

YFS ONE NEWGATE INVESTMENT FUNDS
OPEN ENDED INVESTMENT COMPANY

PROSPECTUS

valid as at 4 June 2026

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**PROSPECTUS
OF
YFS ONE NEWGATE INVESTMENT FUNDS**

This document constitutes the Prospectus for YFS ONE NEWGATE INVESTMENT FUNDS (the "**Company**") and the current sub-funds of the Company (the "**Funds**"). The Company is an open-ended investment company with variable capital incorporated in the United Kingdom with registered number IC263859 and authorised by the Financial Conduct Authority with effect from 29 November 2024. This document has been prepared in accordance with the Open-Ended Investment Companies Regulations 2001 and the FCA Rules.

The Prospectus is dated and is valid as at 4 June 2026.

Copies of this Prospectus have been sent to the FCA and the Depositary.

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

The Prospectus is based on information, law and practice at the date hereof. The Company is not bound by any out of date Prospectus when it has issued a new Prospectus and potential investors should check that they have the most recently published Prospectus.

Yealand Fund Services Limited, the ACD of the Company, is the person responsible for the information contained in this Prospectus. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained herein does not contain any untrue or misleading statement or omit any matters required by the FCA Rules to be included in it.

DEFINITIONS

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

"ACD"	means Yealand Fund Services Limited, in its capacity as the authorised corporate director of the Company, or its successor or successors as authorised corporate director of the Company;
"ACD Agreement"	as defined in paragraph 4.6;
"Accumulation Share"	means Shares (of whatever class) in the Company as may be in issue from time to time in respect of which income allocated thereto is credited periodically to capital pursuant to the Regulations;
"Administrator"	means Yealand Fund Services Limited, in its capacity as administrator of the Company, or its successor or successors as administrator of the Company;
"Approved Bank"	means, in relation to a bank account opened by the Company: 1. if the account is opened at a branch in the United Kingdom: a) the Bank of England; or b) the central bank of a member state of the OECD; or c) a bank or building society; d) a bank which is supervised by the central bank or other banking regulator of a member state of the OECD; or 2. if the account is opened elsewhere: a) a bank in (1); or b) a bank which is regulated in Isle of Man or the Channel Islands; or 3. a bank supervised by the South African Reserve Bank; or 4. a credit institution established in an EEA State and duly authorised by the relevant Home State regulator, or as such definition may be amended or replaced in the FCA Glossary from time to time;

"Approved Derivative"	means an approved derivative is one which is traded or dealt on an eligible derivatives market and any transaction in such a derivative must be effected on or under the rules of the market;
"Auditor"	means Moore Kingston Smith LLP, in its capacity as the auditor of the Company, or its successor or successors as auditor of the Company;
"Authorised Fund Manager"	as defined in the FCA Glossary;
"Business Day"	a weekday, being Monday to Friday (but excluding any bank or public holiday in England);
"COLL"	means the Collective Investment Schemes sourcebook published by the FCA as part of the FCA Handbook;
"Company"	means YFS ONE NEWGATE INVESTMENT FUNDS;
"Custodian"	means CACEIS Bank, UK Branch in its capacity as custodian to the Company, or its successor or successors as custodian of the Company;
"Dealing Day"	means a Business Day which does not fall within a period of suspension of dealings in the Company and such other day at the ACD's discretion;
"Depository"	means NatWest Trustee and Depository Services Limited, the depository of the Company, or its successor or successors as depository of the Company;
"Depository Agreement"	means an agreement entered into between the ACD, the Company and the Depository regarding the appointment of the Depository;
"Efficient Portfolio Management"	means the use of derivative transactions (which the ACD reasonably believes to be economically appropriate and to be fully covered) to reduce risk and cost to the Company and to generate additional capital or income with no, or with an acceptably low level of risk;
"EEA"	means the European Economic Area;
"EEA State"	means a member state of the European Union and any other state which is within the EEA;
"EU"	means the European Union;
"EU Withdrawal Act"	means the European Union (Withdrawal) Act 2018 as amended, supplemented or replaced from time to time;

"FCA"	means the Financial Conduct Authority of 12 Endeavour Square, London E20 1JN;
"FCA Glossary"	means the Glossary giving the meanings of the defined expressions in the FCA Handbook;
"FCA Handbook"	means the FCA's Handbook of rules and guidance;
"FCA Rules"	the Rules contained in COLL published by the FCA as part of the FCA Handbook;
"feeder UCITS"	as defined in the FCA Glossary;
"feeder NURS"	as defined in the FCA Glossary;
"FSM Act"	the Financial Services and Markets Act 2000;
"Fund"	means a sub-fund of the Company, being a part of the Scheme Property of the Company which is pooled separately and "Funds" shall be interpreted accordingly;
"HMRC"	means HM Revenue and Customs;
"hybrid meeting"	for the purposes of paragraph 25, means a general meeting which allows Shareholders, or their proxy, to be physically present at the location where the meeting is convened, or to attend and vote remotely;
"Income Share"	means Shares (of whatever class) in the Company as may be in issue from time to time in respect of which income allocated thereto is distributed periodically to the holders thereof pursuant to the Regulations;
"Instrument of Incorporation"	means the instrument of incorporation of the Company, as amended or updated from time to time;
"Net Asset Value" or "NAV"	means the value of the Scheme Property of the Company (or where the context requires, any part of the Scheme Property as is attributable to a particular Fund) less the liabilities of the Company (or such liabilities as are attributable to that Fund as the case may be) as calculated in accordance with paragraph 19 and the Instrument of Incorporation;
"New Shares"	as defined in paragraph 12.5.1;
"Non-UCITS retail scheme"	means an authorised fund which is not a UK UCITS, a qualified investor scheme or a long-term asset fund;
"OECD"	means the Organisation for Economic Co-operation and Development;
"OEIC Regulations"	means the Open-Ended Investment Companies Regulations 2001;

"Old Shares"	as defined in paragraph 12.5.1;
"physical meeting"	for the purposes of paragraph 25, means a general meeting convened at a physical location where Shareholders, or their proxy, must be physically present;
"Portfolio Management Agreement"	means an agreement between the ACD and the Portfolio Manager in relation to the Portfolio Manager acting as the delegated portfolio manager in respect of the Company;
"Portfolio Manager"	means Quilter Cheviot Limited, in its capacity as portfolio manager to the Company, or its successor or successors as portfolio manager of the Company;
"Pounds Sterling" or "£"	means pounds sterling of the United Kingdom;
"PRN"	means the product reference number allocated by the FCA to the Company and each Fund;
"Prospectus"	means this prospectus of the Company as amended or updated from time to time;
"Recognised Scheme"	means a scheme that is recognised for the purpose of part XVII of the FSM Act;
"Register of Shareholders"	as defined in paragraph 10;
"Regulated Activity Order"	means Financial Services and Markets Act 2000 (Regulated Activities) Order 2001/544;
"Regulations"	means the OEIC Regulations and the FCA Rules;
"Remuneration Code"	means the UCITS Remuneration Code set out in Chapter 19E of the Senior Management Arrangements, Systems and Controls sourcebook in the FCA Handbook;
"Scheme Property"	means the property of the Company or a Fund (as appropriate) to be given to the Depositary for safe-keeping, as required by the Regulations;
"Share" or "Shares"	means a share or shares in the Company, as the case may be;
"Share Class"	means a particular class of Shares as described in paragraph 3;
"Shareholder"	means a registered holder of Shares;
"UCITS scheme"	means a fund authorised by the FCA which complies with the conditions necessary for it to be classed as a UK UCITS;
"UK UCITS"	as defined in the FCA Glossary;
"UK UCITS management company"	as defined in the FCA Glossary;

"Valuation Point"	means the point on a Dealing Day, whether on a periodic basis or for a particular valuation, at which the ACD carries out a valuation of the Scheme Property for the purpose of determining the price at which Shares may be issued, cancelled, sold, redeemed or exchanged. The current Valuation Point is set at 12:00pm (London time) on a Dealing Day for all Funds. Special valuations may take place if at any time the ACD considers it desirable to do so;
"VAT"	means value added tax.

References to the plural shall include the singular and references to the singular shall include the plural. Headings and titles used in this Prospectus are for convenience only and shall not affect their meaning, interpretation or legal effect.

Unless otherwise defined above or elsewhere in this Prospectus, words or expressions defined in, or the purposes of, the FSM Act or the FCA Handbook shall have the same meaning in this Prospectus.

References to any statutes, provisions of statutes, regulations and provisions of the FCA Handbook shall include those statutes, statutory provisions, regulations or provisions of the FCA Handbook as amended, extended, consolidated or substituted from time to time and, in particular, references to Regulations and Directives of the European Union shall, where the context allows, include all domestic law and regulation enacted (or re-enacted) for the purpose of bringing such European Union law and regulation into domestic law and regulation.

1. The Company

- 1.1 The YFS ONE NEWGATE INVESTMENT FUNDS is an open-ended investment company with variable capital (ICVC), incorporated in England and Wales under registered number IC263859 and authorised by the FCA with effect from 29 November 2024.
- 1.2 The registered and head office of the Company is at Fountain Suite B, Lynch Wood Park, Peterborough, Cambridgeshire PE2 6FZ and is also the address of the place in the UK for service on the Company of notices or other documents required or authorised to be served on it.
- 1.3 The base currency of the Company and each Fund is Pounds Sterling.
- 1.4 The duration of the Company is unlimited.
- 1.5 The maximum share capital of the Company is currently £100,000,000,000 and the minimum is £10,000. Shares in the Company have no par value and therefore the share capital of the Company at all times equal the Company's current Net Asset Value.
- 1.6 Shareholders are not liable for the debts of the Company.
- 1.7 The Company is a UCITS scheme.
- 1.8 On the establishment of a new Fund or a new Share Class, an updated Prospectus will be prepared setting out the relevant information concerning the new Share Class and/or Fund.
- 1.9 The Company's PRN is 1023376. The PRNs of the Funds are:

YFS ONE NEWGATE CAPITAL AND INCOME FUND	1023377
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- 1.10 The circumstances in which the Company or a Fund may be wound up and the procedure for, and the rights of Shareholders under, such a winding is set out in paragraph 28 below.

2. Company Structure

- 2.1 The Company is structured as an umbrella company, which means that the 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.
- 2.2 However, while the provisions of the OEIC Regulations provide for segregated liability between 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 regulations 11A and 11B of the OEIC Regulations.
- 2.3 Details of the Funds, including their investment objectives and policies and the fees of the ACD and the Portfolio Manager are set out in Appendix 1. Each Fund is structured as a UK UCITS.

- 2.4 Any limitations on the investment policies of the Funds (under Appendix 1) are set out in the investment and borrowing powers in Appendix 2.
- 2.5 It is intended that all Funds will qualify for ISAs and ISA investors will be accepted in the Fund provided that the investor has their own ISA manager. However, the ACD is under no obligation to ensure Shares in any Fund will satisfy the eligibility requirement to be qualifying investments for a stocks and shares ISA.
- 2.6 Each Fund will be charged with the liabilities, expenses, costs and charges of the Company attributable to it and charges will be allocated between Share Classes and Funds in accordance with the terms of issue of the relevant Shares of each Share Class and Fund.
- 2.7 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 Shareholders as a whole but they will normally be allocated to all Funds pro rata to the value of the net assets of the relevant Funds. More detail on this is set out in paragraph 24.1.3.

3. Shares

- 3.1 Shares may be issued in a number of different Share Classes in respect of each Fund. Share Classes are distinguished by their specific terms, for instance by their fee structure or their eligibility. The Company may issue Accumulation Shares and/or Income Shares, and each Share Class may be subject to further designation, as set out in the Company's Instrument of Incorporation. The Share Classes presently available, the terms of those Share Classes and the investors who are eligible to invest in those Share Classes, are set out in Appendix 1. Further Share Classes may be made available in due course, as the ACD may decide and subject to the Regulations.
- 3.2 Holders of Income Shares are entitled to be paid the income attributed to such Shares on the relevant allocation dates set out in Appendix 1 in respect of each Fund. Holders of Accumulation Shares are not entitled to be paid the income attributable to such Shares, but that income is automatically transferred to (and retained as part of) the capital assets of the relevant Fund at the end of the relevant distribution period and is reflected in the price in the price of an Accumulation Share.
- 3.3 Where different Share Classes are available, each Share Class may attract different charges and expenses and so monies may be deducted from Share Classes in unequal proportions. In these circumstances the proportionate interests of the Share Classes will be adjusted accordingly.
- 3.4 When available, Shareholders are entitled (subject to certain restrictions) to switch all or part of their Shares in a Share Class for Shares in another Share Class. Details of this switching facility and the restrictions are set out in paragraph 12.5.
- 3.5 Shares in the Company are not listed or otherwise dealt on any investment exchange.
- 3.6 Names and address of Shareholders will be entered in the Register of Shareholders to evidence title to the Shares. Share certificates will not be issued.

4. Management and Administration

4.1 Authorised Corporate Director

4.2 The Authorised Corporate Director of the Company is Yealand Fund Services Limited which is a private company limited by shares incorporated in England and Wales under the Companies Acts 1985 to 1989. The ACD was incorporated on 3 June 2009. The ultimate holding company of the ACD is Applerigg Limited, which is incorporated in England and Wales.

4.3 Registered Office and Head Office:

Fountain Suite B, Lynch Wood Park, Peterborough, Cambridgeshire PE2 6FZ

Issued and paid up share capital: 120,000 ordinary shares of £1.00

4.4 The ACD is responsible for managing and administering the Company's affairs in compliance with the Regulations. At the date of this Prospectus, the ACD also acts as Authorised Fund Manager to the schemes listed in **Error! Reference source not found.**

4.5 Terms of Appointment

4.6 The ACD is the only director of the Company and its duties and obligations are governed by an agreement between the Company and the ACD (the "ACD Agreement"). The ACD Agreement provides that the appointment of the ACD may be terminated on six months' written notice by either the ACD or the Company, although in certain circumstances the ACD Agreement may be terminated forthwith by notice in writing by the ACD to the Company or the Depositary, or by the Depositary or the Company to the ACD. Termination cannot take effect until the FCA has approved the appointment of another authorised corporate director in place of the retiring ACD.

4.7 The ACD is entitled to its pro rata fees and expenses to the date of termination and any additional expenses necessarily realised in settling or realising any outstanding obligations. No compensation for loss of office is provided for in the ACD Agreement. The ACD Agreement provides indemnities to the ACD to the extent allowed by the Regulations. Copies of the ACD Agreement are available to Shareholders on request.

4.8 In line with paragraph 29.14 below, the ACD is under no obligation to account to the Depositary or the Shareholders for any profit it makes on the issue or re-issue of Shares or cancellation of Shares which it has redeemed. From time to time the ACD may hold Shares in the Company as principal. However, such Shares are held by the ACD to facilitate the efficient portfolio management of the Company and the ACD does not actively seek to make profit from holding shares as principal. The fees to which the ACD is entitled are set out in paragraph 24.2.

4.9 The sole business activities of the ACD is acting as an Authorised Fund Manager.

4.10 The directors of the ACD and details on their main business activities are listed in Appendix 4.

- 4.11 Subject to the FCA Rules and the ACD Agreement, the ACD may delegate certain of its functions. The ACD has accordingly delegated the provision of portfolio management services to the Portfolio Manager.

5. The Depositary

- 5.1 The Company's depositary is NatWest Trustee and Depositary Services Limited. The Depositary is incorporated in England and Wales as a private company limited by shares. Its registered and head office is at 250 Bishopsgate, London, EC2M 4AA. The ultimate holding company of the Depositary is the NatWest Group Plc, which is incorporated in Scotland.
- 5.2 The principal business activity of the Depositary is the provision of trustee and depositary services. The Depositary is authorised to carry on investment business in the UK by virtue of being authorised and regulated by the FCA.
- 5.3 The Depositary is responsible for the safekeeping of Scheme Property, monitoring the cash flows of the Company, and must ensure that certain processes carried out by the ACD are performed in accordance with the applicable rules and scheme documents.
- 5.4 The Depositary was appointed under a Depositary Agreement between the ACD, the Company and the Depositary.
- 5.4.1 Under the Depositary Agreement, the Depositary is free to render similar services to others and the Depositary, the Company and the ACD are subject to a duty not to disclose confidential information.
- 5.4.2 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.
- 5.4.3 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.
- 5.5 The Depositary Agreement may be terminated on 90 days' 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.
- 5.6 Up-to-date information regarding the Depositary, its duties, its conflicts of interest and the delegation of its safekeeping functions will be made available to shareholders on request.
- 5.7 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 CACEIS Bank, UK Branch ("the Custodian"). In turn, the Custodian has delegated the custody of assets in certain markets in which the Company may invest to various sub-delegates ("Sub-custodians"). Shareholders should note that the list of Sub-custodians is updated only at each Prospectus review. An updated list of Sub-custodians is maintained by the ACD.

- 5.8 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 Company or a particular Fund and/or other funds managed or operated 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. 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.
- 5.9 Up to date information regarding (i) the Depositary's name, (ii) the description of its duties and any conflicts of interest that may arise between the Company, the Shareholders or the ACD and the Depositary, and (iii) the description of any safekeeping functions delegated by the Depositary, the description of any conflicts of interest that may arise from such delegation, and the list showing the identity of each delegate and sub-delegate, will be made available to Shareholders on request.

6. The Portfolio Manager

- 6.1 The ACD has appointed the Portfolio Manager to provide discretionary portfolio management services in respect of all Funds under the Portfolio Management Agreement. The Portfolio Manager is authorised and regulated by the FCA. The principal business activity of the Portfolio Manager is as an investment manager and adviser. The address of the Portfolio Manager is set out in Appendix 7.
- 6.2 The Portfolio Manager has the authority to make investment decisions on behalf of the ACD and has full discretionary powers over the investment of the Scheme property subject to the oversight and right of veto of the ACD.
- 6.3 Subject to the FCA Rules, the Portfolio Manager has the power under the Portfolio Management Agreement to sub-delegate any or all of its functions as Portfolio Manager. If the ACD consents to the appointment of sub-delegates as delegated sub-investment managers, those sub-delegates shall be specified in this Prospectus as amended from time to time.
- 6.4 The Portfolio Management Agreement may be terminated on three months' written notice by the Portfolio Manager or the ACD. The ACD may also terminate the agreement immediately when this is in the interests of Shareholders. The Portfolio Management shall terminate automatically on the ACD ceasing to be the authorised corporate director of the Company.

- 6.5 The fees of the Portfolio Manager and its reasonable disbursements will be borne by the ACD out of its annual management charge. More detail on this is set out in paragraph 24 and Appendix 1 below.
- 6.6 Copies of the Portfolio Manager's execution policy and voting policy are available from the ACD on request.
- 6.7 Shareholders may from time to time receive reports directly from the Portfolio Manager or its advisers.
- 6.8 The Portfolio Manager is not a part of the same group of companies as the ACD.

7. Administrator and Registrar

- 7.1 The ACD acts as Administrator and Registrar.
- 7.2 The duties of the Administrator and Registrar include:
 - 7.2.1 receiving and processing requests for subscriptions and redemptions of Shares;
 - 7.2.2 keeping and maintain the Register of Shareholders in line with paragraph 10 below;
 - 7.2.3 administering the payment of distributions to Shareholders; and
 - 7.2.4 arranging for the publication of prices.
- 7.3 The registered and head office address of the Administrator and Registrar is Fountain Suite B, Lynch Wood Park, Peterborough, Cambridgeshire PE2 6FZ.
- 7.4 The Company does not currently require the services of a prime broker.

8. The Sponsor

- 8.1 J Illingworth & Co Limited is the sponsor of YFS One Newgate Capital and Income Fund and will distribute shares in YFS One Newgate Capital and Income Fund.
- 8.2 J Illingworth & Co Limited is authorised and regulated by the Financial Conduct Authority with financial services register number 207560.
- 8.3 Registered Office and Head Office:
Newgate House, 1 Newgate, York, North Yorkshire YO1 7LA.

9. The Auditor

The Auditor of the Company are Moore Kingston Smith LLP, whose address is 6th Floor, 9 Appold Street, London, EC2A 2AP.

10. Register of Shareholders

The Register of Shareholders is maintained by the Administrator at its office at Fountain Suite B, Lynch Wood Park, Peterborough, Cambridgeshire PE2 6FZ and may

be inspected at that address during normal business hours by any Shareholder or any Shareholder's duly authorised agent.

11. Conflicts of Interest

- 11.1 The ACD, the Depositary and the Portfolio Manager (and/or other companies within their groups) are or may be involved in other financial, investment and professional activities which may, on occasion, cause conflicts of interest with the management of the Company. In addition, the Company may enter into transactions at arm's length with companies in the same group as the ACD.
- 11.2 The ACD may, from time to time, act as authorised corporate director or Authorised Fund Manager of other companies or funds, including unit trusts.
- 11.3 The Depositary may act as depositary of other collective investment schemes and/or as trustee or custodian of other collective investment schemes.
- 11.4 The Portfolio Manager may provide investment services to other clients in addition to the Company.
- 11.5 The Administrator and Registrar may, from time to time, act as the administrator and registrar of other companies or funds.
- 11.6 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 Company or a particular 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.
- 11.7 Each of the parties will, to the extent of their ability, ensure that the performance of their respective duties will not be impaired by any such involvement. In doing so, each of the parties will have regard to their obligations under the applicable agreements relating to the Company as well as to the FCA Rules.

12. Buying, Selling and Switching Shares

12.1 Initial Offer Period

- 12.1.1 The ACD may arrange for there to be an initial offer period in respect of a Fund, beginning on the date of the launch of the relevant Fund and ending at the time and date specified in Appendix 1 or in the circumstances set out in this paragraph 12.1.
- 12.1.2 The ACD will create shares on demand during the initial offer period with such shares issued within five days of the subscription date. The Portfolio Manager will have the right to invest the proceeds received from the purchase of shares at its discretion.

12.1.3 During an initial offer period, the ACD may require cash settlement before arranging for the issue of Shares.

12.1.4 The period of an initial offer will come to an end if the ACD believes that the price that would reflect the current value of the Scheme Property would vary by more than 2% from the initial price.

12.2 General information

12.2.1 The dealing desk of the ACD is open from 9.00 a.m. until 5.00 p.m. on each Dealing Day to receive requests for the issue, redemption and switching of Shares, which will be effected at prices determined at the next Valuation Point following receipt of such request.

12.2.2 Repeatedly purchasing and selling shares in a Fund in response to short-term market fluctuations - known as "market timing" - can disrupt the ACD's investment strategy and increase the Fund's expenses to the prejudice of all Shareholders. None of the Funds are intended for market timing or excessive trading. To deter these activities, the ACD may refuse to accept an application for Shares from persons that they reasonably believe are engaged in market timing or are otherwise excessive or potentially disruptive in the Fund. The ACD also reserves the right to redeem Shares which they reasonably believe have been purchased by Shareholders engaged in "market timing".

12.3 Buying Shares

12.3.1 Shares have no par value and, within each Share Class in each Fund, subject to their denomination, are entitled to participate equally in the profits arising in respect of, and in the proceeds of the liquidation of, the Company or termination of the relevant Fund. Shares in the Company do not carry preferential or pre-emptive rights to acquire further Shares.

12.3.2 The net proceeds from subscriptions will be invested in the specific pool of assets constituting the relevant Fund. The Company will maintain for each Fund a separate pool of assets, each invested for the exclusive benefit of the relevant Fund. Shareholders are not liable for the debts of the Company nor are they liable to make any further payment after they have paid the price of the Shares.

12.3.3 Shares in the Funds can be bought by giving telephone instructions to the ACD's dealing desk on 0345 850 0255. The dealing desk is manned daily between 9.00 a.m. and 5.00 p.m. on Business Days. Alternatively, Shares can be bought by writing to the ACD at Fountain Suite B, Lynch Wood Park, Peterborough, Cambridgeshire PE2 6FZ. Shares will be allotted at the relevant prices calculated at the Valuation Point on the Dealing Day next following the receipt of a valid application.

12.3.4 Applications made by telephone must include the following information:

- (a) the amount of cash to be invested or the number of Shares applied for;
- (b) the name of the applicant and the name and address to which the contract note is to be sent; and

- 12.3.5 A contract note will be issued no later than the next Business Day after the day on which relevant prices have been established, confirming the amount invested and the number of Shares acquired. Applications will be dealt with in accordance with the valuation and pricing policies set out in this paragraph 12. Payment in full is due at the time the application is made. A purchase of Shares in writing and/or by telephone is a legally binding contract.
- 12.3.6 The minimum initial subscription and the minimum subsequent subscription for each Share Class in a Fund is set out in Appendix 1. The minimum holding amount for each Share Class in a Fund is also set out in Appendix 1. The ACD may, in its discretion, accept subscriptions and holdings lower than the minimum amount.
- 12.3.7 The ACD reserves the right to reject any application in whole or in part. The ACD may do this if the ACD has reasonable grounds, relating to the circumstances of the person concerned, for refusing to issue Shares or if the number of Shares sought to be issued is less than the minima referred to above.
- 12.3.8 The ACD may arrange for the Funds to issue Shares in exchange for assets other than money, but will only do so where the Depositary is satisfied that the Company's acquiring those assets in exchange for the Shares concerned is not likely to result in any material prejudice to the interests of Shareholders. The ACD will not issue Shares in the Funds in exchange for assets the holding of which would be inconsistent with the investment objective of the relevant Fund or the Regulations.

12.4 Selling Shares

- 12.4.1 Shares in the Company can be sold either by telephone or in writing to the ACD, whose contact details appear in paragraph 12.3.3. Electronic instructions shall not be permitted. Such redemption requests will be dealt with at the relevant price calculated at the Valuation Point on the Dealing Day following receipt of a valid redemption instruction. The ACD must be sent a written confirmation authorising the sale and/or such completed form of transfer or form of renunciation of Shares as the ACD reasonably requires. Redemption requests will be dealt with in accordance with the valuation and pricing policies referred to in this paragraph 12. A bank transfer will be sent for the value of such realised Shares by close of business on the third Business Day after (i) the next Valuation Point, or (ii) receipt of the required documents (whichever is the later).
- 12.4.2 The minimum value of Shares which can be sold back to the ACD is as defined under Appendix 1 (unless the ACD agrees otherwise in any particular case). Shareholders may sell part of a holding, but the remaining holding must not fall below the minimum holding amount for the particular Share Class in the relevant Fund as set out in Appendix 1.
- 12.4.3 There are special rules (specifically in relation to dilution levies (paragraph 14.1)) which, at the discretion of the ACD, may apply to a sale of Shares representing 5% or more of the total value of the Company.

- 12.4.4 In times of high market volatility, where requested redemptions exceed 10% of the Net Asset Value of the Company, to protect the interests of continuing Shareholders, the ACD may defer redemptions at a particular Valuation Point on a Dealing Day, to the Valuation Point on the next Dealing Day. This will allow the ACD to match the sale of Scheme Property to the level of redemptions, and should reduce the impact of dilution on the Company. Requests for redemption in these circumstances will be treated on a pro rata basis to ensure the consistent treatment of all Shareholders. Subject to sufficient liquidity being raised at the next Valuation Point, all deals relating to the earlier Valuation Point will be completed before those relating to the later Valuation Point are considered.
- 12.4.5 The ACD may arrange for the Funds to redeem or cancel Shares in exchange for assets other than money, but will only do so where the Depositary is satisfied that the Company's transfer of those assets is not likely to result in any material prejudice to the interests of Shareholders. The ACD via the Administrator will give written notice to the Shareholder before the proceeds of the redemption or cancellation would otherwise become payable in cash, that in lieu of such payment the Company will transfer property of the Company to the Shareholder.

12.5 Switching

- 12.5.1 Where more than one Share Class or Fund is available for investment, a Shareholder may at any time switch all or some of their Shares of one Share Class and/or Fund ("Old Shares") for Shares of another Share Class and/or Fund ("New Shares"). The number of New Shares issued will be determined by reference to the respective prices of New Shares and Old Shares at the Valuation Point applicable at the time the Old Shares are repurchased and the New Shares are issued.
- 12.5.2 Switching may be effected either by telephone or in writing to the ACD, whose contact details appear in paragraph 12.3.3. The Shareholder may be required to complete a switching form (which, in the case of joint Shareholders must be signed by all the joint holders). Switching forms may be obtained from the ACD.
- 12.5.3 The ACD may at its discretion charge a fee on the switching of Shares. These fees are set out in paragraph 13.3 below.
- 12.5.4 If the switch would result in the Shareholder having a holding of Old Shares or New Shares worth less than the minimum investment and holding requirement for the relevant Share Class in a Fund as set out in Appendix 1, the ACD may, if it thinks fit, convert the whole of the Shareholder's holding of Old Shares to New Shares or refuse to effect any switch of the Old Shares. No switch will be made during any period when the right of Shareholders to require the redemption of their Shares is suspended. The general provision on procedures relating to redemption will apply equally to a switch. A duly completed switching form must be received by the ACD before the Valuation Point on the Dealing Day. Switches will be dealt with at the prices at those Valuation Points relevant on that Dealing Day, or at such other date as may be approved by the ACD. Switching requests received after a Valuation Point will be held over until the next Dealing Day.

- 12.5.5 The ACD may adjust the number of New Shares to be issued to reflect the imposition of any switching fee together with any other charges or levies in respect of the issue or sale of the New Shares or repurchase or cancellation of the Old Shares as may be permitted pursuant to the Regulations.
 - 12.5.6 A switch of Shares in one Fund for shares in another Fund will be treated as redemption of shares and a simultaneous purchase of Shares in the other Fund and will, for converting Shareholders subject to UK taxation, be a realisation for the purposes of capital gains tax.
 - 12.5.7 Under current UK tax law, a switch of Shares between Income Shares and Accumulation Shares (and vice versa) in the same Fund should not generally be treated as a disposal for the purposes of capital gains taxation.
 - 12.5.8 **A Shareholder who switches Shares in one Share Class or Fund for Shares in any other Share Class or Fund is not entitled to withdraw from or cancel the transaction.**
- 12.6 **Restrictions and Compulsory Transfer or Redemption of Shares and Mandatory Conversions**
- 12.6.1 The ACD may impose the restrictions it thinks necessary to ensure that no Shares in the Company are acquired or held by any person in breach of law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory. The ACD may reject any application for, or sale of, Shares or any switch notice given.
 - 12.6.2 If the ACD reasonably believes that any Shares are owned directly or beneficially in circumstances which:
 - (a) constitute an infringement of any law or governmental regulation or rule (or any interpretation of a law or regulation by a competent authority) of any country or territory; or
 - (b) would (or would if other Shares are acquired or held in like circumstances) result in the Company incurring any liability to taxation or suffering any other adverse consequences (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory),

it may give notice to the holder of such Shares requiring the holder to transfer them to a person who is qualified or entitled to own them, or to request the redemption or cancellation 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 the holder and any person on whose behalf the holder holds the Shares are qualified and entitled to hold and own them, the holder will be deemed on the expiry of a thirty-day period to have requested their redemption or cancellation.
 - 12.6.3 Where the ACD considers it in the best interests of Shareholders, the ACD may convert a Shareholder's holding in one Share Class to another Share

Class in the same Fund. The ACD shall give at least 60 days' prior written notice to the Shareholders concerned of the proposed conversion, including details of the new Share Class and reminding Shareholders of their rights to redeem.

13. Dealing Charges

13.1 Initial Charge

The ACD may impose a charge on the sale of Shares in each Share Class to investors. The initial charge is payable to the ACD. Full details of the current initial charge are set out in Appendix 1.

13.2 Redemption Charge

13.2.1 The ACD may make a charge on the redemption of Shares in each Share Class. At present no redemption charge is levied on any Share Class.

13.2.2 The ACD may not introduce a redemption charge on Shares in any Share Class except in accordance with the FCA Rules and after it has given notice in writing to the then current Shareholders of that introduction and has revised and made available the Prospectus to reflect the introduction and the date of its commencement.

13.2.3 In the event of a change to the rate or method of calculation of a redemption charge, details of the previous rate or method of calculation will be available from the ACD.

13.3 Switching Fee

The Instrument of Incorporation allows the Company to impose a switching fee upon the switching of Shares of one Share Class or Fund for Shares of another Share Class or Fund. The fee will not exceed an amount equal to the then prevailing initial charge for the Share Class or Fund into which Shares are being switched. The switching fee is payable to the ACD. The ACD does not currently charge a switching fee.

14. Other Dealing Information

14.1 Dilution Levy

14.1.1 The basis on which each Funds' investments are valued for the purpose of calculating the dealing price of Shares as stipulated in the Regulations and the Instrument of Incorporation is summarised in paragraphs 18 - 21. The actual cost of purchasing or selling assets and investments for the Funds' portfolios may be higher or lower than the mid-market value used in calculating the Share price - for example, due to dealing charges, or through dealing at prices other than the mid-market price. Under certain circumstances (for example, large volumes of deals) these costs may have an adverse effect on Shareholders' interest in the relevant Fund. In order to prevent this effect, known as "dilution", the ACD has the power to charge a "dilution levy" on the sale and/or redemption of Shares in the Fund. A dilution levy is a separate charge of such amount or rate determined by the ACD.

- 14.1.2 If charged, the dilution levy will be calculated by reference to the estimated costs of dealing in the underlying investments of the Fund, including any dealing spreads, commission and transfer taxes. The dilution levy will be paid into the Fund and will become part of the property of the Fund.
- 14.1.3 The need to charge a dilution levy will depend on the volume of sales or redemptions. The ACD may charge a discretionary dilution levy on the sale and redemption of Shares if, in its opinion, the existing Shareholders (for sales) or remaining Shareholders (for redemptions) might otherwise be adversely affected, and if charging a dilution levy is, so far as practicable, fair to all Shareholders and potential Shareholders. In particular, the dilution levy may be charged in the following circumstances:
- (a) where over a dealing period the Fund has experienced a large level of net sales or redemptions relative to its size;
 - (b) on "large deals". For these purposes, a large deal means a deal worth 5% or more of the value of the Fund;
 - (c) where the number of Shares in issue in the Fund is in continual decline or increase;
 - (d) where the Fund incurs a dilution levy on the acquisition or disposal of shares or units in funds in which it invests; or
 - (e) in any other case where the ACD is of the opinion that the interests of Shareholders require the imposition of a dilution levy.
- 14.1.4 On the occasions when a dilution levy is not applied there may be an adverse impact on the total assets of the Fund.
- 14.1.5 As dilution is directly related to the inflows and outflows of monies from the Fund it is not possible to accurately predict whether dilution will occur at any future point in time. Consequently, it is also not possible to accurately predict how frequently the ACD will need to make such a dilution levy.
- 14.1.6 Although the ACD reserves the right to charge a dilution levy, based on experience of other funds in respect of which the ACD acts as Authorised Fund Manager, it is not expected that a dilution levy will need to be applied in the future. In the unlikely event that it needs to be charged, the ACD estimates it would not exceed 0.6% of the value of the Shares purchased or redeemed.

14.2 Liquidity Management and In Specie Redemption and Purchase

The ACD employs a liquidity management system which enables it to analyse and monitor the liquidity risk of the Funds in order to ensure that the Company can meet its redemption obligations. Regular liquidity stress tests are conducted. The ACD will have regard to the liquidity risk of the Funds in deciding whether to arrange for an in specie purchase or redemption or cancellation of Shares under paragraphs 12.3.8 and 12.4.5 respectively.

14.3 Direct Issue or Cancellation of Shares by an ICVC through the ACD

This is not applicable. Shares are issued or cancelled by the ACD making a record of the issue or cancellation and of the number of Shares of each class concerned.

15. Money Laundering

As a result of legislation in force in the UK to prevent money laundering, terrorist finance and proliferation finance, persons conducting investment business are responsible for compliance with certain rules and regulations. In order to implement these procedures, in certain circumstances investors to combat may be asked to provide proof of identity when buying or redeeming Shares. The ACD reserves the right to reverse the transaction, to refuse to issue Shares, to pay the proceeds redemption of Shares or to pay income on Shares to an investor if it is not satisfied as to the identity of the applicant.

16. Suspension of Dealings in the Company

- 16.1 The ACD may, with the agreement of the Depositary, or must if the Depositary so requires, temporarily suspend the issue, cancellation, sale and redemption of Shares in a Fund or in the Company as a whole (including any purchase or redemption on switching), 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 regard to the interests of Shareholders. The ACD shall immediately notify the FCA of the suspension of any dealings in the Company, explaining the reason for such action.
- 16.2 The ACD and the Depositary must ensure that the suspension is only allowed to continue for as long as it is justified having regard to the interests of Shareholders.
- 16.3 The ACD will notify the Shareholders in writing as soon as is practicable after the commencement of the suspension, including details of the exceptional circumstances which have led to the suspension, in a clear, fair and not misleading way and giving Shareholders details of how to find further information about the suspension.
- 16.4 Where such suspension takes place, the ACD will publish on its website or other general means, sufficient details to keep Shareholders appropriately informed about the suspension, including, if known, its possible duration.
- 16.5 During the suspension, the ACD shall not be required to deal in Shares but the ACD will comply with as many of the valuation and pricing obligations under the FCA Rules during the period of suspension as is practicable in light of the suspension.
- 16.6 Suspension will cease as soon as practicable after the exceptional circumstances leading to the suspension have ceased but the ACD and the Depositary will formally

review the suspension at least every 28 days and will inform the FCA of the review and any change to the information given to Shareholders.

16.7 The ACD may agree during the suspension to deal in Shares in which case all deals accepted during and outstanding prior to the suspension will be undertaken at a price calculated at the first Valuation Point after the restart of dealings in Shares.

16.8 Re-calculation of the Share price for the purpose of sales and purchases will commence on the next Valuation Point following the ending of the suspension.

17. Governing Law

17.1 All deals in Shares are governed by the law of England and Wales. The Company, the Instrument of Incorporation and this Prospectus are governed by the laws of England and Wales.

17.2 The Company, the ACD and the Shareholders will be subject to the exclusive jurisdiction of the courts of England and Wales to settle any dispute or claim arising out of or in connection with a Shareholder's investment or any related matters.

17.3 The laws of England and Wales provide a number of legal mechanisms for the recognition and the enforcement of judgments.

18. Valuation of the Company's Assets

18.1 Valuations of the Scheme Property of the Company and each Fund are set out below.

18.2 The price of a Share is calculated by reference to the Net Asset Value of the Company and each Fund. The Net Asset Value per Share of the Company and each Fund is currently calculated at each Valuation Point.

18.3 The ACD may at any time during a Business Day carry out an additional valuation if the ACD considers it desirable to do so.

19. Calculation of the Net Asset Value

19.1 The ACD, as Administrator, calculates the value of the Scheme Property of the Company or Fund (as the case may be) which shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions.

19.2 All the Scheme Property (including receivables) of the Company and each Fund is to be included, subject to the following provisions.

19.3 Scheme Property which is not cash (or other assets dealt with in paragraph 19.5) shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:

19.3.1 units or shares in a collective investment scheme:

- (a) if a single price for buying and selling units is quoted, at the most recent such price; or
- (b) if separate buying or selling prices are quoted, at the average of the two prices provided the buying price has been reduced

by any initial charge included therein and the selling price has been increased by any exit or redemption charge attributable thereto; or

- (c) 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;

19.3.2 any other transferable security:

- (a) if a single price for buying and selling the security is quoted, at that price; or
- (b) if separate buying and selling prices are quoted, the average of those two prices; or
- (c) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available, at a value which, in the opinion of the ACD, is fair and reasonable;

19.3.3 property other than that described in paragraphs 19.3.1 and 19.3.2 above at a value which, in the opinion of the ACD, represents a fair and reasonable mid-market price.

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

19.5 Property which is a contingent liability transaction shall be treated as follows:

- 19.5.1 if it is a written option (and the premium for writing the option has become part of the Scheme Property), the amount of the net valuation of premium receivable shall be deducted;
- 19.5.2 if the property is an off-exchange derivative, it will be included at a valuation method agreed between the ACD and Depositary;
- 19.5.3 if it is an off-exchange future, it will be included at the net value of closing out in accordance with a valuation method agreed between the ACD and the Depositary;
- 19.5.4 if it is any other form of contingent liability transaction, it will be included at the net value of margin on closing out (whether as a positive or negative value).

19.6 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 paid or received) whether or not this is the case and all consequential action required by the FCA Rules, the OEIC Regulations and the Instrument of Incorporation shall be assumed (unless the contrary has been shown) to have been taken.

19.7 Subject to paragraphs 19.8 and 19.9 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 will not materially affect the final net asset amount.

- 19.8 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 19.7.
- 19.9 All agreements are to be included under paragraph 19.7 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.
- 19.10 An estimated amount for anticipated tax liabilities at that point in time including (as applicable and without limitation) capital gains tax, income tax, corporation tax, advance corporation tax, value added tax, stamp duty and SDRT will be deducted.
- 19.11 The principal amount of any outstanding borrowings whenever repayable and any accrued but unpaid interest on borrowings will be deducted.
- 19.12 An estimated amount for accrued claims for tax of whatever nature which may be recoverable will be added.
- 19.13 Any other credits or amounts due to be paid into the Scheme Property will be added.
- 19.14 A sum representing any interest or any income accrued due or deemed to have accrued but not received will be added.
- 19.15 Currencies or values in currencies other than Base Currency or (as the case may be) the designated currency shall be converted at the relevant Valuation Point at a rate of exchange that is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders.

20. Price per Share in each Class

The price per Share at which Shares are issued is the sum of the Net Asset Value of a Share and any initial charge. The price per Share at which Shares are redeemed is the sum of the Net Asset Value per Share and any redemption charge. There must only be a single price for any Share as determined from time to time by reference to a particular Valuation Point. In addition, there may, for both purchases and sales, be a dilution levy, as described in paragraph 14 above.

21. Pricing basis

The Company deals on a forward pricing basis. A forward price is the price calculated at the next Valuation Point after the sale or redemption is agreed.

22. Publication of Prices

The most recent price of Shares will appear on the website of the Administrator: www.yealand.com and shall also be available on request from the Administrator via telephone on 0345 602 9548 or for inspection at its registered office.

23. Risk factors

Potential investors should consider the following risk factors before investing in the Company.

General risk warnings:

- (a) Past performance is not a guide to the future. 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) Charges to capital account may increase the amount of income available for distribution but will restrain capital growth.
- (c) In certain circumstances, for Efficient Portfolio Management purposes only, the Company may enter into certain derivatives transactions, including, without limitation, forward transactions, futures and options. The use of derivatives may involve additional risks for shareholders. As a result, the NAV of the Company could potentially be more volatile, however, it is the Investment Manager's intention that the Company, owing to its portfolio composition or the investment management techniques used, will not have volatility significantly in excess of general market volatility. The use of derivatives for Efficient Portfolio Management is not intended to increase the risk profile of the Company.
- (d) Investors are reminded that in certain circumstances their right to redeem Shares (including a redemption by way of switching) may be suspended.
- (e) The Company may invest in other collective investment schemes and as such the Company will bear its portion of the expenses of the other collective investment scheme, including management, performance and/or other fees. These fees will be in addition to the management fees and other expenses which the Company bears directly with its own operations.
- (f) The ACD may apply a dilution levy to the price payable on the purchase or redemption of Shares. Where a dilution levy is not applied the Company may incur dilution which may constrain capital growth.
- (g) Where assets are held in custody, there may be a risk of loss resulting from the insolvency, negligence or fraudulent action of the custodian or sub custodian.
- (h) Fixed interest securities (bonds) are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of the capital may fall, and vice versa. Inflation will also decrease the real value of capital. The value of a fixed interest security will fall in the event of a default or reduced credit rating of the issue. Generally, the higher the rate of interest, the higher the perceived credit risk of the issuer. High yield bonds with lower credit rating (also known as sub-

investment grade bonds) are potentially more risky than investment grade bonds.

- (i) Investments in smaller companies may carry higher risk as they are less liquid than larger companies which means that fluctuations in price may be greater than for larger companies.
- (j) The Company could lose money if an entity with which it does business becomes unwilling or unable to honour its obligations to the Company.
- (k) The values, in Pounds Sterling terms, of investments that are not denominated in Pounds Sterling may rise and fall purely on account of exchange rate fluctuations, which will have a related effect on the price of Shares.
- (l) 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.
- (m) There is a risk that an issuer or counterparty will default by failing to make payment due, or failing to make payments in a timely manner, which would adversely affect the value of investments.
- (n) The preceding list of risks may not be exhaustive.

24. Fees and Expenses

24.1 General

- 24.1.1 The fees, costs and expenses relating to the authorisation and incorporation and establishment of the Company, the offer of Shares, the preparation and printing of this Prospectus and the fees of the professional advisers to the Company and the ACD in connection with the initial offer period will be borne by the Company.
- 24.1.2 The Company may pay out of the Scheme Property of the Company or a Fund as the case may be charges and expenses incurred by the Company or particular Fund, which will include the following expenses (all references to the Company include reference to a Fund as appropriate):
 - (a) the current Annual Management Charge payable to the ACD pursuant to Appendix 1 (the "ACD Fee") and any expenses properly incurred by the ACD (the ACD will pay the fees of the Portfolio Manager and the Administrator out of the ACD fee);
 - (b) broker's commission, fiscal charges (including stamp duty and/or stamp duty reserve tax) and other disbursements which are necessarily incurred in effecting transactions for the

Company and normally shown in contract notes, confirmation notes and difference accounts as appropriate;

- (c) fees and expenses in respect of establishing and maintaining the Register of Shareholders and any sub-register of Shareholders (as defined in the Regulations);
- (d) any costs incurred in or about the listing of Shares in the Company on any stock exchange, and the creation, conversion and cancellation of Shares;
- (e) any costs incurred by the Company in publishing the price of the Shares in a national or other newspaper or other media;
- (f) any costs incurred in producing and dispatching any payments made by the Company, or the yearly and half-yearly reports of the Company;
- (g) any fees, expenses or disbursements of any legal or other professional adviser of the Company or the ACD in relation to the Company or to one or more Funds;
- (h) any costs incurred in taking out and maintaining any insurance policy in relation to the Company;
- (i) any costs incurred in respect of meetings of Shareholders convened for any purpose including those convened on a requisition by Shareholders not including the ACD or an associate of the ACD;
- (j) liabilities on unitization, amalgamation or reconstruction including certain liabilities arising after transfer of property in consideration for the issue of Shares as more fully detailed in the Regulations;
- (k) interest on borrowings and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;
- (l) taxation and duties payable in respect of the property of the Company or the issue or redemption of Shares;
- (m) the audit fees of the Auditor (including VAT) and any expenses of the Auditor;
- (n) the fees of the FCA under the FCA Rules, together with any corresponding periodic fees of any regulatory authority in a country or territory outside the UK in which Shares in the Company are or may be marketed;
- (o) the Depositary's fees and expenses, as detailed in paragraph 24.5 below;

- (p) any expense incurred in relation to company secretarial duties including the cost of maintenance of minute books and other documentation required to be maintained by the Company;
- (q) any costs incurred in preparing, translating, producing (including printing), distributing and modifying the Instrument of Incorporation, this Prospectus, the key investor information document or any successor document or reports, accounts, statements, contract notes and other like documentation or any other relevant documentation required under the Regulations;
- (r) the costs of any licenses required to enable the Company to use, or quote, names which would normally be under copyright, in any country including the UK;
- (s) any fees associated with any regulatory reporting or other obligations of the Company e.g. reporting as a counterparty to derivatives or other investment transactions;
- (t) any costs incurred which are associated with independent risk monitoring or daily "value at risk" or "VaR" calculations (part of the risk monitoring process);
- (u) any payments otherwise due by virtue of the Regulations; and
- (v) any value added or similar tax relating to any charge or expense set out in this Prospectus.

24.1.3 To the extent that any Scheme Property of the Company, or any assets to be received as part of the Scheme Property, or any costs, charges or expenses to be paid out of the Scheme Property, are not attributable to a Fund or a Share Class only, the ACD will allocate such Scheme Property, assets, costs, charges or expenses between the Funds or Share Classes in a manner which it reasonably believes to be fair to all Shareholders of the Company.

24.1.4 The allocation of fees, expenses and charges between capital and income is stipulated in Appendix 1. The ACD and the Depositary have agreed this allocation of the fees, charges and expenses for each Fund. **Certain of these fees, charges and expenses will be allocated to capital in line with Appendix 1. This policy may result in capital erosion or constrain capital growth.**

24.2 Charges payable to the ACD

24.2.1 In payment for carrying out its duties and responsibilities the ACD is entitled to be paid the ACD Fee out of the Scheme Property.

24.2.2 The ACD fee is calculated and accrued daily and is payable monthly and is calculated by reference to the Net Asset Value of the Sub-funds as at the preceding Valuation Point. The fee is payable out of the property attributable to the relevant Fund. The current ACD Fee for each Fund available in the Company is set out in Appendix 1.

- 24.2.3 The ACD is also entitled to all reasonable, properly vouched, out of pocket expenses incurred in the performance of its duties, including stamp duty and stamp duty reserve tax on transactions in Shares.
- 24.2.4 If a Fund's expenses in any period exceed its income the ACD may take that excess from the capital property attributable to that Fund. **This may result in capital erosion or constrain capital growth.**
- 24.2.5 The ACD may not introduce a new category of remuneration for its services or increase the current rate or amount of its remuneration payable out of the Scheme Property of the Fund or the initial charge except in accordance with the FCA Rules and after the ACD has made available the new rate and the date of its commencement.
- 24.2.6 The ACD may in its absolute discretion rebate a proportion of the annual management charge back to a Fund.

24.3 Administrator's and Registrar's Fees, Charges and Expenses

- 24.3.1 The Administrator shall be paid the Administrator's fee set out in Appendix 1. The Administrator's fee is calculated and accrued daily and is payable monthly and is calculated by reference to the Net Asset Value of the Sub-funds as at the preceding Valuation Point. This fee is payable out of the Scheme Property of the Company but will be payable as part of the ACD Fee in line with paragraph 24.1.2(a) above.
- 24.3.2 The Registrar is entitled to the payment of any fees, expenses and disbursements (including the fees, expenses and disbursements resulting from the establishment and maintenance of any sub-register) for which the Company is also responsible for paying. The Registrar's fees are currently 0.015% per Fund per annum payable quarterly in advance, subject to an annual minimum of £5,000 per Fund. The Administrator is responsible for paying this fee to the Registrar alongside the Administrator's fee (as set out in Appendix 1 below).
- 24.3.3 In addition, for every purchase or sale of Shares the Registrar will charge £12.50 per manual deal, £7.50 per electronic deal, £50 per complex deal, subject to an annual minimum of £1,000 per Fund. This fee is payable out of the Scheme Property of the Company.

24.4 Portfolio Manager's Fees, Charges and Expenses

The Portfolio Manager's fees and expenses are paid by the ACD out of its ACD Fee. The Portfolio Manager's annual portfolio management fee is set out in Appendix 1.

24.5 Depositary's Fees Charges and Expenses

- 24.5.1 The Depositary receives for its own account a periodic fee, payable out of the Scheme Property, which will accrue daily and is due monthly on the first Valuation Point in each calendar month in respect of the period since the first Valuation Point in the preceding month and is payable within seven days. The fee is calculated by reference to the value of each Fund at the last dealing Valuation Point of the prior month. The fee is payable out of the property attributable to the relevant Fund. The rate of the periodic fee is agreed between the ACD and the Depositary.

The fee is currently 0.03% per annum on the first £50m of the Net Asset Value of each Fund, then 0.025% per annum on the remainder of the Net Asset Value, subject to a minimum of £5,000 per annum, plus VAT. These rates may be varied from time to time in accordance with the FCA Rules. The first accrual in relation to each Fund will take place in respect of the period beginning on the day on which the first valuation of the Fund is made and ending on the first Valuation Point of the following month.

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

Transaction Charges	Range £3 to £126
Charges for principal investment markets	UK Crest: £6 United States: £5 Germany: £9 Japan: £6
Custody Charges	Range 0.0025% to 1.08%
Charges for principal investment markets	UK: 0.0025% p.a. United States: 0.0030% p.a. Germany: 0.0100% p.a. Japan: 0.0150% p.a.

- 24.5.3 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 accrue and are payable as agreed from time to time by the ACD and the Depositary.
- 24.5.4 Where relevant, the Depositary may make a charge for (or otherwise benefit from) providing services in relation to: distributions, the provision of banking services, holding money on deposit, lending money, or engaging in stock lending or derivative transactions, in relation to the Fund 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 of the Regulations.
- 24.5.5 Where applicable the Depositary will also be paid by a Fund for expenses properly incurred in the performance of, or arranging the performance of, functions conferred on it by the Regulations or by the general law.
- 24.5.6 On a winding up of the Company or the redemption of a Share Class or the termination of a Fund, the Depositary will be entitled to its pro rata

fees, charges and expenses to the date of winding up, the termination or the redemption (as appropriate) and any additional expenses necessarily realised in settling or receiving any outstanding obligations.

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

24.5.8 In each case such payments, expenses and disbursements may be payable to any person (including the ACD or any associate or nominee of the Depositary or of the ACD) who has had the relevant duty delegated to it pursuant to the Regulations by the Depositary.

25. Shareholder Meetings and Voting Rights

25.1 Annual General Meeting

The Company will not hold annual general meetings. All general meetings shall be Extraordinary General Meetings.

25.2 Requisitions of Meetings

25.2.1 The ACD or the Depositary may convene a general meeting at any time.

25.2.2 Shareholders may also request the convening of a general meeting of the Company or a particular Fund. A requisition by Shareholders must state the objects of the meeting, be dated, be signed by Shareholders who, at the date of the requisition, are registered as holding not less than one-tenth in value of all Shares then in issue and the requisition must be deposited at the head office of the Company. The ACD must convene a general meeting no later than eight weeks after receipt of such requisition.

25.3 Notice and Quorum

25.3.1 Shareholders will receive at least 14 days' notice of a Shareholders' meeting. The notice shall specify:

- (a) whether the meeting is to be a physical meeting, a hybrid meeting or a virtual meeting;
- (b) if the meeting is a physical meeting or a hybrid meeting, the place of the meeting;
- (c) if the meeting is a hybrid meeting or a virtual meeting, the means by which a Shareholder may participate, including any requirements for Shareholders to register before the meeting begins or to provide proof of their right to attend, and an explanation of how participating Shareholders may vote in a show of hands or in a poll, if they do not appoint a proxy;
- (d) the day and hour of the meeting;
- (e) the terms of the resolutions to be proposed; and

- (f) the address of the website where the minutes of the meeting will subsequently be published.
- 25.3.2 Where notice is served by the ACD, the ACD will also send a copy of the notice to the Depositary.
- 25.3.3 Notice of an adjourned meeting of Shareholder must be given to each Shareholder, stating that while two Shareholders are required to be present (in person, by proxy or remotely) to constitute a quorum at the adjourned meeting, this may be reduced to one where a quorum is not present at an adjourned meeting after a reasonable time from the time for the meeting, should two Shareholders not be present after a reasonable time of convening the meeting.
- 25.3.4 Where the meeting is a hybrid meeting or a virtual meeting, the ACD will take reasonable care to ensure that the necessary supporting technology to enable Shareholders to attend and vote is in place at the start of the meeting and operates adequately throughout its proceedings, so that Shareholders who attend or vote remotely are not unfairly disadvantaged.
- 25.3.5 Each Shareholder is entitled to be counted in the quorum and vote at such meeting either in person or by proxy. The quorum for a meeting is two Shareholders, present in person or by proxy or remotely using the means specified in the notice of the meeting.
- 25.3.6 If, after a reasonable time from the time for the start of the meeting, a quorum is not present or there is no longer a quorum present at any time during the meeting, the meeting:
 - (a) if convened on the request of Shareholders, must be dissolved; and
 - (b) in any other case, must stand adjourned to:
 - 1. a day and time which is seven or more days after the day and time of the meeting; and
 - 2. in the case of a physical meeting or a hybrid meeting, a place to be appointed by the chair.
- 25.3.7 If, at an adjourned meeting under paragraph 25.3.6(b), a quorum is not present after a reasonable time from the time for the meeting, the quorum for such an adjourned meeting is one Shareholder present in person or by proxy or remotely using the means specified in the notice of the meeting.
- 25.3.8 In the case of a meeting of Shareholders where Shareholders are permitted to attend and vote remotely, the chair of that meeting must take reasonable care to give such Shareholders:
 - (a) an adequate opportunity to be counted as present in the quorum; and

- (b) sufficient opportunities to participate fully in the proceedings of the meeting, in particular when a vote is taken on a show of hands or by poll.

25.4 Voting Rights

- 25.4.1 Except where the Regulations or the Instrument of Incorporation require an extraordinary resolution (which needs 75% of the votes cast at the meeting to be in favour if the resolution is to be passed) any resolution required by the Regulations will be passed by a simple majority of the votes validly cast for and against the resolution.
- 25.4.2 At a meeting of Shareholders, on a show of hands every Shareholder who is present in person or who attends the meeting remotely using the means specific in the notice, has one vote.
- 25.4.3 On a poll vote, a Shareholder may vote either in person or by proxy or in any other manner permitted by the Instrument of Incorporation. The voting rights attaching to each Share are such proportion of the voting rights attached to all the Shares in issue that the price of the Share bears to the aggregate price(s) of all the Shares in issue at the date seven days before the notice of meeting is deemed to have been served.
- 25.4.4 A Shareholder entitled to more than one vote need not, if they vote, use all their votes or cast all the votes they use in the same way.
- 25.4.5 For joint Shareholders, the vote of the first Shareholder, or the proxy of the first Shareholder, stated in the Register of Shareholders will be accepted to the exclusion of the votes of the other joint Shareholders.
- 25.4.6 The ACD may not be counted in the quorum for a meeting and neither the ACD nor any associate (as defined in the Regulations) of the ACD is entitled to vote at any meeting of a Fund or the Company as a whole except in respect of Shares which the ACD or associate holds on behalf of or jointly with a person who, if the registered Shareholder, would be entitled to vote and from whom the ACD or associate has received voting instructions. Where every Shareholder is prohibited under COLL 4.4.8R(4) from voting, a resolution may, with the prior written agreement of the Depositary, instead be passed with the written consent of Shareholders representing 50% or more of the Shares in the Fund, or for an extraordinary resolution, 75% or more, of the Shares of the Fund in issue.
- 25.4.7 "Shareholders" in this context means Shareholders on the Register on a record date seven days before the notice of the relevant meeting was deemed to have been served but excludes holders who are known to the ACD not to be Shareholders at the time of the meeting.

25.5 Minutes of a Meeting of Shareholders

The ACD will publish the minutes of any meeting of Shareholders on a website accessible to the general public without charge, no later than 5 Business Days after the meeting has taken place (but in the case of an original meeting which is adjourned, the minutes must be published no later than 5 Business Days after the adjourned meeting has taken place).

25.6 Form and Service of Notices

- 25.6.1 Any notice or document which is to be served on a Shareholder will be duly served if it is:
- (a) sent by post or left at the address of the Shareholder which appears on the Register of Shareholders; or
 - (b) sent by using an electronic medium in accordance with paragraph 25.6.5 below.
- 25.6.2 Any notice or document served by post is deemed to have been served on the second Business Day following the day on which it is posted.
- 25.6.3 Any document left at a registered address or delivered other than by post is deemed to have been served on that day.
- 25.6.4 Any notice or document served on one joint Shareholder is deemed to also have been served on each other joint Shareholder appearing on the Register of Shareholders.
- 25.6.5 Any document or notice to be served on, or information to be given to, a Shareholder must be in a "legible form" which is a form which:
- (a) is consistent with the ACD's knowledge of how the recipient of the document wishes or expect to receive the document;
 - (b) is capable of being provided in hard copy by the ACD;
 - (c) enables the recipient to know or record the time of receipt; and
 - (d) is reasonable in the context.

25.7 Class Meetings

The above provisions, unless the context otherwise requires, apply to Share Class meetings and general meetings of each Fund as they apply to general meetings of the Company, but by reference to the Shares of the Share Class or Fund concerned and the holders and prices of such Shares of Fund.

25.8 Changes to the Company or the Funds

- 25.8.1 Changes to the operation of the Company or a Fund may fall within one of the following three categories:
- (a) Fundamental events which may for instance change the nature of the Company or a Fund or the basis on which the investor invested. For example, material changes to the investment objective or risk profile of a Fund or something that would cause material prejudice to the investors would require investor approval.
 - (b) Significant events which may for instance materially affect an investor's investment, result in increased payments out of a

Fund or could reasonably be expected to cause investors to reconsider their participation in a Fund. Those should be notified pre-event to investors and in sufficient time to enable them to leave a Fund, if they wish, before the change takes effect. 60 days minimum notice is required for these changes.

- (c) Notifiable events for which the ACD would decide when and how the Shareholder should be notified, depending on the type of event. In these cases, notification could be after the event.

26. Taxation

26.1 The taxation of both the Company and Shareholders in it is subject to the fiscal law and practice of the UK and of the jurisdictions in which Shareholders are resident or otherwise subject to tax. **The following summary of the anticipated tax treatment in the UK does not constitute legal or tax advice and applies only to persons holding Shares as an investment. It is not a guarantee to any investor of the tax results of investing in the Company.**

26.2 In particular, this summary does not take account of particular investors' individual circumstances, does not address the taxation consequences for investors who may be subject to taxation or exchange control in a jurisdiction other than the UK and does not address investors falling into particular categories (such as life insurance companies, tax-exempt investors or employees of entities connected to the Company) which may be subject to special rules.

26.3 Prospective investors should consult their own professional advisers on the tax and exchange control implications of making an investment in, holding or disposing of Shares and the receipt of distributions with respect to Shares under the laws of the countries in which they may be liable to taxation.

26.4 This summary is based on the UK taxation law and HM Revenue & Customs' practice in force at the date of this Prospectus, but prospective investors should be aware that the relevant fiscal rules and practice or their interpretation may change.

26.5 The Company and the Fund

26.5.1 The UK tax regime applicable to each Fund is primarily set out in chapter 2 of Part 13 Corporation Tax Act 2010 and in the Authorised Investment Funds (Tax) Regulations 2006 SI 2006/964 (the "Tax Regulations"). Each Fund is treated as a separate Authorised Investment Fund for tax purposes.

26.5.2 Each Fund is exempt from UK corporation tax on chargeable gains arising on the disposal of its investments (including interest-bearing securities and derivatives contracts), and is not entitled to corporation tax relief on losses which are treated as capital in nature.

26.5.3 Each Fund is be subject to corporation tax at a rate equal to the basic rate of income tax, currently 20 per cent, on its taxable income from investments after relief for allowable expenses. Dividend distributions or yearly interest distributions received by a Fund from other authorised investment funds (broadly UK OEICs and authorised unit trusts) will be taxed on that Fund in accordance with the rules described below.

- 26.5.4 However, the Funds are not generally subject to tax on dividends and similar distributions from both UK and non-UK resident companies.
- 26.5.5 To the extent that a Fund receives income from, or realises gains on investments issued in, foreign countries, it may be subject to withholding tax or other taxation in those jurisdictions and to UK corporation tax on the income. Any foreign tax suffered by a Fund may normally be deducted from the UK tax due on that income or treated as an expense in calculating the amount of that income subject to corporation tax.
- 26.5.6 Each Fund will make dividend distributions, except (which is not expected to be the case for any of the Funds and hence not dealt with further) where over 60% of its property has been invested throughout the distribution period in interest paying and related investments, in which case it will make interest distributions. Income of each Fund is deemed to be distributed for tax purposes, even when it is accumulated. Dividend distributions made or treated as made by a Fund will not be subject to withholding tax.
- 26.5.7 Stamp duty reserve tax ("SDRT") will generally be charged on any agreements to transfer Shares in the Company to third parties at a rate of 0.5% of the consideration. Generally, no SDRT charge will arise on the issue of Shares in the Company or on the surrender of Shares. However, SDRT may arise for example where there is an in-specie contribution of chargeable securities or where the investor surrenders the Shares in exchange for chargeable securities. The Company or a Fund may incur similar taxes in another jurisdiction if it carries out transactions involving that jurisdiction.

26.6 Tax of Shareholders

- 26.6.1 Each Fund will pay dividend distributions (which will be automatically retained in a Fund in the case of Accumulation Shares). UK resident individuals benefit from a dividend allowance under which the first £500 of dividends received (or deemed to be received) will not be liable to income tax. Above this level the tax rates applying to dividends are 8.75% for basic rate taxpayers, 33.75% for higher rate taxpayers and 39.35% for additional rate taxpayers.
- 26.6.2 UK resident corporate Shareholders who are not exempt from tax must split their dividend distributions into two portions according to the percentage split given on the tax voucher. Any part representing dividends received from a UK or non-UK company will be treated as dividend income and no further tax will generally be due on it. The remainder will be deemed to be unfranked income received as an annual payment after deduction of income tax at the basic rate, and corporate Shareholders may be liable to tax on the grossed up amount. The 20% income tax credit may be set against their corporation tax liability or part of it refunded as appropriate.

26.7 Income equalisation

The first income allocation received by a Shareholder after buying Shares may include an amount of income equalisation, which will be shown on the tax voucher. This is effectively a repayment of the income equalisation paid by the Shareholder

as part of the purchase price. It is a return of capital, and is not taxable. Rather it should be deducted from the acquisition cost of the Shares for capital gains tax purposes in the case of Income Shares (it is reinvested in the case of Accumulation Shares).

26.8 Tax vouchers

A tax voucher will be issued. This voucher should be retained for tax purposes as evidence of HM Revenue & Customs.

26.9 Taxation of Capital Gains

26.9.1 Shareholders may, depending on their circumstances, be liable to capital gains tax or corporation tax on chargeable gains arising from a disposal of any Shares. For these purposes, a disposal includes a sale or a redemption of Shares. A switch of Shares between different share classes will not be deemed to be a realisation for the purposes of capital gains taxation. A switch between Funds is treated as a disposal for capital gains tax purposes.

26.9.2 Proceeds on the redemption of Shares are paid to Shareholders without deduction of tax. For Accumulation Shares, income accumulated and on which income tax or corporation tax on income has been paid can generally be added to the cost of those Accumulation Shares when computing the amount of any gain.

The above statements are only intended as a general summary of UK tax law and practice as at the date of this Prospectus (which may change in the future) and apply only to UK resident or ordinarily resident investors who are the absolute beneficial owners of Shares and their applicability will depend upon the particular circumstances of each investor. In particular, the summary may not apply to certain classes of investors (such as dealers in securities). Any investor who is in any doubt as to their UK tax position in relation to the holding of Shares in any of the Funds should consult their UK professional adviser.

27. Income Equalisation

27.1 Income equalisation, as explained below, may apply in relation to the Funds, as detailed in Appendix 1.

27.2 Part of the purchase price of a Share reflects the relevant share of accrued income received or to be received by the Company. This capital sum is returned to a Shareholder with the first allocation of income in respect of a Share issued during an accounting period.

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

28. Winding up of the Company or a Fund

28.1 The Company shall not be wound up except as an unregistered company under Part V of the Insolvency Act 1986 or under the Regulations.

- 28.2 Where the Company is to be wound up under the Regulations, such winding up may only be commenced following approval by the FCA. The FCA may only give such approval if the ACD provides a statement (following an investigation into the affairs of the Company) either that the Company will be able to meet its liabilities within 12 months of the date of the statement or that the Company will be unable to do so.
- 28.3 The Company may not be wound up under the Regulations if there is a vacancy in the position of ACD at the relevant time.
- 28.4 The Company may be wound up under the Regulations if:
- 28.4.1 an extraordinary resolution to that effect is passed by Shareholders; or
 - 28.4.2 the period (if any) fixed for the duration of the Company by the Instrument of Incorporation expires, or an event (if any) occurs on the occurrence of which the Instrument of Incorporation provides that the Company is to be wound up; or
 - 28.4.3 on the date of effect stated in any agreement by the FCA in response to a request by the ACD for the winding up of the Company; or
 - 28.4.4 on the effective date of a duly approved scheme of arrangement which is to result in the Company ceasing to hold any scheme property; or
 - 28.4.5 on the date on which all the Funds fall within paragraph 28.4.4 or have otherwise ceased to hold any Scheme Property, notwithstanding that the Company may have assets and liabilities that are not attributable to any particular Fund.
- 28.5 On the occurrence of any of the above:
- 28.5.1 the parts of the FCA Rules and the Instrument of Incorporation relating to valuation and pricing and investment and borrowing respectively, will cease to apply to the Company;
 - 28.5.2 the Company will cease to issue and cancel Shares in the Company and the ACD shall cease to sell or redeem Shares or arrange for the Company to issue or cancel them for the Company;
 - 28.5.3 no transfer of a Share shall be registered and no other change to the register shall be made without the sanction of the ACD;
 - 28.5.4 where the Company is being wound up, the Company shall cease to carry on its business except in so far as it is beneficial for the winding up of the Company; and
 - 28.5.5 the corporate status and powers of the Company and, subject to the provisions of paragraphs 28.5.1 to 28.5.4 above, the powers of the ACD shall remain until the Company is dissolved.
- 28.6 The ACD shall, as soon as practicable after the Company falls to be wound up, realise the assets and meet the liabilities of the Company and after paying out or retaining adequate provision for all liabilities properly payable and retaining provision for the costs of winding up, the ACD may arrange for the Depositary to

make one or more interim distributions and then a final distribution of the proceeds of the realisation of the property attributable or allocated to each Fund to the Shareholders in each Fund proportionately to the rights to participate in the property attached to their respective Shares.

- 28.7 As soon as reasonably practicable after completion of the winding up of the Company, the Depositary shall notify the FCA that the winding up has been completed.
- 28.8 On completion of a winding up of the Company, 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.
- 28.9 Following the completion of a winding up of the Company, the ACD must prepare a final account showing how the winding up took place and how the Scheme Property was distributed. The Auditor of the Company shall make a report in respect of the final account stating their opinion as to whether the final account has been properly prepared. This final account and the auditors' report must be sent to the FCA and to each Shareholder (or the first named of joint Shareholders) within two months of the completion of the winding up.
- 28.10 A Fund must not be wound up except under Part V of the Insolvency Act 1986 (as modified by regulation 33C of the OEIC Regulations) as an unregistered company or terminated except under the Regulations.
- 28.11 A Fund may be terminated under the Regulations if:
 - 28.11.1 if an extraordinary resolution of the Shareholders of such Fund is passed to that effect; or
 - 28.11.2 on the date of effect stated in any agreement by the FCA to a request by the ACD for the termination of such Fund;
 - 28.11.3 the period (if any) fixed for the duration of the Fund by the Instrument of Incorporation expires or any event occurs, for which the Instrument of Incorporation provides that the Fund is to be wound up or terminated (for example a Fund shall be terminated by the ACD in its absolute discretion if one year from the date of the first issue of Shares relating to that Fund or at any date after that date, the Net Asset Value of the Fund is less than £5,000,000); or
 - 28.11.4 on the effective date of a duly approved scheme of arrangement which is to result in that Fund ceasing to hold any Scheme Property.
- 28.12 On the termination of a Fund the ACD is required as soon as practicable after the time the Fund falls to be terminated to realise the property of the Fund and pay the liabilities of the Fund out of the proceeds.
- 28.13 After making adequate provision for the expenses of the termination and the discharge of any outstanding liabilities, the ACD may arrange for the Depositary to make interim distributions and then a final distribution of the proceeds of the realisation of the property of the Fund to the holders of the Fund proportionately to the right to participate in the property attached to their respective Shares.

- 28.14 If the Fund is to be terminated in accordance with an approved scheme of amalgamation or reconstruction, the ACD is required to terminate the Fund in accordance with the resolution of holders approving such scheme.
- 28.15 here the Company and one or more holders (other than the ACD) agree, the requirement to realise the property of the Fund shall not apply to that part of the property which is proportionate to the right of that or those holders, and the ACD may distribute that part in the form of property, after making such adjustments or retaining such provision as appears to the ACD appropriate for ensuring that those holders bear a proportionate share of the liabilities and expenses.
- 28.16 If any sum of money is unclaimed or stands to the account of the property of the Fund, the ACD shall instruct the Depositary to retain such sum in an account separate from any other part of the property of the Company in accordance with the Rules. On the dissolution of the Company, the Depositary shall cease to hold those amounts as part of that account and they shall be paid or lodged by the Depositary in accordance with the Regulations.

29. General Information

29.1 Accounting Periods

The annual accounting periods, the interim accounting periods and the accounting reference date for each of the Funds are set out in Appendix 1.

29.2 Income Allocations

- 29.2.1 Allocations of income are made in respect of the income available for allocation in each accounting period.
- 29.2.2 Income allocation dates for each of the Funds are set out in Appendix 1. Income may be paid by payment directly into certain bank and building society accounts on or before the last Business Day in each accounting period or be reinvested.
- 29.2.3 Holders of Income Shares are entitled to be paid the income attributed to such Shares on the relevant allocation dates set out in Appendix 1 in respect of each Fund. Holders of Accumulation Shares are not entitled to be paid the income attributable to such Shares, but that income is automatically transferred to (and retained as part of) the capital assets of the relevant Fund at the end of the relevant distribution period and is reflected in the price in the price of an Accumulation Share.
- 29.2.4 A re-investment facility is available.
- 29.2.5 If a distribution remains unclaimed for a period of six years after it has become due, it will be forfeited and will revert to the relevant Fund (or, if that no longer exists, to the Company).
- 29.2.6 The amount available for distribution in any accounting period is calculated by taking the aggregate of the income received or receivable for the account of the Fund in respect of that period, and deducting the charges and expenses of the Fund paid or payable out of income in respect of that accounting period. The ACD then makes such other adjustments as it considers appropriate (and after consulting the Auditor

as appropriate) in relation to taxation, income equalisation, income unlikely to be received within 12 months following the relevant income allocation date, income which should not be accounted for on an accrual basis because of lack of information as to how it accrues, transfers between the income and capital account and any other adjustments which the ACD considers appropriate after consulting the Auditor.

29.3 Annual Reports

Annual long-form reports of the Company will be published within four months of each annual accounting period and half-yearly long-form reports will be published within two months of each interim accounting period. The long form reports are available upon request. The Company at its discretion may also publish short form reports for one or more of the Funds. The accounts for each Fund shall show all classes of Share in that Fund. If published, the annual short-form report of each Fund will disclose:

- 29.3.1 the percentage of the Fund's assets that are subject to special arrangements arising from their illiquid nature;
- 29.3.2 any new arrangements for managing the liquidity of the Fund;
- 29.3.3 the current risk profile of the Fund and the risk management systems employed by the ACD to manage these risks;
- 29.3.4 any changes to the maximum level of leverage that the ACD may employ on behalf of the Fund;
- 29.3.5 any changes to any right of reuse of collateral or any guarantee granted under the leveraging arrangement; and
- 29.3.6 the total amount of leverage employed by the Fund.

29.4 Documents of the Company

- 29.4.1 The following documents may be inspected free of charge between 9.00 a.m. and 5.00 p.m. every Business Day at the offices of the ACD at Fountain Suite B, Lynch Wood Park, Peterborough, Cambridgeshire PE2 6FZ:
 - (a) the most recent annual and half-yearly reports of the Company; and
 - (b) the Instrument of Incorporation (and any amending instrument of incorporation); and
 - (c) the current Key Investor Information Documents (KIIDs); and
 - (d) the most recent prospectus of the Company.
- 29.4.2 Shareholders may also request information supplementary to this Prospectus relating to the quantitative limits and methods applying to the risk management of the Company and any recent development of the risk and yields of the main categories of investment of the Company or Fund as the case may be from the address given in 29.4.1 above.

29.4.3 Potential Shareholders may obtain copies of the long and short reports from the above address.

29.4.4 The ACD may make a charge at its discretion for copies of documents, except for those documents listed in paragraph 29.4.1 above which will be supplied to any person free of charge on request.

29.5 Remuneration Policy

29.5.1 As a UK UCITS management company, the ACD is subject to the Remuneration Code and must explain how it complies with the Remuneration Code.

29.5.2 The board of directors of the ACD is the management body for the purposes of the FCA Rules. The management body sets the remuneration policy summarised below. The board of directors of the ACD's parent company, Applerigg Limited, has formed a Remuneration Committee which reviews the remuneration policy set for the ACD and other subsidiaries. The Remuneration Committee consists of F A Scott, B L Offergelt and P Doyle none of whom have an executive function in the ACD. The Committee ensures the ACD's remuneration policy complies with the Remuneration Code and other relevant provisions in the FCA Handbook.

29.5.3 The ACD rewards its staff fairly and appropriately for their contribution to the growth and success of the business and the provision of a high level of service to clients. The remuneration policy is designed to be consistent with, and promote, sound and effective risk management.

29.5.4 The remuneration of staff is reviewed annually, taking into account individual performance and market rates for the role being undertaken. Any bonus arrangement is also reviewed annually to ensure alignment with the ACD's aims of the growth and success of the business and the provision of a high level of service to clients. There is no direct link to investment performance and bonuses do not encourage excessive risk taking.

29.5.5 Up-to-date details of the matters set out above are available at www.Yealand.com. A paper copy is available free of charge upon request.

29.6 Complaints

Complaints concerning the operation or marketing of the Company may be referred to the compliance officer of the ACD at Fountain Suite B, Lynch Wood Park, Peterborough, Cambridgeshire PE2 6FZ. A copy of the ACD's complaints handling procedure is available on request. If a Shareholder is not satisfied with the outcome of the ACD's investigation into their complaint, the matter may then be referred to the Financial Services Ombudsman at Exchange Tower, London E14 9SR. Complaints may be made by telephone on 01733 316143.

29.7 Property

The Company and the Funds will not have an interest in any immovable or tangible movable property.

29.8 Dealing Commissions

The Portfolio Manager as part of providing investment management and advisory services to the Funds, may from time to time, enter into arrangements with brokers, under which the broker will provide or procure services that relate to execution or research which meet the criteria specified by the FCA and can be reasonably expected to assist in the provision of investment services. These costs are not directly charged to the client, but form part of the normal dealing costs incurred by the Funds.

29.9 Language

The ACD shall supply all information and communicate with you in English during the course of their relationship with you.

29.10 Past Performance

The historical performance of the Company is illustrated in Appendix 6. **Past performance should not be seen as a guide to future performance.**

29.11 Data Protection

29.11.1 Shareholder information will be stored and processed by computer systems so that the ACD can provide the services required. Such information may be passed on to third party service providers used by the ACD in relation to the Company.

29.11.2 Information about you will be retained after the closure of your account for as long as it is required for legal, regulatory, fraud prevention, business and financial crime purposes. Telephone calls made may be recorded and recordings may be used for training purposes or to meet regulatory requirements. Any data provided during the call will be used and held in accordance with the relevant data protection requirements.

29.11.3 A copy of Yealand's privacy policy can be found at www.Yealand.com.

29.11.4 To assist in confirming a potential Shareholder's identity the ACD may make searches with credit reference agencies who will supply the ACD with credit information, as well as information from other sources such as the UK electoral register. Any information provided by Shareholders will only be used to enable the ACD to provide the services as set out in the prospectus.

29.12 Execution and Voting Policy

A copy of the ACD's order execution policy is available upon request. The ACD delegates day-to-day portfolio management to the Portfolio Manager. The Portfolio Manager has discretion to execute trades on approved markets and its execution policies have been reviewed by the ACD and judged satisfactory and in compliance with regulatory requirements. The Portfolio Manager may exercise the Company's, or a Fund's, voting rights at its discretion.

29.13 Tax Reporting

For the purposes of the US Foreign Account Taxation Compliance Act (FATCA), the OECD Common Reporting Standard (CRS) and the UK Automatic Exchange of Information (AEOI), if the tax residence of an account holder is outside the UK and that residence is in a reportable jurisdiction, that account holder will be a "Reportable Jurisdiction Holder" and Yealand is legally bound to report certain tax information to the relevant tax authorities.

29.14 Non-accountability for Profits and Benefits

Neither the Company, the ACD, the Portfolio Manager, the Depositary (or any associate of the same) or the Auditor is liable to account to each other or to Shareholders for any profits or benefits it makes or receives that are made or derived from or in connection with:

- 29.14.1 dealings in Shares in one or more Funds in the Company;
- 29.14.2 any transaction in the Scheme Property;
- 29.14.3 the supply of services to the Company or to one or more Funds.

Appendix 1 The Funds

Investment of the Funds' assets must comply with the Regulations and their own investment objective and policy set out below together with certain other information. A detailed statement of the investment and borrowing restrictions applicable to the Company and each Fund is contained in Appendix 2. A list of the eligible securities and derivatives markets on which the Company and the Funds may invest is contained in Appendix 3.

YFS ONE NEWGATE CAPITAL AND INCOME FUND - Product reference number: 1023377

Investment Objective

The investment objective of the Fund is to generate capital growth and income, net of fees, over rolling five year periods.

Investment Policy

The Fund will seek to achieve its investment objective by investing in equities (directly or indirectly). The Fund may also invest (directly or indirectly) in corporate or government debt securities and indirectly in alternative assets (including gold, commodities, renewable energy and infrastructure, real estate and absolute return and event driven strategies and funds). The Fund may invest in warrants, money market instruments, cash, near cash and deposits.

The typical allocation range of the Fund to each of these asset classes is set out in the table below (middle column). The Portfolio Manager will allocate to each asset class within the typical allocation range, making tactical adjustments to the Fund's holdings, for example, in order to respond to and manage macroeconomic conditions (such as fiscal, natural, or geopolitical events that broadly affect a regional or national economy). In normal market conditions, the Fund's asset allocation will remain within the typical allocation range.

The allocation to each of these asset classes may however be higher or lower in line with the wider range stated below (right hand column) when the Portfolio Manager considers this appropriate in order to respond to serious market events (such as the 2008 global financial crisis) or significant market movements (such as following the 2022 "mini-Budget") in order to protect returns or reduce downside risk.

Asset Class	Typical allocation %	Wider range %
Equities	60 - 70%	55 - 80%
Corporate or government debt securities	15 - 25%	10 - 40%
Alternatives	5 - 15%	5 - 15%
Money market instruments, cash, near cash and deposits	0 - 10%	0 - 20%

Indirect investment in equities, bonds, alternative assets and cash will be achieved by investing in collective investment schemes, exchange traded funds, exchange traded commodities and investment trusts, as permitted by the FCA Rules and including those managed by the ACD, the Portfolio Manager or their associates.

The Fund is actively managed and adopts a flexible investment strategy. The Fund can invest in any sector and in any geographic area, subject to the asset ranges set out in the table above.

Derivatives and forward currency transactions will only be used for the purposes of Efficient Portfolio Management, including hedging. The use of derivatives is expected to be limited.

Comparator Benchmark

To gauge the relative performance of the Fund, Shareholders may compare the Fund's performance against the Investment Association's Mixed Investment 40-85% Shares Sector (the "Sector"). Further information on the Sector can be obtained from www.theia.org/industry-data/fund-sectors/definitions.

The Sector has been selected for comparison purposes as the Fund's exposure to particular assets is expected over the long term to be most closely aligned to funds categorised within the Sector.

The Sector is to be used for comparison purposes only and is not a performance target nor shall it constrain the Portfolio Manager in the way in which the Fund's assets are constructed or managed.

Shareholders are reminded that past performance is no guide to future performance, the value of Shares and the income may fall as well as rise and capital is at risk.

Nature of the Fund

The Fund is not a feeder UCITS, a feeder NURS, a fund of alternative investment funds or a property authorised investment fund.

Target Market

The Fund is suitable for an investor seeking to achieve growth in capital and income who is committed to a mid term investment in the Fund (a minimum of five years). The Fund is unlikely to be compatible with the requirements of an investor:

- looking for a guaranteed return; or
- seeking full capital protection; or
- who does not have sufficient resources to bear any loss resulting from the investment; or
- who is not able to evaluate the risks and merits of the Fund; or
- with a short-term (less than five years) investment horizon.

Initial offer period

There will be an initial offer period for YFS One Newgate Capital and Income Fund which will commence at 9:00 a.m. on 16 January 2025 and will close at 5:00 p.m. on 22 January 2025.

During the initial offer period, the initial price of a Share is £1. Shares will not be issued in a currency other than Pounds Sterling.

Accounting and distribution dates

Annual accounting date	31 December
Interim account date	30 June
Income distribution dates	Last day of February 31 May 31 August 30 November

Share Classes and Fees

Classes of Shares	Income Accumulation
Currency of Denomination	GBP
Minimum Initial Investment	£1,000 **
Minimum Subsequent Investment	£100 **
Minimum Holding	£1,000 **
Initial Charge	0
Redemption Charge	0
Income equalisation	Yes
The Annual Management Charge will comprise: - AIFM/ACD	Fund Size £0 to £100m 0.04 (4 bps) £100m to £200m 0.03% (3 bps) £200m to £500m 0.02% (2 bps) £500m to £1bn 0.015% (1.5 bps)

Appendix 2

Investment Powers and Restrictions

1. General

The Company is an "umbrella company", which is a type of company, under the OEIC Regulations, which comprises various sub-funds or Funds, each of which is operated as a distinct fund with its own portfolio of investments. For these purposes, a Fund will be treated as if it was a separate scheme.

The investments of the Funds in respect of which Shares are currently available will normally consist only of:

- 1.1 transferable securities (including shares, warrants and debentures);
- 1.2 money market instruments;
- 1.3 units in collective investment schemes;
- 1.4 derivatives and forward transactions; and
- 1.5 deposits.

The following investment restrictions apply to each Fund separately and references to "the Fund" shall be construed as references to each and every individual Fund. In line with paragraph 29.7 above, no Fund will maintain an interest in immovable property or tangible movable property.

2. Transferable securities

- 2.1 Transferable securities must be admitted to or dealt in on an eligible market within COLL 5.2.10R (eligible markets requirements) or be recently issued transferable securities, provided that the terms of the 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. Up to 10% of the value of the Scheme Property may be invested in transferable securities which are not approved securities. For the avoidance of doubt, investment in transferable securities that are not approved securities and in money market instruments which are not admitted to or normally dealt on "eligible markets" (as described in paragraph 3.1 below) are subject, in aggregate, to the limit of 10% of the value of the Scheme Property.
- 2.2 Up to 5% of the scheme property may be invested in transferable securities or money market instruments issued by any single body. In applying this, certificates representing certain securities are to be treated as equivalent to the underlying security.
- 2.3 Up to 35% of the value of the investments of the Company may be invested in Government and other public securities issued by any one body, without further restriction. "Government and other public securities" include securities issued by the United Kingdom or an EEA State; a local authority of the United Kingdom or an EEA State; a non-EEA State; or a public international body to which the UK or one or more EEA States belong.
- 2.4 **More than 35% in value of the investments of the scheme property can be invested in government and public securities issued or guaranteed on behalf of**

the Government of the United Kingdom, Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, Lichtenstein, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland and the United States of America, or by the Asian Development Bank, Council of Europe Development Bank, Deutsche Ausgleichsbank, Eurofirma, European Bank for Reconstruction and Development, European Investment Bank, Inter-American Development Bank, International Bank for Reconstruction and Development, International Finance Corporation, Kreditanstalt for Wiederaufbau, LCR Finance plc and Nordic Investment Bank, provided that no more than 30% in value of the Scheme Property may consist of securities comprised in any one such issue and the Scheme Property must comprise at least six different issues whether of that issuer or another issuer and that the ACD has consulted the Depositary and, as a result, considers the issuer of such securities is one which is appropriate in accordance with the investment objectives of the Fund.

3. Money Market Instruments

- 3.1 Up to 100% in value of the Scheme Property can consist of money market instruments which are admitted to or normally dealt on "eligible markets", as defined in the FCA Rules. Up to 10% in value of the Scheme Property can be invested in money market instruments which are not admitted to or normally dealt on "eligible markets" subject to certain criteria.
- 3.2 Notwithstanding the above, up to 5% of the scheme property may be invested in money market instruments (or transferable securities) issued by any single body.

4. Investment in Collective Investment Schemes

- 4.1 Except where the investment policy of the Fund is inconsistent with this, up to 100% in value of the scheme property may be invested in units in other collective investment schemes although not more than 20% in value of the scheme property is to consist of the units of any one collective investment scheme. Investment may be made in another collective investment scheme managed by the ACD or an associate of the ACD, subject to the FCA Rules.
- 4.2 Any investee scheme must:
 - 4.2.1 be a UK UCITS scheme or satisfy the conditions necessary for it to enjoy the rights conferred by the UCITS Directive (Directive 85/611/EEC), as implemented in the EEA; or
 - 4.2.2 be a Recognised Scheme that is authorised by the supervisory authorities of Guernsey, Jersey or the Isle of Man; or
 - 4.2.3 be authorised as a Non-UCITS retail scheme; or
 - 4.2.4 be authorised in an EEA State; or
 - 4.2.5 be authorised by the competent authority of an OECD member country (other than an EEA State) which has:
 - (a) signed the IOSCO Multilateral Memorandum of Understanding; and

- (b) approved the scheme's management company, rules and depositary / custody arrangements.

4.3 The investee scheme must also: (i) comply with the COLL rules in relation to investment in associated collective investment scheme or other group schemes; and (ii) be prohibited from having more than 10% in value of the Scheme Property consisting of units in collective investment schemes. As an umbrella scheme, the provisions in (i) to (ii) and COLL 5.2.11R apply to each Fund as if it were a separate scheme.

4.4 The maximum level of management fees that may be charged to the Fund for investments in collective investment schemes will be 3.5% and the maximum level of management fees that may be charged to the collective investment schemes into which the Fund will invest will be 2% per annum.

4.5 The Fund may invest in or dispose of units in another collective investment scheme managed by (or if it is an ICVC, has as its authorised corporate director) the ACD, provided that the ACD is under a duty to credit the Fund by the close of business on the third Business Day next after the agreement to buy or to sell the amount referred to in (a) and (b):

- (a) on investment, either:

- (i) any amount by which the consideration paid by the Fund for the units in the second scheme exceeds the price that would have been paid for the benefit of the second scheme had the units been newly issued or sold by it; or
- (ii) if such price cannot be ascertained by the ACD, the maximum amount of any charge permitted to be made by the seller of units in the second scheme.

- (b) on disposal, the amount of any charge made for the account of the ACD or operator of the second scheme or an associate of any of them in respect of the disposal.

4.6 Further to paragraph 4.5 above, any addition to or deduction from the consideration paid on the acquisition or disposal of units in the second scheme, which is applied for the benefit of the second scheme and is, or is like, a dilution provision is to be treated as part of the price of the units and not as part of any charge.

5. Derivatives and forward transactions

5.1 The ACD may enter into the following types of derivative or forward transaction on behalf of the Fund:

- (a) an approved derivative traded on an eligible market; or
- (b) an "OTC derivative", comprising either a future, option or contract for differences.

Underlying the derivative must be assets which the Fund could invest in directly, or financial indices, interest rates, foreign exchange rates or currencies.

- 5.2 Any such forward transaction or OTC derivative must be with an approved counterparty, which includes Approved Banks, certain eligible institutions or a person specifically permitted by the FCA (or EEA equivalent) to enter into the transaction off-exchange.
- 5.3 In addition, any such OTC derivative must be on approved terms; the terms of the transaction in derivatives are only approved if the ACD carries out, at least daily, a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and which does not rely only on market quotations by the counterparty and can enter into one or more further transactions to sell, liquidate or close out those transactions at any time at its fair value; and such OTC derivative must be such that the ACD determines that it will be capable of valuation with reasonable accuracy throughout its life, each in accordance with Rule 5.2.23 of the FCA Rules.
- 5.4 The FCA Rules provide that the maximum potential exposure created by a particular transaction must be fully and appropriately "covered" by, as and when permitted under the FCA Rules for such a transaction, cash, "near cash", other property or rights considered under the FCA Rules to be sufficient to meet any obligation to pay or deliver that could arise. The maximum exposure is only covered if adequate cover from within the Scheme Property is available to meet the value of the underlying assets, any reasonable market movement, counterparty risk and the time available to liquidate any positions.
- 5.5 Eligible derivatives markets are those which the ACD, after consultation with the Depositary, has decided are appropriate for the purpose of investment of, or dealing in, the scheme property with regard to the relevant criteria set out in the FCA Rules.
- 5.6 The eligible derivatives markets for the Company and each of the Funds are set out in Appendix 3.
- 5.7 New eligible derivatives markets may be added to the existing list in accordance with the FCA Rules.
- 5.8 **Derivatives may only be used for the account of the Fund for Efficient Portfolio Management including hedging purposes and will not be used in circumstances where this would materially alter the risk profile of the Fund or the Company as a whole.** Derivatives and forward transactions may be used for investment purposes on providing Shareholders with 60 days' advance notice, which may make the portfolio composition of the Fund highly volatile.
- 5.9 The possible effect on the risk profile of the Company and each of the Funds from the use of these instruments and techniques will generally be to reduce volatility when hedging and could increase volatility when taking additional market or securities exposure, although in the latter case the intention is that volatility should not be markedly different from a fund directly holding the underlying investments. The use of derivatives for investment purposes would increase the risk profile of the Funds due to the potential volatility of the instruments, indices and rates underlying the relevant derivative transactions.
- 5.10 Investors may obtain on request information relating to the quantitative limits applying in the risk management of the Company, the risk management methods which are used in relation to the Company and any recent developments in the risk and yields of the main categories of investments held by the Company.

5.11 The Fund's exposure to a counterparty in an OTC derivative transaction entered into is to be limited to 5% of the Scheme Property or 10% where that counterparty is an Approved Bank.

5.12 There are also limitations on the proportion of the value of the Scheme Property that can be invested in combinations of the above types of investment issued by any single body.

6. Deposits

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

7. Warrants and nil and partly paid securities

7.1 Up to 5% in value of the Scheme Property of the Fund may consist of warrants provided that warrants may only be held if it is reasonably foreseeable there will be no change to the Scheme Property between the acquisition of the warrant and its exercise and the rights conferred by the proposed warrant and all other warrants forming part of the scheme property at the time of the acquisition of the proposed warrant will be exercised and that the exercise of the rights conferred by the warrants will not contravene the FCA Regulations.

7.2 Securities on which any sum is unpaid may be held provided that it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Fund at any time when the payment is required without contravening the FCA Regulations.

7.3 A warrant which is an investment specified in article 79 (instruments giving entitlement to investments) of the Regulated Activities Order may not be included in the Scheme Property unless it is listed on an eligible securities market.

8. Other

The Fund may hold cash and "near cash" (such as bills of exchange) for that Fund. At times it is not appropriate to be fully invested. The Fund may hold cash or "near cash" to enable the pursuit of the Fund's investment objective where this may reasonably be regarded as necessary to enable Shares to be redeemed, for the efficient management of the Fund in accordance with its investment objectives, or for other purposes which may reasonably be regarded as ancillary to the investment objectives of the Fund.

9. Borrowing

9.1 Pursuant to FCA Rules, the ACD has the power to borrow money from an eligible institution or an Approved Bank for the use of the Fund on terms that the borrowing is to be repayable out of the Scheme Property of such Fund and borrowings may be arranged with the Depositary, which is an eligible institution. The ACD must ensure that any such borrowings comply with the FCA Rules.

9.2 The ACD is obliged under FCA Rules to ensure that borrowing on behalf of the Fund does not exceed 10% of the value of the Scheme Property of the Fund on any Business Day. These borrowing restrictions do not apply to "back to back" borrowing

for currency hedging purposes, i.e. borrowing permitted to reduce or eliminate risk arising by reason of fluctuations in exchange rates.

- 9.3 In addition to the restrictions imposed by the FCA Rules, the ACD has undertaken to the Funds not to borrow on behalf of the Fund other than for the purposes of Efficient Portfolio Management, i.e. borrowing will not be entered into on behalf of the Fund for gearing purposes.

10. Breaches of the Investment and Borrowing Powers and Limits

Generally, the ACD must, at its own expense, take action to rectify a breach of the investment and borrowing powers and limits as soon as it becomes aware of it. However:

- 10.1 if the reason for the breach is beyond the control of the ACD and the Depositary, the ACD must take the steps necessary to rectify a breach as soon as is reasonably practicable having regard to the interests of Shareholders, and, in any event, within six months or, if it is transaction involving derivatives and forward transactions, five Business Days; and
- 10.2 if the exercise of rights conferred by investments held for any Company would involve a breach, the Fund may still exercise those rights if the ACD obtains the prior written consent of the Depositary.

Appendix 3

List of Eligible Securities Markets and Eligible Derivatives Markets

Eligible securities markets are securities markets established in (i) the United Kingdom, (ii) member states of the European Union and other states within the European Economic Area on which transferable securities admitted to official listings are dealt or traded; and (iii) other markets which the ACD, after consultation with the Depositary, has decided are appropriate for the Funds and the Company with regard to the relevant criteria set out in the Regulations and guidance issued by the FCA. Currently these other markets are:

Region	Market
Australia	Australian Securities Exchange (ASX)
Brazil	Brazilian Stock Exchange (B3)
Canada	Toronto Stock Exchange (TMX)
Channel Islands	The International Stock Exchange (TISE)
Hong Kong	The Stock Exchange of Hong Kong (HKEX)
India	Bombay Stock Exchange (BSE)
India	National Stock Exchange of India (NSE)
Japan	Tokyo Stock Exchange
Singapore	Singapore Exchange (SGX)
South Africa	Johannesburg Stock Exchange (JSE)
South Korea	Korea Exchange (KRX)
Switzerland	SIX Swiss Exchange
Taiwan	Taiwan Stock Exchange (TWSE)
United States of America	NASDAQ
United States of America	New York Stock Exchange (NYSE)
United States of America	NYSE American

"Eligible derivatives markets" are:

Region	Market
United Kingdom	ICE Futures Europe
United States of America	Cboe Futures Exchange
United States of America	Cboe Options Exchange
United States of America	Chicago Board of Trade (CBOT)
United States of America	Chicago Mercantile Exchange (CME)
United States of America	ICE Futures US
United States of America	New York Mercantile Exchange (NYMEX)

Appendix 4
List of Directors of the ACD

Christopher Finch

Alison Talbot

Aoife McCarthy

Alastair Hay

Sian Hill

Rob Leedham

Samuel Jackson

Lyndsay Cartwright

The following directors have significant business activities not connected with the business of the ACD.

Aoife McCarthy is also a Director of Applerigg Limited, the ultimate parent company of Yealand Fund Services Limited. Christopher Finch is also a Director of Host Capital Limited.

Appendix 5
List of Funds for which the ACD currently acts as Authorised Fund Manager

Acorn Growth Fund	YFS Hathaway Fund
AETOS Fund	YFS Hawksbill European Fund
Bedin 1 Fund	YFS Intelligent Wealth Investment Funds ICVC
Benton Investment Fund	YFS JM Finn Portfolios
Blainways Fund	YFS Kernow Investment Funds ICVC
Bonameser Fund	YFS Knox Investment Funds ICVC
Countess Fund	YFS One Newgate Investment Funds
Electric & General Investment Fund	YFS Saranac Fund Management Umbrella
Ellesmere Fund	YFS Sterling Select Companies Fund
First Ilona Balanced Fund	YFS Vermeer Partners Portfolio Funds
First Ilona Cautious Fund	YFS Whitman OEIC
First Ilona Growth and Income Fund	
First Ilona Growth Fund	
Freesia Fund	
HavenRock Fund	
Juno Fund	
La Scala Fund	
Lorimer Trust	
Marley Investment Fund	
Merrijig Fund	
MFH Investment Funds	
Moray Place Investment Company	
Percy Street Long Term Equity Fund	
Rosetta Investment Funds ICVC	
Sandalwood Umbrella Fund	
Silvis Fund	
Spectra 2 Investment Funds (NURS)	
Spectra Investment Funds (UCITS)	
Stella Globally Managed Fund	
Stella Globally Managed Fund	
The Aspen Fund	
The Broadreach Fund	
The Edenbeg Fund	
The First Ilona Open-Ended Investment Company	
The Gordon Fund	
The Independence Trust	
The Journey Investment Funds Umbrella	
The Lowesby Investment Umbrella Fund	
The Lundy Fund	
The Marten Fund	
The Phase Investment Fund	
The Shakespeare Head Fund	
The Spud Fund	
The Walnut Fund	
The Welldry Fund	
The Wyke Fund	
The YFS Collidr Multi-Asset Fund	
The YFS Quercus Unit Trust	
YFS Argonaut Funds	
YFS Balanced Return Fund	
YFS Charteris UK UCITS ICVC	
YFS Chawton Investment Funds	
YFS Golden Leaves Global Balanced Unit Trust	
YFS Golden Leaves International Unit Trust	

Appendix 6

Past Performance

There is no historical performance data available owing to the launch date.

Past performance should not be seen as an indication of future performance

Appendix 7 Directory

The Company and its Head Office:	YFS One Newgate Investment Funds Fountain Suite B Lynch Wood Park Peterborough Cambridgeshire PE2 6FZ
Authorised Corporate Director:	Yealand Fund Services Limited Fountain Suite B Lynch Wood Park Peterborough Cambridgeshire PE2 6FZ
Depository:	NatWest Trustee and Depositary Services Limited 250 Bishopsgate London EC2M 4AA
Custodian:	CACEIS Bank, UK Branch Broadwalk House 5 Appold Street London EC2A 2DA
Portfolio Manager:	Quilter Cheviot Limited Senator House 85 Queen Victoria Street London EC4V 4AB
Administrator and Registrar:	Yealand Fund Services Limited Fountain Suite B Lynch Wood Park Peterborough Cambridgeshire PE2 6FZ
Sponsor:	J Illingworth & Co Limited Newgate House 1 Newgate York North Yorkshire YO1 7LA

Auditor:	Moore Kingston Smith LLP 6th Floor 9 Appold Street London EC2A 2AP
The Financial Conduct Authority (the FCA):	12 Endeavour Square London E20 1JN