3      | 31 December                        | 30 June                             |
| ACUMEN Portfolio 4      | 31 December                        | 30 June                             |
| ACUMEN Portfolio 5      | 31 December                        | 30 June                             |
| ACUMEN Portfolio 6      | 31 December                        | 30 June                             |
| ACUMEN Portfolio 7      | 31 December                        | 30 June                             |
| ACUMEN Portfolio 8      | 31 December                        | 30 June                             |
| ACUMEN Income Portfolio | 31 December                        | 31 March, 30 June, 30 September     |

Distribution statements and tax certificates will be sent to Shareholders (if applicable). Payments will be made by bank automated credit system. Cheques will not be sent. Where an investor's

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bank details are not known or are inaccurate, accumulation shares will be purchased, where available, otherwise any income from income shares will be reinvested.

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

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

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

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

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

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

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

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

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

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

## **23 INCOME EQUALISATION**

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

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

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

## **24 THE AUTHORISED CORPORATE DIRECTOR’S CHARGES**

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

### ***Initial Charge***

The ACD may impose a charge payable by the Shareholder on the issue of Shares (the “**initial charge**”) in the Fund. If an initial charge is applied, it will be deducted from the investment proceeds at the outset and is calculated as a percentage of the price of a Share. The current initial charge applicable to the share classes are:

| <b>Share Class</b>        | <b>Current Initial Charge</b> |
|---------------------------|-------------------------------|
| <b>Class X Shares</b>     | 0%                            |
| <b>Class X USD Hedged</b> | 0%                            |

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

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

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

### ***Annual Charge***

The ACD is entitled to an annual charge which accrues daily and is payable monthly. The accrued charge for each day is calculated by reference to the value of the relevant Fund on the preceding day and is payable out of the property attributable to the Fund. It is paid within seven days of the month end. The annual charge is payable by the Company from the scheme property attributable to the Fund and is paid to the ACD by way of remuneration for its duties and responsibilities to

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the Company as ACD. The charge is calculated separately in relation to each share linked to the Fund as a percentage rate per annum of the total value of the units of entitlement in the property of the Fund on the relevant valuation date.

The current annual management charge in respect of the Share classes is as follows:

| <b>Share Class</b>        | <b>Current Annual Management Charge</b> |
|---------------------------|---|
| <b>Class X Shares</b>     | 0.75%                                   |
| <b>Class X USD Hedged</b> | 0.75%                                   |

The annual management charge is exclusive of VAT which shall, if applicable, be payable in addition. The ACD may waive or discount the annual management charge at its discretion. Any increase in the above rates requires not less than 60 days' prior notice in writing to the shareholders before such increase may take effect. Also, the ACD is required to revise the Prospectus to reflect the new current rate and the date of its commencement.

The first accrual will be in respect of the period from the day on which the first valuation is made of the relevant Fund to the end of that month and is based on the first valuation point. The annual charge will cease to be payable (in relation to a Fund) on the date of commencement of its termination, and (in relation to the Company as a whole) on the date of the commencement of its winding up or, if earlier, the date of the termination of the ACD's appointment as such. The amount(s) accruing due on the last relevant valuation date before the event concerned will be adjusted accordingly.

#### ***Redemption Charge***

The ACD currently makes no charge on the redemption of Shares although the ACD is permitted to charge a dilution levy and/or SDRT provision (as explained above). The ACD has the right to introduce a charge on redemption of Shares in the future (subject to COLL), but this will not affect Shares issued prior to its introduction.

#### ***Switching Fee***

The ACD does not currently impose a charge on conversions or switches between Funds.

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

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

The rate of the periodic fee is agreed between the ACD and the Depositary and in relation to each Fund is subject to a minimum fixed amount of £7,500 per annum. Subject to this minimum, the charge is otherwise calculated on a sliding scale for each Fund on the following basis:

- 0.0275% per annum of the first £50 million of the scheme property;
- 0.025% per annum of the next £150 million of the scheme property;
- 0.02% per annum of the next £50 million of the scheme property;

- 0.0175% per annum of the balance.

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

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

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

| <b>Item</b>         | <b>Range</b>    |
|---------------------|-----------------|
| Transaction Charges | £8 to £175      |
| Custody Charges     | 0.005% to 0.04% |

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

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

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

### **Ranges of Charges**

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

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

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

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

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## 26 OTHER PAYMENTS IN RESPECT OF THE FUNDS

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

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

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- to remove obsolete provisions from the Instrument, the Prospectus and the Key Investor Information Document.
  - any costs incurred in respect of any other meeting of Shareholders convened on a requisition by holders not including the ACD or an associate of the ACD in relation to a scheme of arrangement where the property of a body corporate (such as an investment company) or of another collective investment scheme is transferred to the Funds in consideration of the issue of shares in the Fund to Shareholders in that body corporate or to participants in that other scheme, and any liability arising after the transfer which, had it arisen before the transfer, could properly have been paid out of that other property provided the ACD is of the opinion that proper provision was made for meeting such liabilities as were known or could reasonably have been anticipated at the time of the transfer;
  - the expenses of the Depositary in the convening a meeting of Shareholders convened by the Depositary alone;
  - any audit fees of the Auditor and any proper expenses of the Auditor;
  - any fees and any proper expenses of any professional advisers retained by the Company or by the Company in relation to the ACD;
  - the cost of printing and distributing literature required or necessary for the purpose of complying with COLL, the OEIC Regulations, the FCA's Conduct of Business Rules or any other law or regulation, (excluding the cost of dissemination of the Key Investor Information Document);
  - the costs of printing and distributing annual, half yearly and quarterly reports and any other reports or information provided for Shareholders;
  - any costs of listing the prices of the Funds in publications and information services selected by the ACD;
  - the fees and any proper expenses of any professional advisers incurred by the ACD and the Depositary in relation to the establishment of the Company and its Funds;
  - the fees of the FCA under Schedule 1, Part III of the Act or the corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which shares in the Funds are or may be marketed;
  - any sum due by virtue of any provision of COLL such as cancellation proceeds and reasonable stock lending expenses;
  - any other charges/expenses that may be taken out of the Fund's property in accordance with COLL; and
  - value added tax in respect of any of the costs, expenses, fees and charges payable by the Funds.

#### **Registrar's reimbursement of Fees - foreign currency share classes**

In respect of foreign currency share classes in a Sub-Fund, the Registrar is entitled to reimbursement of transaction fees (including but not limited to banking charges) that it incurs in the processing and handling of payments for deals placed by investors in the Sub-Funds. These fees cover payments to and from the Sub-Funds in respect of creation/liquidation payments,

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in addition to fees incurred in the receipt and / or onward payment of foreign currency from / to individual investors.

The fees are levied against the relevant foreign share class as set out below and where applicable exclude VAT:

- £5-£30 per foreign currency payment received / paid.

### **Hedging Agent's Charge**

The fees, charges and expenses of the Hedging Agent may be payable by the Company out of the assets associated with the hedged share classes at the discretion of the ACD on a monthly basis.

The Fees as detailed below of the Hedging Agent will be calculated on the basis of the average net monthly currency value ("Amount at Risk") of outstanding FX market transactions for each of the hedged share classes. The invoices will be billed in GBP and based on the month end exchange rate based on the W M Reuters closing spot rate at 4pm UK time.

- A fee equal to five basis points (0.05%) of the Amount at Risk:

Subject to a minimum annual fee of three thousand pounds (GBP) or equivalent per share class.

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

The ACD will give not less than 60 days' prior written notice to the Shareholders in respect of any increase in the above rates. Also, the ACD is required to revise the Prospectus to reflect the new current rate and the date of its commencement.

### ***Set up costs***

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

### ***Treatment of Charges***

Expenses and charges may be payable out of the capital property or the income property of the Funds at the discretion of the ACD in accordance with the Regulations. Charges made to the capital property of the Fund may constrain capital growth.

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

| <b>Fund</b>        | <b>Treatment of ACD's annual charge</b> |
|--------------------|---|
| ACUMEN Portfolio 3 | Income                                  |
| ACUMEN Portfolio 4 | Income                                  |
| ACUMEN Portfolio 5 | Income                                  |
| ACUMEN Portfolio 6 | Income                                  |

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|                         |         |
|-------------------------|---------|
| ACUMEN Portfolio 7      | Income  |
| ACUMEN Portfolio 8      | Income  |
| ACUMEN Income Portfolio | Capital |

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

**Allocation of Expenses**

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

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## 27 TAXATION

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

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

### **Taxation of the Company**

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

#### ***Income***

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

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

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

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

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

### **Taxation of the Shareholder**

The amounts available for distribution by a Fund may be designated for distribution either as dividends or as interest, but only a Fund holding more than 60% of its investments in interest-bearing securities can designate distributions as interest.

### **ACUMEN Portfolio 4, ACUMEN Portfolio 5, ACUMEN Portfolio 6, ACUMEN Portfolio 7, ACUMEN Portfolio 8, ACUMEN Income Portfolio**

It is expected that each of the Funds listed above will show amounts available for distribution as dividends, in which case the following will apply:

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

#### ***Income***

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The Funds will make dividend distributions without deduction of income tax. The first £2,000 dividend income including of dividend distributions received by individual investors in any tax year is covered by the dividend allowance and is exempt from UK income tax. Amounts received 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 7.5% 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 32.5% 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 38.1% 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 will be made gross to shareholders who are not UK resident. Non resident shareholders who are individuals are not liable to UK income tax on the dividend distribution. Non-UK resident shareholders are recommended to seek professional advice as to the tax consequences of receiving a dividend distribution under the law of the jurisdiction of their residence.

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

### ***Capital gains***

Capital gains made by individual Shareholders 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 2020/2021, the first £12,300 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.

Shareholders who are non UK resident will not normally be liable to UK tax on capital gains arising on a sale, disposal or other chargeable event unless the shareholding is connected with a trade carried on by the Shareholder through a UK branch or agency or certain anti-avoidance provisions relating to temporary non-UK residence apply.

### ***Corporate shareholders***

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

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

In broad terms, the portion treated as being 'franked' will be such proportion of the Company's total income (brought into account when determining the distribution for the period in question) which consists of dividend income received which is treated as exempt under Part 9A of CTA 2009. The 'franked' portion will be treated as exempt dividend income when received by a UK resident corporate shareholder (unless the shareholder 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 Shareholder will, therefore, be liable to corporation tax at the rate applicable to that corporate Shareholder but with credit for the income tax deducted. Such Shareholders may, therefore, be liable to further tax or entitle to reclaim the deemed tax credit from HMRC. And any ability to claim repayment of the income

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tax credit will be limited to the corporate shareholder's share of the Fund's liability to corporation tax for the distribution period in question.

### ***Chargeable gains***

Chargeable gains made by Shareholders liable to UK corporation tax will be taxable at the corporation tax rate applicable to that corporate Shareholder after taking account the availability of any historic indexation relief. The main rate of corporation tax is currently 19%.

### **ACUMEN Portfolio 3**

It is expected that the Fund listed above will make investments such that more than 60% of the market value of those investments is invested in "qualifying investments" (which, broadly means interest-bearing investments). On this basis, the Fund is expected to show amounts available for distribution as interest and the following will apply:

### ***Income***

The Funds will make all interest distributions gross, that is without the deduction of income tax.

For Shareholders who are individuals resident in the UK and other Shareholders within the charge to UK income tax, the distribution is treated as savings income in the hands of individuals, however, no tax will be deducted from the interest distributions at source. Income is taxable at the basic rate (20%), higher rate (40%) or additional rate (45%) depending on the individual's personal tax circumstances. The first £1,000 of total savings income from all sources for basic rate taxpayers (£500 for higher rate taxpayers) is not subject to UK tax, although it forms part of the individual's total income for the purpose of calculating their income tax liability.

For Shareholders who are resident in countries other than the UK for tax purposes (and who do not fall within the categories of Shareholders described in the previous paragraphs), no tax will be deducted from the interest distribution at source.

For Shareholders within the charge to UK corporation tax (which includes non-resident Shareholders who are carrying on a trade in the UK through a permanent establishment) and Shareholders who are resident in countries other than the UK for tax purposes, no tax will be deducted from the interest distribution at source. The tax regime relating to corporate loan relationships contained in Part 5 of the Corporation Tax Act 2009 is generally applied to interest distributions to such Shareholders as if the interest distribution were interest on a loan by the Shareholder to the Fund in question.

The proceeds represented by the interest distribution may be classed as "savings income" for the purposes of the UK's implementation of the European Union Directive on the Taxation of Savings Income (2003/48/EC) (the "Savings Tax Directive"). Broadly, this means that where individual Shareholders resident in an EU member state (other than the UK) or a territory which is prescribed for the purposes of the Savings Tax Directive receive an interest distribution, the Fund (or the ACD) may be under an obligation to meet certain disclosure requirements in the UK.

### ***Capital gains***

On the disposal of Shares, Shareholders who are UK resident or ordinarily resident individuals should be treated for UK tax purposes in the same way as on a disposal of Shares in Funds that pay a dividend distribution. That is to say, they may, depending on their personal circumstances, be charged to UK capital gains tax on any chargeable gains arising from the disposal. Disposal for these purposes includes a sale or redemption of such Shares. No UK capital gains tax would

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be chargeable to the extent that an individual's total chargeable gains for the year falls within his or her annual exemption.

Chargeable gains arising from the disposal of Shares in any of the Funds to Shareholders within the charge to UK corporation tax (which includes non-resident Shareholders who are carrying on a trade in the UK through a permanent establishment) are subject to different UK tax treatment than gains arising to such Shareholders on a disposal of Shares in Funds that pay a dividend distribution. In relation to a disposal of Shares in any of the Funds by such a Shareholder, the tax regime relating to corporate loan relationships contained in Part 5 of the Corporation Tax Act 2009 should apply. As such, any gain on that disposal (provided, in the case of a non-resident Shareholder carrying on a trade in the UK through a permanent establishment, the Shares disposed of were used by or held for the purposes of such trade or such permanent establishment) will generally be treated as a profit or gain from that loan relationship and should be brought into account accordingly.

For accumulation Shares, income accumulated and on which income tax or corporation tax on income has been paid can be added to the cost of those accumulation Shares when computing the amount of any chargeable gain.

Proceeds on the redemption of Shares are paid without deduction of tax.

The proceeds of a sale, refund or redemption of Shares in any of the Funds may be classed as "savings income" for the purposes of the UK's implementation of the Savings Tax Directive. Broadly, this means that where individual Shareholders resident in an EU member state (other than the UK) or a territory which is prescribed for the purposes of the Savings Tax Directive receive such proceeds, the Fund (or the ACD) may be under an obligation to meet certain disclosure requirements in the UK.

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

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

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

In particular, Shareholders may wish to note that pursuant to applicable UK regulations (including The International Tax Compliance Regulations 2015 SI 2015/878 as amended), the Company or the ACD may be required to undertake due diligence and/or obtain information on Shareholders, including as regards their name, address, tax identification number, tax residency and status, details (if applicable in the case of certain types of Shareholders) in relation to persons that directly or indirectly have an interest in the Shareholders, and to report certain information about Shareholders and their investments to HM Revenue & Customs on an annual basis.

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

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## **ISAs**

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

## **28 REPORTS AND ACCOUNTS**

The annual accounting period of the Company ends on 31 October. The half-yearly accounting period ends on 30 April.

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

## **29 ANNUAL GENERAL MEETING**

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

## **30 VOTING**

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

### ***Notice and Quorum***

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

The quorum for a meeting is two Shareholders present in person or by proxy. If a quorum is not present within half an hour of the time appointed the meeting will (if requisitioned by shareholders) be dissolved and in any other case will be adjourned. If at such adjourned meeting a quorum is not present within 15 minutes from the appointed time, one person entitled to count in a quorum will be a quorum.

### ***Voting Rights***

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

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

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

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

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

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

#### ***Powers of a Shareholders' Meeting***

The ACD must, by way of an extraordinary resolution (i.e. a resolution notified and proposed as such and passed by a majority of not less than three-quarters of the votes validly cast), obtain prior approval from the Shareholders (or, where applicable, class of Shareholders) for any proposed change to the Company or its Funds which, in accordance with COLL, is a fundamental change. Such a fundamental change is likely to include:

- certain changes to the investment objective and policy of the Funds;
- the removal of the ACD;
- any proposal for a scheme of arrangement.

Other provisions of the Company's Instrument and the Prospectus may be changed by the ACD without the sanction of a shareholders' meeting in accordance with the COLL.

### **31 INVESTMENT AND BORROWING POWERS**

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

### **32 TRANSFER OF SHARES**

A Shareholder is entitled (subject to as mentioned below) to transfer Shares by an instrument of transfer in any usual or common form or in any other form approved by the ACD. The ACD is not obliged to accept a transfer if it would result in the Shareholder, or the transferee, holding less than the minimum holding of Shares of the class in question. The instrument of transfer, duly

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stamped if it is required to be stamped, must be lodged with the ACD for registration. The transferor remains the holder until the name of the transferee has been entered in the register.

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

### **33 WINDING UP OF THE COMPANY AND TERMINATION OF THE FUNDS**

The Company may be wound up under chapter 7.3 of COLL or as an unregistered company under Part V of the Insolvency Act 1986. Save as otherwise provided in the Instrument as explained in this Prospectus, winding up of the Company or termination of a Fund under COLL is only permitted with the approval of the FCA and if a statement has been lodged with the FCA by the ACD confirming that the Company or a Fund will be able to meet all its liabilities within twelve months of the date of the statement (a "**solvency statement**").

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

- if an extraordinary resolution of shareholders of either the Company or a Fund (as appropriate) to that effect is passed; or
- on the date stated in any agreement by the FCA in response to a request from the ACD for the winding up of the Company or a request for the termination of that Fund.

The ACD may request that a Fund be terminated in certain situations such as if, at any time after the first anniversary of the issue of the first Shares linked to a Fund the net value of the assets of the Company attributable to such Fund is less than £1 million.

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

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

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

### **34 OTHER INFORMATION**

#### ***Delegation***

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

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

The ACD has in place a conflicts policy which identifies potential conflicts which constitute or may give rise to a conflict of interest that may have an adverse impact upon the interests of the Company, and the procedures which will be followed in order to manage such conflicts.

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

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

Subject to compliance with COLL the ACD and any of its associates may be party to or interested in any contract, arrangement or transaction to which the Company is a party or in which it is interested.

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

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

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

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

With the exception mentioned below:

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

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

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

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### ***Rebate of Fees***

The ACD may at its sole discretion rebate its initial or periodic charges in respect of any application for, or holding of, Shares. Similarly the Company may rebate or waive its charges in relation to any exchange of Shares.

## **35 GENERAL**

### ***Market Timing***

The ACD does not permit a 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 ACD will undertake monitoring activities to ensure that market timing is not taking place in a Fund.

### ***Complaints***

Any complaint should in the first instance be referred to the ACD at its registered office. If a complaint cannot be resolved satisfactorily with the ACD it may be referred to the Financial Ombudsman Service, Exchange Tower, London, E14 9SR. More details about the Financial Ombudsman Service and the ACD's internal complaints handling procedure are available free of charge from the ACD.

### ***Cancellation Rights***

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

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

### ***Service of Notices or Other Documents to the Company***

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

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

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

### ***Data Protection***

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

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

| <b>Purpose</b>           | <b>Type of data</b>             | <b>Basis for processing</b>    |
|--------------------------|---------------------------------|--------------------------------|
| Providing investment and | Identity, contact and financial | Performance of a contract with |

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

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

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

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

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

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

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

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

The Financial Services Compensation Scheme Limited has been established under the rules of the FCA as a "rescue fund" for certain clients of firms authorised and regulated by the FCA which have gone out of business. The ACD will supply you with further details of the scheme on written request to its operating address. Alternatively, you can visit the scheme's website at [www.fscs.org.uk](http://www.fscs.org.uk) or by writing to the Financial Services Compensation Scheme, PO Box 300, Mitcheldean, GL17 1DY.

### ***Documents and information available***

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

- Latest version of the Prospectus;
- Latest version of the Key Investor Information Document;
- Latest version of the Instrument which constitutes the Company and the Funds;
- Latest annual and half-yearly long reports applying to the Funds;
- Supplementary information relating to the quantitative limits which apply to the risk management of the Company and the Funds, the methods used for the purposes of such risk management and any recent developments which relate to the risk and yields of the main categories of investment which apply to the Company and the Funds;
- The ACD Agreement.

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

### ***Governing Law***

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

### ***Historical Information***

Past performance is not an indicator of future performance

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Past performance data for the ACUMEN Portfolio 4 and the ACUMEN Portfolio 5, which launched on 12<sup>th</sup> September 2014 and the ACUMEN Income Portfolio and ACUMEN Portfolio 6, which launched on 25<sup>th</sup> January 2016 and the ACUMEN Portfolio 3, ACUMEN Portfolio 7 and ACUMEN Portfolio 8, which launched on 1<sup>st</sup> June 2017 is set out in Appendix 4.

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## Appendix 1

### Summary of Investment and Borrowing Powers

The Company may exercise, in respect of the Funds, the full authority and powers permitted by COLL applicable to a UCITS Scheme. However this is subject to the applicable investment limits and restrictions set out in COLL, the Instrument, this Prospectus (including this Appendix) and the relevant Fund's investment objective and policy.

The ACD shall ensure that, taking into account the relevant Fund's investment objectives, the scheme property of the Company aims to provide a prudent spread of risk.

#### *Collective investment schemes*

Up to 100% of the scheme property attributable to the Funds may consist of units or shares in collective investment schemes. Not more than 20% in value of the property of a Fund may consist of units or shares in any one collective investment scheme.

For the purposes of investment in units or shares in collective investment schemes, each Fund of the Company is to be treated as if it were a separate scheme, but no Fund may invest in another Fund of the Company.

A Fund must not invest in units or shares of a collective investment scheme (the "**second scheme**") unless the second scheme satisfies the conditions referred to below and provided that no more than 30% of the value of the scheme property attributed to the relevant Fund is invested in second schemes within categories (b) to (e) below:

- (i) The second scheme must fall within one of the following categories:
  - (a) a scheme which satisfies the conditions necessary for it to enjoy the rights conferred by the UCITS Directive; or
  - (b) a scheme which is recognised under the provisions of section 270 of the Financial Services and Markets Act 2000 (schemes authorised in designated countries or territories); or
  - (c) a scheme which is authorised as a Non-UCITS Retail Scheme (as defined in COLL) and in respect of which the requirements of article 19(1)(e) of the UCITS Directive are met; or
  - (d) a scheme which is authorised in another EEA State (and in respect of which the requirements of article 19(1)(e) of the UCITS Directive are met); or
  - (e) a scheme which is authorised by the competent authority of an OECD member country (other than another EEA State) which has:
    - (i) signed the IOSCO Multilateral Memorandum of Understanding; and
    - (ii) approved the scheme's management company, rules and depositary/custody arrangements (and in respect of which the requirements of article 19(1)(e) of the UCITS Directive are met).
- (ii) The second scheme must comply, where relevant, with those COLL provisions regarding investment in other group schemes and associated schemes (referred to below).

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- (iii) The second scheme must have terms which prohibit more than 10% in value of the scheme property consisting of units in collective investment schemes.
  - (iv) Where the second scheme is an umbrella scheme, the provisions in (ii) and (iii) above and in the paragraph headed "Spread – General" below apply to each Sub-Fund of the second scheme as if it were a separate scheme.

Where shares in more than one Fund are available, the scheme property attributable to a Fund may include shares in another Fund (a "Second Fund"), provided that:

- (a) the Second Fund does not hold Shares in any other Fund of the Company; and
- (b) the investing or disposing Fund must not be a feeder UCITS to the Second Fund.

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

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

Where a Fund invests in another collective investment scheme, the maximum annual management charge that may be charged to that collective investment scheme is 2%.

#### ***Transferable securities and Money Market Instruments***

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

1. admitted to or dealt in on an eligible market (as defined in COLL);
2. recently issued transferable securities provided that the terms of issue include an undertaking that application will be made to be admitted to an eligible market and such admission is secured within a year of issue; or
3. approved money-market instruments not admitted to or dealt in on an eligible market provided the issuer is regulated for the purposes of protecting investors and savings and the instrument is issued or guaranteed by any one of the following in accordance with the requirements in COLL:
  - (a) a central authority of an EEA state or, if the EEA State is a federal state, one of the members making up the federation;
  - (b) a regional or local authority of an EEA State;
  - (c) the European Central Bank or a central bank of an EEA State;
  - (d) the European Union or the European Investment Bank;

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- (e) a non-EEA State or, in the case of a federal state, one of the members making up the federation;
  - (f) a public international body to which one or more EEA States belong;
  - (g) issued by a body, any securities of which are dealt in on an eligible market; or
  - (h) issued or guaranteed by an establishment which is subject to prudential supervision in accordance with criteria defined by Community law, or subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by Community law.

The Funds may invest no more than 10% of the scheme property in transferable securities and approved money market instruments other than those referred to in (1), (2) or (3) above.

Not more than 5% in value of the scheme property attributable to the Funds may consist of transferable securities or approved money market instrument issued by any single body. This limit may be raised to 10% in respect of up to 40% in value of the scheme property attributable to a Fund. Covered bonds need not be taken into account for the purpose of applying the limit of 40%. The limit of 5% is raised to 25% in value of the scheme property in respect of covered bonds, provided that when a Fund 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 scheme property.

Not more than 20% in value of the scheme property attributable to the Funds is to consist of transferable securities and approved money market instruments issued by the same group.

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.

### ***Transferable securities***

The Funds may invest in transferable securities. For the purposes of COLL a transferable security is an investment which is either a share, debenture, alternative debenture, a government and public security, a warrant or a certificate representing certain securities.

- (a) The Funds may invest in transferable securities only to the extent that the relevant transferable security fulfils the following criteria:
- (b) the potential loss which the Funds may incur with respect to holding the transferable security is limited to the amount paid for it;
- (c) its liquidity does not compromise the ability of the ACD to comply with its obligation to redeem units at the request of any qualifying Shareholder;
- (d) reliable valuation is available for the transferable securities as follows:
  - 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;
  - 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;

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- (e) appropriate information is available for the transferable security as follows:
- 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;
  - 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 ACD on the transferable security or, where relevant, on the portfolio of the transferable security;
- (f) it is negotiable; and
- (g) its risks are adequately captured by the risk management process of the ACD.

Unless there is information available to the ACD that would lead to a different determination, a transferable security which is admitted to or dealt in on an eligible market shall be presumed not to compromise the ability of the ACD to comply with its obligation to redeem Shares at the request of any qualifying Shareholder, and to be negotiable.

***Closed end funds constituting transferable securities***

A unit in a closed end fund shall be taken to be a transferable security for the purposes of investment by the Funds, provided it fulfils the criteria for transferable securities set out above, and either:

- (a) where the closed end fund is constituted as an investment company or a unit trust:
- it is subject to corporate governance mechanisms applied to companies; and
  - 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
- (b) where the closed end fund is constituted under the law of contract:
- it is subject to corporate governance mechanisms equivalent to those applied to companies; and
  - it is managed by a person who is subject to national regulation for the purpose of investor protection.

***Transferable securities linked to other assets***

The Company and the Funds may invest in any other investment which shall be taken to be a transferable security for the purposes of investment by a UCITS scheme provided the investment:

- fulfils the criteria for transferable securities set out in COLL 5.2.7A R; and
- is backed by or linked to the performance of other assets, which may differ from those in which a UCITS scheme can invest.

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Where an investment (as described above) contains an embedded derivative component (in accordance with COLL 5.2.19 R (3A)), the requirements of COLL with respect to derivatives and forwards will apply to that component.

#### ***Warrants***

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

#### ***Investment in nil and partly paid securities***

A transferable security or an approved money market instrument on which any sum is unpaid may be held provided that it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the relevant Fund at any time when the payment is required without contravening COLL.

#### ***Government and public securities***

The Funds may invest in government and public securities provided no more than 35% in value of the scheme property attributable to the relevant Fund is invested in such securities issued by any one body. There is no limit on the amount which may be invested in such securities or in any one issue. Subject to COLL 5.2.12R(3), no more than 35% in the value of the scheme property may consist of any combination of government and public securities issued by any one body and other investments issued by or made with the same single body.

#### ***Covered bonds***

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

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

In accordance with COLL, the scheme property attributable to the Funds may consist of cash or near cash to enable:

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

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

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During the initial offer period of a Fund the scheme property of a Fund may consist of cash or near cash without limitation.

*Derivatives – General*

**The Company and the Funds are permitted to invest directly in derivatives for investment purposes, as well as for efficient portfolio management purposes (including hedging).**

**The ACD does not anticipate that the use of derivatives for investment purposes or for efficient portfolio management (including hedging) will increase the risk profile of the Company.**

*Efficient Portfolio Management (including hedging).*

The Funds may invest in derivatives or forward transactions for the purposes of efficient portfolio management (including hedging) and the Investment Manager may make use of a variety of derivative instruments in accordance with COLL. **Where derivatives are used for efficient portfolio management (including hedging) this will not compromise the risk profile of the Funds.** Use of derivatives will not contravene any relevant investment objectives or limits.

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

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

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

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

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

- (a) for transactions undertaken to reduce risk or cost (or both), the transaction (alone or in combination) will diminish a risk or cost of a kind or level which it is sensible to reduce; and

- 
- (b) for transactions undertaken to generate additional capital or income, the Funds are certain (or certain barring events which are not reasonably foreseeable) to derive a benefit from the transaction.

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

#### ***Derivatives – Investment Purposes***

The Funds are permitted to invest in derivatives for investment purposes (as well as for efficient portfolio management – including hedging).

**The ACD does not anticipate that the use of derivatives for investment purposes will increase the risk profile of the Company.**

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

Where a Fund invests in derivatives, the exposure to the underlying assets must not exceed the general limits on spread as set out in the paragraphs headed "Spread – General" and "Government and Public Securities" above except for index-based derivatives where the following rules apply.

Where the Funds invest in an index-based derivative, provided the relevant index falls within COLL 5.2.33R (Schemes replicating an index) the underlying constituents of the index do not have to be taken into account for the purposes of monitoring the spread requirements. The relaxation is subject to the ACD continuing to ensure that the property provides a prudent spread of risk.

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

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

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

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

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

- transferable securities;
- approved money market instruments;
- deposits;
- derivatives;
- collective investment schemes;
- financial indices;

- 
- interest rates;
  - foreign exchange rates; and
  - currencies.

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

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

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

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

***Requirement to cover sales***

No agreement by or on behalf of the Funds to dispose of property or rights may be made unless:

- (a) the obligation to make the disposal and any other similar obligations could immediately be honoured by the Funds by delivery of property or the assignment of rights (or, in Scotland, assignation);
- (b) and the property and rights above are owned by the Funds at the time of the agreement.

This requirement does not apply to a deposit. FCA guidance states that the requirements at (a) above can be met where:

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

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

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

Any transaction in an OTC derivative must be:

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

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

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

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For the purposes of paragraph (b) above the ACD must:

- (a) establish, implement and maintain arrangements and procedures which ensure appropriate, transparent and fair valuation of the exposure of the Company to OTC derivatives; and
- (b) ensure that the fair value of OTC derivatives is subject to adequate, accurate and independent assessment. Such arrangements and procedures must be adequate and proportionate to the nature and complexity of the OTC derivative concerned and adequately documented.

### ***Derivative exposure***

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

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

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

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

Global exposure relating to derivatives and forward transactions held in the Company must not exceed the net value of the scheme property. Global exposure must be calculated on at least a daily basis, and must take into account the current value of the underlying assets, the counterparty risk, future market movements, and the time available to liquidate any positions and includes underwriting commitments.

Property the subject of a transaction under COLL 5.4 (stock lending) is only available for cover if the ACD has taken reasonable care to determine that it is obtainable (by return or re-acquisition) in time to meet the obligations for which cover is required.

The global exposure of the Company must be calculated either as:

- (i) the incremental exposure and leverage generated through the use of derivatives and forward transactions (including embedded derivatives) which may not exceed 100% of the net value of the scheme property; or
- (ii) the market risk of the scheme property (being the risk of loss to the Company resulting from the fluctuation in the market value of positions in the Company's portfolio attributable to market variables, such as interest rates, foreign exchange rates, equity and commodity prices or an issuer's credit worthiness).

The ACD must calculate the exposure of the Company by using the commitment approach or the value at risk approach (meaning the measure of the maximum expected loss at a given confidence level over a specific time period) as appropriate in accordance with COLL.

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### ***Deposits***

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

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

Not more than 20% in value of the scheme property may consist of deposits with a single body

### ***Immovable and movable property***

It is not intended that the Company or its Funds should have any interest in any immovable property or tangible movable property.

### ***Spread – general***

In applying any of the restrictions referred to above, not more than 20% in the value of the scheme property is to consist of any combination of two or more of the following:

- transferable securities (including covered bonds) or approved money market instruments issued by; or
- deposits made with; or
- exposures from over the counter derivatives transactions made with,

a single body.

In applying any limit to transferable securities or money market instruments, any certificates representing certain securities are to be treated as equivalent to the underlying security.

The exposure to any one counterparty in an over the counter derivative transaction must not exceed 5% in value of the scheme property, this limit being raised to 10% where the counter-party is an approved bank.

### ***Counterparty risk and issuer concentration***

Counterparty risk for these purposes is the risk of loss for the Company resulting from the fact that the counterparty to a transaction may default on its obligations prior to the final settlement on the transaction's cash flow.

Counterparty risk arising from OTC derivative transactions entered into by the Funds is subject to the limits described above. When calculating the exposure of a Fund to a counterparty, the ACD is required to use the positive mark-to-market value of the OTC derivative with the relevant counterparty.

The OTC derivative positions with the same counterparty may be netted provided: (i) it is able legally to enforce the netting arrangements with the counterparty on behalf of the Company, and (ii) the netting arrangements do not apply to any other exposure the Company may have with that same counterparty.

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Exposure to a counterparty to an OTC derivative transaction may be reduced through the receipt of collateral. Collateral received must be sufficiently liquid so that it can be sold quickly at a price that is close to its pre-sale value. The ACD must take collateral into account when calculating exposure to counterparty risk in accordance with paragraph (d) above when it passes collateral to the counterparty on behalf of the Company. Collateral may only be taken into account on a net basis if the ACD is able legally to enforce netting arrangements with the relevant counterparty on behalf of the Company.

The calculation of issuer concentration limits in COLL 5.2.R11 (as described above) must be based on the underlying exposure created through the use of OTC derivatives in accordance with the commitment approach. In relation to the exposure arising from OTC derivative transactions as referred to under paragraph (f) above, any counterparty risk relating to the OTC derivative transactions must be included in the calculation.

### ***Concentration***

The Funds must not at any time hold:

- (a) more than 10% of the transferable securities (other than debt securities) issued by a body corporate which do not carry rights to vote on any matter at a general meeting of that body;
- (b) more than 10% of the debt securities issued by one issuer;
- (c) more than 25% of the shares/units in a collective investment scheme;
- (d) more than 10% of the money market instrument issued by a single body.

However the Funds need not comply with the limits in (b) to (d) above if, at the time of acquisition, the net amount in issue of the relevant investment cannot be calculated.

### ***Significant Influence***

The Company may only acquire transferable securities issued by a body corporate carrying rights to vote (whether or not a substantially all matters) at a general meeting of that body corporate provided that immediately before the acquisition the aggregate number of such securities held by the Company does not allow it to exercise 20% or more of the votes cast at a general meeting of that body and the acquisition will not give the Company such power.

### ***Borrowing***

Subject to the Company's Instrument and COLL (as it relates to UCITS Schemes), the Company may borrow money for the purposes of achieving the objectives of a particular Fund on terms that such borrowings are to be repaid out of the scheme property of the Fund. The ACD does not anticipate significant use of this borrowing power. Such borrowing may only be made from an eligible institution or approved bank (as defined in COLL) and must be on a temporary basis only.

No period of borrowing may exceed 90 days without the prior consent of the Depositary (which may give such consent only on conditions as appear to the Depositary appropriate to ensure that the borrowing does not cease to be on a temporary basis). The borrowing of a Fund must not, on any Business Day, exceed 10% of the value of the property of that Fund. As well as applying to borrowing in a conventional manner, the 10% limit applies to any other arrangement designed to achieve a temporary injection of money into the property of the relevant Fund in the expectation that such will be repaid. For example, by way of a combination of derivatives that produces an effect similar to borrowing.

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

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

### ***Stock lending***

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

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

### ***Risk Management***

The ACD uses a risk management process enabling it to monitor and measure at any time the risks of the Company's positions and their contribution to the overall risk profile of the Company and the Funds.

The details of the risk management process must be regularly notified to the FCA (and at least on an annual basis) including the methods of estimating risks in derivative and forwards transactions and a true and fair view of the types of derivatives and forwards that will be used within the Funds together with their underlying risks and any relevant quantitative limits.

In addition, the ACD maintains a written risk management policy which identifies the risks which the Company is, or might be, exposed to, and contains procedures which are intended to enable the ACD to assess and manage the exposure of the Company to material risks.

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

None of the money in the scheme property of the Funds may be lent and, for the purposes of this prohibition, money is lent by a Fund if it is paid to a person (a "payee") on the basis that it should be repaid, whether or not by the payee. Acquiring a debenture is not lending for these purposes, nor is the placing of money on deposit or in a current account.

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

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

The scheme property of the Company other than money must not be lent by way of deposit or otherwise. Stock lending transactions permitted by COLL are not to be regarded as lending for these purposes. The scheme property of the Company is not permitted to be mortgaged.

Where transactions in derivatives or forward transactions are used for the account of the Company in accordance with COLL, the Company or the Depositary at the request of the Company may however, lend, deposit, pledge or charge scheme property for margin requirements or transfer scheme property under the terms of an agreement in relation to margin requirements, provided the ACD reasonably considers that both the agreement and the margin arrangements made under it (including in relation to the level of margin) provide appropriate protection to shareholders.

An agreement providing appropriate protection to shareholders for these purposes includes one made in accordance with the 1995 International Swaps and Derivatives Association Credit Support Annex (English Law) to the International Swaps and Derivatives Association Master Agreement.

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

The Company's ability to invest in transferable securities may be used for the purposes of entering into underwriting transactions in accordance with COLL, subject to any restriction in the Instrument. The exposure of the Company to such arrangements must be covered, such that if all possible obligations arising under them had immediately to be met in full, there would be no breach of any limit in COLL.

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

In accordance with COLL the Company or the Depositary are not permitted to provide any guarantee or indemnity in respect to of the obligation of any person, in addition the scheme property of the Company may not be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person. The above restrictions do not apply in respect of any indemnity or guarantee for margin requirements in the event the Funds enter into derivative or forward transactions in accordance with COLL, and in respect of certain indemnities permitted under COLL.

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## Appendix 2

### Eligible Markets

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

- (a) a "regulated market" as defined in COLL;
- (b) a securities market established in any EEA State (which as at the date of this Prospectus includes Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Republic of Cyprus, Romania, Slovakia, Slovenia, Spain and Sweden) which is regulated, operates regularly and is open to the public; and
- (c) the principal or only market established under the rules of any of the following investment exchanges:

| Country        | Market   |
|----------------|--|
| United Kingdom | London Stock Exchange<br><br>The alternative investment market (AIM) |

### Eligible Derivatives Markets

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

| Country        | Market  |
|----------------|---|
| Australia      | Australian Securities Exchange  |
| Canada         | Montreal Exchange   |
| Japan          | Osaka Securities Exchange   |
| Singapore      | Singapore Exchange  |
| South Africa   | Johannesburg Stock Exchange<br>South African Futures Exchange   |
| United Kingdom | ICE Futures Europe  |
| United States  | Chicago Board Options Exchange<br>Chicago Mercantile Exchange<br>New York Mercantile Exchange<br>ICE Futures US<br>NYSE AMEX Options<br>NYSE ARCA Options |

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## **Appendix 3**

### **Additional Information**

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

- ACUMEN OEIC
- IFSL AMR OEIC
- IFSL Avellemy OEIC
- IFSL Beaufort Investment Funds
- IFSL Brooks Macdonald Fund
- IFSL CAF Investment Fund
- IFSL Equilibrium OEIC
- IFSL James Hambro Umbrella Fund
- IFSL Optima Fund
- IFSL Ravenscroft OEIC
- IFSL Sanlam OEIC
- IFSL Signia OEIC
- IFSL Sinfonia OEIC
- IFSL Tilney Bestinvest Multi Asset Portfolio
- IFSL Tilney Bestinvest Multi Asset Portfolio Series II
- IFSL Trade Union Unit Trust
- Mazarin OEIC

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### ***Directors of Investment Fund Services Limited***

The directors of Investment Fund Services Limited are:

**Andrew Staley** - In addition to his role as 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, Marlborough Fund Managers Limited, UK Travel Limited, Continuum DFM Limited and UFC Fund Management PLC.

**Nicholas FJ Cooling** - In addition to his role as director of the Manager, Mr Cooling also acts as the investment director of Marlborough Investment Management Limited and is a director of Marlborough Investment Management (UK) Limited, Marlborough Unit Trust Managers Limited, Marlborough Group Holdings Limited, Marlborough Fund Managers Limited, UFC Fund Management PLC, My Continuum Financial Limited, Continuum DFM Limited, UK Travel Limited and Spinney Lodge Freehold Management Limited.

**Wayne Green** - Also a director of Marlborough Group Holdings Limited, IFSL Platform Services Limited, IFSL Platform Service Providers Limited, Marlborough Investment Management International Limited, Marlborough International Management Limited, Marlborough Fund Managers Limited, MFM Unit Trust Managers Limited, IFSL Professional Services Limited and IFSL Administration Limited.

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

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

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

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

**Richard Goodall** – Also a director of Marlborough Group Holdings Limited, Novia Global Limited and Marlborough Fund Managers Limited.

**Guy Sears** – non-executive director – Also a non-executive director of Marlborough Fund Managers Limited.

**David Kiddie** – non-executive director – Also a non-executive director of Marlborough Fund Managers Limited.

**Sarah Peaston** – non-executive director – Also a non-executive director of Marlborough Fund Managers Limited.

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## Appendix 4

### Historical Performance

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

Updated past performance figures can be obtained from the ACD.

|                                  | 01/01/16<br>to<br>31/12/16 | 01/01/17<br>to<br>31/12/17 | 01/01/18<br>to<br>31/12/18 | 01/01/19<br>to<br>31/12/19 | 01/01/20<br>to<br>31/12/20 |
|----------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| ACUMEN Portfolio 3 X Acc         | n/a                        | n/a                        | -2.79                      | 5.79                       | 0.48                       |
| ACUMEN Portfolio 4 X Acc         | 15.78                      | 4.53                       | -5.63                      | 12.68                      | 4.63                       |
| ACUMEN Portfolio 5 X Acc         | 12.59                      | 10.92                      | -8.10                      | 16.24                      | 7.88                       |
| ACUMEN Portfolio 6 X Acc         | n/a                        | 11.30                      | -9.84                      | 19.76                      | 9.57                       |
| ACUMEN Portfolio 7 X Acc         | n/a                        | n/a                        | -10.15                     | 20.95                      | 9.42                       |
| ACUMEN Portfolio 8 X Acc         | n/a                        | n/a                        | -8.36                      | 18.96                      | 8.74                       |
| ACUMEN Income Portfolio X<br>Acc | n/a                        | 5.33                       | -6.04                      | 11.17                      | -4.63                      |

As the ACUMEN Portfolio 6 and ACUMEN Income Portfolio launched on 25<sup>th</sup> January 2016, and the ACUMEN Portfolio 3, ACUMEN Portfolio 7, and ACUMEN Portfolio 8 launched on 1<sup>st</sup> June 2017, a full five years performance data is not available.

**Prior to 5<sup>th</sup> November 2019, the Funds were known as follows:**

|                               |                             |
|-------------------------------|-----------------------------|
| Acumen Bond Portfolio         | now ACUMEN Portfolio 3      |
| Acumen Conservative Portfolio | now ACUMEN Portfolio 4      |
| Acumen Progressive Portfolio  | now ACUMEN Portfolio 5      |
| Acumen Adventurous Portfolio  | now ACUMEN Portfolio 6      |
| Acumen Equity Portfolio       | now ACUMEN Portfolio 7      |
| Acumen Strategic Portfolio    | now ACUMEN Portfolio 8      |
| Acumen Income Portfolio       | now ACUMEN Income Portfolio |

## Appendix 5

### List of Depositary Delegates and Sub-delegates

|  |  |
|--|--|
| <b>Depositary Delegate (The Custodian)</b>       |  |
| BNP Paribas Securities Services                  |  |
| <b>Depositary Sub-delegates (Sub-Custodians)</b> |  |
| Austria  | BNP Paribas Securities Services Frankfurt  |
| Belgium  | BNP Paribas Securities Services  |
| Bulgaria   | UNICREDIT BULBANK A.D.   |
| Croatia  | Unicredit Bank Austria AG, Vienna (Croatia)  |
| Cyprus   | BNP Paribas Securities Services, Athens  |
| Czech Republic                                   | CITIBANK EUROPE PLC PRAGUE BRANCH  |
| Denmark  | Nordea Bank Danmark A/S, Copenhagen  |
| Estonia  | AS SEB Pank, Tallinn   |
| Finland  | NORDEA BANK FINLAND PLC  |
| France   | BNP Paribas Securities Services, Paris   |
| Germany  | BNP Paribas Securities Services, Frankfurt<br>*Belarus-Traded through Germany - Frankfurter Wertpapierboerse<br>(Deutsche) |
| Hungary  | BNP Paribas Securities Services, Budapest  |
| Iceland  | Islandsbanki   |
| Ireland  | BNP Paribas Securities Services, Dublin  |
| Italy  | BNP Paribas Securities Services, Milan   |
| Latvia   | AS SEB Banka, RIGAS  |
| Lithuania  | AB SEB Bankas, Vilnius   |
| Luxembourg                                       | BNP Paribas Securities Services, Luxembourg  |
| Malta  | Clearstream Banking Luxembourg   |
| Netherlands                                      | BNP Paribas Securities Services, Amsterdam/Paris   |
| Norway   | Nordea Bank Norge Asa, Oslo  |
| Poland   | BNP Paribas Securities Services Warsaw   |
| Portugal   | BNP Paribas Securities Services, Lisbon/Paris  |
| Romania  | CITIBANK EUROPE PLC BUCHAREST BRANCH   |
| Slovakia   | ING Bank Nv, Bratislava  |
| Slovenia   | UniCredit Banka Slovenija d.d. Ljubljana.  |

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|----------------|---|
| Spain          | BNP Paribas Securities Services, Madrid             |
| Sweden         | Skandinaviska Enskilda Banken AB (publ), Stockholm  |
| Switzerland    | BNP Paribas Securities Services, Zurich             |
| United Kingdom | BNP Paribas Securities Services, London             |
| Australia      | BNP Paribas Securities Services S.C.A Sydney        |
| Canada         | RBC   |
| Japan          | HSBC Bank Limited, Tokyo                            |
| Singapore      | BNP Paribas Securities Services Singapore           |
| South Africa   | Standard Bank of South Africa Limited, Johannesburg |
| United States  | BNP Paribas, New York                               |