

**IMPORTANT: IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS PROSPECTUS YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER.**

WAY Fund Managers Limited, the authorised corporate director 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 Collective Investment Schemes Sourcebook to be included in it. WAY Fund Managers Limited accepts responsibility accordingly.

**PROSPECTUS**

**of the**

**WAY Global Cautious Portfolio Fund**

**(An open-ended investment company incorporated with limited liability and registered in England and Wales under registered number IC000381)**

**(A Non-UCITS Retail Scheme)**

This document constitutes the Prospectus for WAY Global Cautious Portfolio Fund which has been prepared in accordance with The Collective Investment Schemes Sourcebook.

This Prospectus is dated, and is valid, as at 28<sup>th</sup> October 2024.

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

# THE WAY GLOBAL CAUTIOUS PORTFOLIO FUND

## THIS DOCUMENT IS IMPORTANT

**If you are in any doubt as to the meaning of any information contained in this document, you should consult WAY Fund Managers Limited (as the authorised corporate director) or your independent financial adviser.**

**This Prospectus is based on information, UK laws and practice as at the “valid at date” which appears on the front cover. The ACD cannot be bound by an out-of-date Prospectus when it has issued a new Prospectus.**

**Investors should check with the ACD that this is the latest version of the Prospectus and that there have been no revisions or updates before deciding to purchase shares in any fund. Please note that notifiable changes which are in the process of being implemented or which have already been implemented may not be disclosed in the current Prospectus.**

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

**This Prospectus is intended for distribution in the United Kingdom. Its distribution may be restricted in other countries. It does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer or solicitation. Intending investors should inform themselves about and observe the legal requirements within their own countries for the acquisition of shares of the WAY Global Cautious Portfolio Fund and any taxation or exchange control legislation affecting them personally, including the obtaining of any requisite governmental or other consents and the observation of any other formalities.**

Distributors and other intermediaries which offer, recommend or sell shares in the Funds must comply with all laws, regulations and regulatory requirements as may be applicable to them. Also, such Distributors and other intermediaries must consider such information about the Funds and its share classes as is made available by the Authorised Corporate Director for the purposes of the UK’s Product Governance regime including, without limitation, target market information. Distributors and intermediaries may obtain such information by e-mailing the ACD at [compliance@wayfunds.com](mailto:compliance@wayfunds.com) or by calling 01202 855856 (+44 (0)1202 855856 from outside of the UK).

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

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

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

## International Tax Reporting

In order to fulfil our legal obligations in accordance with the requirements of FATCA and other intergovernmental arrangements such as the OECD Common Reporting Standard for Automatic Exchange of Financial Account Information through the International Tax Compliance Regulations 2015, the Company is required to obtain confirmation of the tax residency of Shareholders to comply with certain reporting requirements. We may ask for evidence of the tax identification number, and country and date of birth of individual Shareholders, or for the Global Intermediary Identification number (GIIN) of corporate Shareholders. If certain conditions apply, information about your shareholding may be passed to HM Revenue & Customs (“HMRC”) in order to be passed on to other tax authorities, where the UK has an agreement with that country. Any shareholder that fails to provide the required information may be subject to a compulsory redemption of their Shares and/or monetary penalties.

## Information for US Persons

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

A “US Person”, for the purposes of the above paragraph, is a person who is in either of the following two categories:

- (a) a person included in the definition of “US Person” under Rule 902 of Regulation S under the 1933 Act (“**Rule 902**”): or
- (b) a person excluded from the definition of a “Non-United States Person” as used in the US Commodity Futures Trading Commission (“CFTC”) Rule 4.7.

For the avoidance of doubt, a person is excluded from this definition of US Person only if he or it does not satisfy any of the definitions of “US Person” only if he or it does not satisfy any of the definitions of “US Person” in Rule 902 and qualifies as a “Non-United States Person” under CFTC Rule 4.7.

“US Person” under Rule 902 generally includes the following:

- (a) any natural person resident in the United States;
- (b) any partnership or corporation organisation or incorporated under the laws of the United States;
- (c) any estate which any executor or administrator is a US Person;
- (d) any trust of which any trustee is a US Person;
- (e) any agency or branch of a non-US entity located in the United States;
- (f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person;
- (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the United States; and
- (h) any partnership or corporation if:
  - (i) organised or incorporated under the laws of any non-US jurisdiction; and
  - (ii) formed by a US Person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) of Regulation D under the 1933 Act) who are not natural persons, estates or trusts.

## **Data Protection - How your personal data is used**

By completing and submitting an application to invest in any of the Funds that WAY Fund Managers Limited (“we”/“us”) operates, you will be giving your consent to the processing of your personal data (including any anti-money laundering verification check), by us for the administration of services in connection with your investment on a contractual basis. Additionally we may be requested to share your personal data with our regulator, the Financial Conduct Authority, or for wider compliance with any legal or regulatory obligation to which we might be subject.

If you have used an intermediary to submit the application we may also share information about your investment with them, to help them to continue to provide their services to you, unless you request us not to.

We may share your personal data with contracted third parties for the purposes mentioned above (however this does not entitle such third parties to send you marketing or promotional messages) and we do not envisage that this will involve your personal data being transferred outside of the UK or European Economic Area.

We make every effort to maintain the registration of your holdings accurately. However, if you feel that we have incorrectly recorded any of your personal data, you may request its correction. You have the right to request copies of your personal data stored by us and can do so by using our contact details below.

Your data will be stored and processed securely for the period of your contract with us and for a minimum of seven years after our relationship ceases, for regulatory and legislation purposes only.

We are registered with the Information Commissioner’s Office as a Data Controller and Data Processor for this purpose. Further information on how we manage your personal data can be found within our Privacy Notice which can be found on our website [www.wayfunds.com](http://www.wayfunds.com).

Should you wish to make a complaint or request further information on how we collect and process your personal data please contact us at:

**Data Protection Office**, WAY Fund Managers Limited, Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset, BH21 7SB.

Email: [DPO@wayfunds.com](mailto:DPO@wayfunds.com) Tel: 01202 855856 (+44 (0)1202 855856 from outside of the UK).

Alternatively, if you have any concerns or complaints as to how we have handled your personal data, you may lodge a complaint to the Information Commissioner’s Office through their website which can be found at: <https://ico.org.uk/for-the-public/raising-concerns/>

**This Prospectus is dated and valid as at: 28<sup>th</sup> October 2024**

## DEFINITIONS

The following definitions are used in this document:

<b>“the Act”</b>	the Financial Services and Markets Act 2000 as amended, restarted, re-enacted or replaced from time to time;
<b>"ACD"</b>	the Authorised Corporate Director holding office from time to time pursuant to FCA Regulations being WAY Fund Managers Limited at the date of this Prospectus;
<b>"Administrator" or</b>	means Apex Fund & Corporate Services (UK) Limited or such other person appointed from time to time to be the administrator to the Company;
<b>“Administrators”</b>	
<b>“AIFM”</b>	Alternative Investment Fund Manager pursuant to the AIFMD;
<b>“AIFM Directive” or “AIFMD”</b>	the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2004/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010, as amended by the Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019 (SI 2019/328) to following the UK’s withdrawal from the European Union;
<b>“AIFMD Rules”</b>	the provisions of (i) Commission Delegated Regulation (EU) No 231/2013 supplementing AIFMD with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision; and (ii) the provisions of the FCA Rules (such as the FUND Sourcebook) and any other applicable regulations implementing AIFMD, including, where applicable those in any other EEA member state; and (iii) the Alternative Investment Fund Managers Regulations 2013 of the United Kingdom; in each case may be altered, amended, added to or cancelled from time to time.
<b>"Business Day"</b>	means any day on which the London Stock Exchange is open for normal business except for any day in respect of which the ACD has notified the Depositary that it is not open for normal business or otherwise as agreed between the ACD and the Depositary;
<b>"the Company" or</b>	WAY Global Cautious Portfolio Fund;
<b>“Conversion”</b>	The conversion of shares in one class in the Company to shares of another Class in the Company and <b>“Convert”</b> shall be construed accordingly;
<b>"COLL Sourcebook" or “COLL”</b>	The Collective Investment Schemes Sourcebook published by the Financial Conduct Authority (as may be amended, <b>replaced or restated</b> from time to time) which provides a regime within which collective investment schemes such as the Company are required to operate;
<b>“Common Reporting Standard” or “CRS”</b>	Means the information standard for the automatic exchange of tax and financial information on a global level, which the Organisation for Economic Co-operation and Development (OECD) developed in 2014;
<b>"Depositary"</b>	Northern Trust Investor Services Limited;
<b>“EUWA”</b>	As defined in the FCA Glossary;
<b>"FATCA"</b>	Means the Foreign Account Tax Compliance Act provisions contained in sections 1471 to 1474 of the United States Internal Revenue Code and the US Treasury Regulations promulgated thereunder (as amended from time to time);

<b>"FCA"</b>	Financial Conduct Authority, 12 Endeavour Square, London E20 1JN and any predecessor or successor entity from time to time;
<b>"FUND Sourcebook"</b>	the Investment Funds Sourcebook issued by the FCA as amended or replaced from time to time;
<b>"Instrument"</b>	means the instrument of incorporation constituting the Company, as amended from time to time;
<b>"Investment Manager"</b>	Brompton Asset Management Limited;
<b>"ISA"</b>	an individual savings account under The Individual Savings Account Regulations 1998 (as amended);
<b>"Leverage"</b>	means any method by which the exposure of a Fund is increased, whether through borrowing of cash or transferrable securities or leverage embedded in derivative positions or by any other means;
<b>"MiFID" or "Markets in Financial Instruments Directive"</b>	is the European Union legislation that regulates firms who provide services to clients linked to 'financial instruments' (shares, bonds units in collective investment schemes and derivatives), and the venues where those instruments are traded as it forms part of the laws of the member states of the United Kingdom by virtue of section 3 of the EUWA, and any statutory instruments that the UK government makes to amend deficiencies in retained European Union law by virtue of section 8 of the EUWA (as may be amended from time to time) (including, without limitation, the Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 SI 2019/325 incorporating European directives or other European legislation relating to undertakings for collective investment in transferable securities into UK domestic law following the UK's withdrawal from the European Union);
<b>"Net Asset Value" or "NAV"</b>	the value of the scheme property of the Company or of any Fund (as the context may require) less the liabilities of the Company (or of the Fund concerned) as calculated in accordance with the Instrument;
<b>"Non-UCITS Retail Scheme"</b>	means a type of collective investment scheme such as the Company which is authorised by the FCA and therefore meets the standards set by the FCA to enable the scheme to be marketed to the public within the UK, but which does not comply with the conditions necessary for it to benefit from certain passporting rights under the UCITS Directive;
<b>"OEIC Regulations"</b>	The Open-Ended Investment Companies Regulations 2001 (as may be amended from time to time), which regulate the incorporation and operation of the Company;
<b>"Office Hours"</b>	from 9am to 5pm on any Business Day;
<b>"PRN"</b>	FCA Product Reference Number;
<b>"Professional Liability Risks"</b>	shall have the meaning given to it in IPRU (INV) 11.3.12 UK of the FCA Handbook;
<b>"recognised scheme"</b>	means a collective investment scheme recognised for the purposes of sections 264, 270 or 272 of the Act;
<b>"Register"</b>	the register of shareholders of the Company;
<b>"Regulations"</b>	the OEIC Regulations, and the FCA Handbook (including the COLL Sourcebook and FUND Sourcebook, as relevant);
<b>"Specified US Person"</b>	a shareholder who falls within the definition of "Specified U.S. Person" for the purposes of FATCA;

**"Sterling"**

pounds sterling of the United Kingdom;

**"UCITS Directive"**

the European Parliament and Council Directive of 13th July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (No 2009/65/EC) (as amended from time to time) as it forms part of the laws of the member states of the United Kingdom by virtue of section 3 of the EUWA, and any statutory instruments that the UK government makes to amend deficiencies in retained European Union law by virtue of section 8 of the EUWA (as may be amended from time to time) (including, without limitation, the Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 SI 2019/325 incorporating European directives or other European legislation relating to undertakings for collective investment in transferable securities into UK domestic law following the UK's withdrawal from the European Union);

**"VAT"**

UK value added tax.

Subject to the above, unless otherwise expressly provided terms used in this document shall have the same meanings as in the Regulations.

## **DIRECTORY**

### **Authorised Corporate Director**

WAY Fund Managers Limited (authorised and regulated by the Financial Conduct Authority), whose registered and head office address is at Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset BH21 7SB.

### **Depository**

Northern Trust Investor Services Limited (authorised and regulated by the Financial Conduct Authority), whose registered office address is at 50 Bank Street, Canary Wharf, London E14 5NT.

### **Investment Manager**

Brompton Asset Management Limited, which is authorised and regulated by the Financial Conduct Authority. The Investment Manager's registered and head office address is at 1 Knightsbridge Green, London SW1X 7QA.

### **Auditor**

PKF Littlejohn LLP, whose registered office is at 15 Westferry Circus, Canary Wharf, London E14 4HD.

### **Administrator**

Apex Fund & Corporate Services (UK) Limited (authorised and regulated by the Financial Conduct Authority), whose registered office is at 6th Floor, 125 London Wall, London EC2Y 5AS.

### **Transfer Agent & Registrar**

Investor Administration Solutions Limited, whose registered address is at Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset BH21 7SB. The Register can be inspected at this address.



## CONSTITUTION OF THE COMPANY

### *General*

The WAY Global Cautious Portfolio Fund is an open-ended investment company with variable capital incorporated in England and Wales (number: IC000381) under the OEIC Regulations. It is a “Non-UCITS retail scheme” which complies with the requirements of Chapter 5 of COLL Sourcebook. The authorisation of the Company by the FCA was made effective on 25<sup>th</sup> February 2005. The FCA product reference number for the Company is 426135. The Company has an unlimited duration. The operation of the Company is governed by the Regulations, the Company’s Instrument and this Prospectus.

Subject to the terms set out in this Prospectus, holders of shares in the Company are entitled to receive (or have accumulated) the net income derived from the Company and to redeem their shares at a price linked to the value of the property of the Company. Shareholders do not have any proprietary interest in the underlying assets of Company. The shareholders of the Company will not be liable for the debts of the Company.

### *Head and Registered office*

The head and registered office of the Company is at Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset BH21 7SB. This is also the address for the service on the Company of notices or other documents required or authorised to be served on it.

### *UCITS status*

The Company will operate as a Non-UCITS retail scheme under Chapter 5 of the COLL Sourcebook.

Subject to the terms set out in this Prospectus, holders of shares in the Company are entitled to receive (or have accumulated) the net income derived from the Company and to redeem their shares at a price linked to the value of the property of the Company. Shareholders do not have any proprietary interest in the underlying assets of Company.

### *Capital and base currency*

The base currency is Sterling, or such other currency which becomes the legal currency in The United Kingdom. The minimum size of the Company’s capital is £1 and the maximum size is £100,000,000,000 or the equivalent value in any currency which becomes legal currency of the United Kingdom.

### *Governing laws and instruments*

The operation of the Company is governed by the OEIC Regulations, the COLL Sourcebook, the Company’s Instrument of Incorporation and this Prospectus.

### *No liability for debts*

The shareholders of the Company will not be liable for the debts of the Company.

### *Leverage*

The AIFMD prescribes two methods for calculating the overall Leverage exposure of a Fund: the “gross method” and the “commitment method”. These methodologies are set out in full detail in the AIFMD. However, they can be summarised as follows:

- The gross method is a more conservative way of representing leverage as it does not take into account the netting or hedging arrangements employed by a Fund. This method also takes into account incremental exposures as well as the Fund’s own physical holdings and cash.
- The commitment method takes account of the hedging and netting arrangements employed by a Fund at any given time (i.e. purchased and sold derivative positions will be netted where both relate strictly to the same underlying asset). This calculation of exposure includes incremental exposures as well as the Fund’s own physical holdings and cash.

The maximum level of leverage which the ACD may employ on behalf of a Fund is equal to 300% and 200% of the Net Asset Value of a Fund when respectively calculated in accordance with the “gross” and “commitment” methods are set out under the AIFMD rules.

The ACD may change the maximum level of Leverage from time to time. Any change will be disclosed to Shareholders in accordance with the Regulations.

### *Liquidity Management*

The ACD maintains a liquidity management policy to monitor the liquidity risk of the Fund's portfolio against thresholds set by reference to each Fund's redemption policy. The ACD seeks to ensure that each Fund will remain within the liquidity limits set for it. The ACD is also able to apply various tools and arrangements necessary to respond appropriately to redemption requests. In normal circumstances, redemption requests will be set out as outlined below. Other arrangements may also be used in response to redemption requests which, if activated, will restrict the redemption rights Shareholders benefit from in the ordinary course. The ACD may also temporarily suspend redemptions in certain circumstances.

### *Winding up*

Please see page 42 for a summary of the circumstances and procedure for, and the rights of shareholders under, a winding up of the Company.

### *Contracts with Directors*

The Company has a single director, being the ACD. The principal features of the contract between the Company and the ACD can be found below, in the section entitled 'The Authorised Corporate Director – Service Agreement'. Shareholders can request a copy of the contract from the ACD.

## INVESTMENT OBJECTIVE AND POLICY

The investment objective and policy of the Company is as set out below:

### *Investment Objective*

The objective of the Fund is to provide capital growth, net of all fees, over the longer term (5 years), by utilising a cautious approach to investing. Capital invested in the Fund is at risk and there is no guarantee that the investment objective will be met.

### *Investment Policy*

The Fund will seek to achieve its objective through conservative investment in a diversified portfolio of collective investment schemes, investment trusts, other listed securities, cash or near cash, deposits and money market instruments. The Fund will typically invest up to 35% of its portfolio in equity securities. The Fund may invest up to 20% in unregulated collective investment schemes.

There will be no restrictions on the underlying content of the investments held, in terms of investment type, geographical or economic sector, other than those imposed by the Regulations, meaning that the investment adviser has the absolute discretion to weight the portfolio towards any investment type or sector, including cash, at any time.

Derivatives will not be used. Currency hedging transactions may be used where appropriate, in order to mitigate against the effects of changes in currency exchange rates against the Fund's base currency which is pounds sterling. Borrowing of up to 10% of the Fund's net asset value will be permitted on a temporary basis.

### *Benchmark*

The ACD believes that the appropriate benchmark against which the performance of the Fund can be measured is the Investment Association's (IA) Mixed Investment 0-35% Shares sector average. This represents an appropriate comparator benchmark because the Fund's objective requires a cautious approach to investment, by limiting exposure to equity securities. All funds in the IA Mixed Investment 0-35% Shares sector are restricted in their level of exposure to equity securities up to a maximum of 35% of their total portfolio.

Any publications relating to the Fund that refer to its performance will also show the performance of the IA Mixed Investment 0-35% Shares sector average as a comparison.

## THE AUTHORISED CORPORATE DIRECTOR

### *Structure*

The authorised corporate director of the Company is WAY Fund Managers Limited, incorporated in England and Wales, as a private limited company on 9<sup>th</sup> June 2000 under the Companies Act 1985 with registered number 4011838. The ACD is authorised and regulated in the United Kingdom by the Financial Conduct Authority. The registered and head office of the ACD is at Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset BH21 7SB. As at the date of this Prospectus, the amount of the ACD's issued share capital is £1,660,000, fully paid.

*The executive directors of the ACD are:*

- Vincent Hoare
- Alison Dean

*The non-executive directors of the ACD are:*

- David Kane (independent)
- Philippa Woodman (independent)

The Company has no other directors.

### *Other collective investment schemes*

The ACD's principal business activity is as an operator of UK collective investment schemes.

The ACD also acts as authorised corporate director and unit trust manager to the following collective investment schemes authorised in the United Kingdom:

#### ICVCs

EF 8AM Investment Funds;  
EF Brompton Multi Manager OEIC;  
EF Brunswick Portfolio Fund;  
EF FACET Discretionary Portfolios;  
EF New Horizon Fund;  
EF Rosevine Capital ICVC;  
EF Tellsons ICVC;  
EF UCITS ICVC;  
EF WM NURS Portfolio;  
EF WM UCITS Portfolio;  
WAY Momentum Portfolio;  
WAY Global Growth Portfolio; and  
WAY MA Portfolio.

#### Unit Trusts

WAY Global Balanced Portfolio Fund; and  
WAY Flexible Global Portfolio Fund.

The ACD may provide investment services to other clients and funds and to companies in which the Company may invest in accordance with the Regulations. When managing investments of the Company, the ACD will not be obliged to make use of information which in doing so would be a breach of duty or confidence to any other person or which comes to the notice of an employee or agent of the ACD but properly does not come to the notice of an individual managing the assets of the Company.

In accordance with the Regulations the ACD has in place a number of policies which set out how it operates and manages the Company in a number of key areas. The ACD's voting policy (which sets out how and when voting rights attached to the Company's investments are to be exercised), best execution policy (which sets out the procedures to be followed when transactions are carried out on behalf of the Company) and inducement policy (which sets out the types of payments, including fees, commissions and non-monetary benefits, which may be received or made by a third party in respect of the Company) are available on request from the ACD and are also available on the following website: [www.wayfunds.com](http://www.wayfunds.com).

Note that investors in the Funds may request from the ACD information about entities where trade orders are transmitted or placed for execution.

#### *Service agreement*

The ACD provides its services to the Company under the terms of a service agreement. The service agreement provides that the appointment may be terminated by either party after the expiry of 6 months written notice or forthwith by the Company in the case of fraud, wilful default or gross negligence on the part of the ACD. The service agreement will also terminate on expiry of notice given by the depositary in accordance with Rule 6.5.4(3) of the COLL Sourcebook (liquidation, receivership or an administration order in respect of the ACD). The ACD is entitled to payment of its fees to the date of termination but no additional compensation.

The service agreement provides that the Company will indemnify the ACD against any liability incurred by it in managing the Company and carrying out its duties as authorised corporate director of the Company except to the extent such liability arises from the gross negligence, wilful default or fraud of the ACD or its breach of the Act or the regulatory system under the Act.

The ACD has delegated the following functions to third-parties:

**General Administration** - principally fund valuation, fund accounting – delegated to the Administrator.

**Investment Management** – management of the investments held by the Company from time-to-time has been delegated to the Investment Manager.

**Transfer Agency & Registration** – including dealing in the shares of the Company by its shareholders, has been delegated to the Transfer Agent and Registrar.

The ACD remains responsible for ensuring that the companies to whom it delegates such functions, perform those delegated functions in compliance with the COLL and the FUND Sourcebook.

## **THE INVESTMENT MANAGER**

### *General*

The ACD has appointed Brompton Asset Management Limited (the "Investment Manager") as the investment adviser to the ACD in relation to the Fund. The Investment Manager is authorised and regulated by the FCA. The Investment Manager's principal activity is the provision of investment management services.

### *Terms of Appointment*

Under the terms of an agreement dated 20<sup>th</sup> December 2013 between the Investment Manager and the ACD (the "Investment Management Agreement"), the Investment Manager has the authority of the ACD to make decisions on behalf of the ACD in respect of the investments of the Fund, subject always to the provisions of the Instrument, the Prospectus, the Regulations, and the investment objectives and policies of the Fund. The Investment Manager is also authorised to deal on behalf of the Fund. Subject to instances where the Investment Management Agreement may be terminated with immediate effect in the interests of the shareholders, the Investment Management Agreement may be terminated by either party giving the other at least 6 months' written notice.

Under the terms of the Investment Management Agreement, the Investment Manager may delegate to any person the performance of its duties and services required to be performed by it under the Investment Management Agreement.

## **THE DEPOSITARY**

The Depositary of the Company is Northern Trust Investor Services Limited, a private limited company, incorporated on 29 April 2020 with company number 12578024. Its registered office and principal place of business is at 50 Bank Street, London E14 5NT.

The Depositary is authorised and regulated by the Financial Conduct Authority.

The Depositary's ultimate holding company is Northern Trust Corporation, a company which is incorporated in the State of Delaware, United States of America, with its headquarters at 50 South La Salle Street, Chicago, Illinois.

The Depositary is responsible for the safekeeping of all the Scheme Property (other than tangible moveable property) of the Company and has a duty to take reasonable care to ensure that the Company is managed in accordance with the Instrument of Incorporation and the provisions of the COLL Sourcebook and the FUND Sourcebook relating to the pricing of, and dealing in, Shares and relating to the income and the investment and borrowing powers of the Funds. The Depositary is also responsible for monitoring the cash flows of the Company and must ensure that certain processes carried out by the ACD are performed in accordance with the FCA Handbook, this Prospectus and the Instrument of Incorporation.

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 Depositary and the Company, the Shareholders or the ACD, 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, will be made available to Shareholders on request.

Northern Trust's EMEA Data Privacy Notice sets out how the Depositary will process Shareholders' personal information as a data controller where these details are provided to it in connection with Shareholders' investment in the Company. Northern Trust's EMEA Data Privacy Notice may be updated from time to time and readers should confirm that they hold the latest version which can be accessed at [www.northerntrust.com/united-kingdom/privacy/emea-privacy-notice](http://www.northerntrust.com/united-kingdom/privacy/emea-privacy-notice).

Any Shareholder who provides the ACD and its agents with personal information about another individual (such as a joint investor), must show Northern Trust's EMEA Data Privacy Notice to those individuals.

### *Depositary agreement*

The appointment of the Depositary has been made under a written agreement (as amended and novated from time to time), between the Company, the ACD and the Depositary (the “**Depositary Agreement**”).

Subject to the Regulations, the Depositary has full power under the Depositary Agreement to delegate (and authorise its delegate to sub-delegate) all or any part of its safekeeping duties as depositary. As at the date of this Prospectus, the Depositary has delegated custody services to The Northern Trust Company, London Branch (the “**Custodian**”). The Custodian has sub-delegated custody services to sub-custodians in certain markets in which the Company may invest.

As a general rule, where the Depositary delegates any of its custody functions to a delegate, the Depositary will remain liable for any losses suffered as a result of an act or omission of the delegate as if such loss had arisen as a result of an act or omission of the Depositary. The use of clearing or settlement systems or order routing systems, does not constitute a delegation by the Depositary of its functions.

The Depositary Agreement may be terminated by not less than six months’ written notice by the ACD or not less than six month’s written notice by the Depositary, provided that no such notice shall take effect until the appointment of a successor to the Depositary.

The Depositary Agreement contains provisions indemnifying the Depositary and limiting the liability of the Depositary in certain circumstances.

Please see below with regard to remuneration of the Depositary. The Depositary (or its associates or any affected person) is under no obligation to account to the ACD, the Company or the Shareholders for any profits or benefits it makes or receives that are made or derived from or in connection with the dealings in Shares of the Company, any transaction in Scheme Property or the supply of services to the Company.

### *Conflicts of Interest*

#### (i) General

The Depositary may act as the depositary of other investment funds and as trustee or custodian of other collective investment schemes.

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.

There may also be conflicts arising between the Depositary and the Company, the Shareholders or the ACD. In addition, the Depositary also has a regulatory duty when providing the Services to act solely in the interests of Shareholders. In order to comply with this requirement, the Depositary may in some instances be required to take actions in the interests of Shareholders where such action may not be in the interests of the ACD.

#### (ii) Affiliates

From time-to-time conflicts may arise from the appointment by the Depositary of any of its delegates, as applicable. The Depositary, and any other delegate, is required to manage any such conflict having regard to the FCA Rules and its duties under the Depositary Agreement.

The Depositary will ensure that any such delegates or sub-delegates who are its affiliates are appointed on terms which are not materially less favourable to the Company than if the conflict or potential conflict had not existed. The Custodian and any other delegate are required to manage any such conflict having regard to the FCA Handbook and its duties to the Depositary and the ACD.

#### (iii) Conflicting commercial interests

The Depositary (and any of its affiliates) may effect, and make a profit from, transactions in which the Depositary (or its affiliates, or another client of the Depositary or its affiliates) has (directly or indirectly) a material interest or a relationship of any description and which involves or may involve a potential conflict with the Depositary’s duty to the Company.

This includes circumstances in which the Depositary or any of its affiliates or connected persons: acts as market maker in the investments of the Company; provides broking services to the Company and/or to other funds or companies; acts as financial adviser, banker, derivatives counterparty or otherwise provides services to the issuer of the investments of the Company; acts in the same transaction as agent for more than one client; has a material interest in the issue of the investments of the Company; or earns profits from or has a financial or business interest in any of these activities.

(iv) Management of conflicts

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

## **AUDITOR**

The auditor of the Company is PKF Littlejohn LLP whose address is 15 Westferry Circus, Canary Wharf, London E14 4HD.

## **REGISTER**

A Register of shareholders is maintained by the Registrar at Investor Administration Solutions Limited at Cedar House, 3 Cedar Park, Wimborne, Dorset, BH21 7SB. Certificates are not issued.

The Register is prima facie evidence as to matters properly entered in it. No notice of any trust express, implied or constructive may be entered in the Register or be receivable by the Company. The Registrar is not obliged to register more than four persons as the joint holders of any shares.

Should any shareholder require evidence of title to shares the Registrar will, upon such proof of identity as the Company may reasonably require, supply the shareholder with a certified copy of the relevant entry in the Register relating to the shareholder's holding of shares.

Shareholders must notify the ACD of any change of name or address.

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

## **SHARES IN THE COMPANY**

### **Share classes**

The Company's Instrument permits income and accumulation shares to be issued by the Company under such designation as the ACD (in accordance with the Instrument) may decide and as set out in this Prospectus.

For the time-being, however, the ACD will only issue:

- Class B GBP (£) Accumulation;
- Class B GBP (£) Income;
- Class C GBP (£) Income;
- Class E GBP (£) Accumulation;
- Class E GBP (£) Income;
- Class S GBP (£) Income; and
- Class T GBP (£) Income shares.

Further classes of shares may be established from time to time by the ACD with the approval of the FCA (where required by the Regulations), the agreement of the Depositary, and in accordance with the Instrument and the applicable Regulations. On the introduction of a new class of share a revised Prospectus will be prepared setting out the details of the share class.

The base currency for each new class of share will be determined at the date of creation and set out in the Prospectus.

Each share is deemed to represent one undivided unit of entitlement in the property of the Company. No bearer shares are issued.

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

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

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

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

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

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

### **Voting rights**

Voting rights attached to each class of shares are described under “Voting” on pages 32 and 33.

### **Mandatory redemption**

Shares may be compulsorily redeemed in the circumstances described on page 23.

## **TRANSFER OF SHARES**

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

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

## **VALUATIONS**

### **General**

Each share of the Company represents the overall property of the Company: so a valuation of shares of any given class in the Company is achieved by valuing the property in the Company attributable to that class, less expenses and charges, and dividing that value by the number of shares of the relevant class in existence.

### **Valuations**

Valuations of property of the Company for the purposes of the calculation of share prices will be carried out in accordance with the rules for single priced funds in COLL. Each share linked to the Company represents a proportional share of the overall property attributable to the Company. Therefore, the value of a share attributable to the Company will be calculated, in broad outline, by



calculating the net value of the property attributable to that Company, and dividing that value (or that part of that value attributed to shares of the class in question) by the number of shares (of the class in question) in issue

Regular valuations are made in respect of the Company on each Business Day as at 12.00 noon (UK time), which is the valuation point.

The ACD may carry out additional valuations in accordance with the Regulations if it considers it desirable to do so and may use the price obtained at such additional valuations as the price for the relevant day. Valuations will not be made during a period of suspension of dealings (see page 23). The ACD is required to notify share prices to the Depositary on completion of a valuation.

**The value of the scheme property shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions (which are set out in full in the Instrument):**

- Transferable securities for which market quotations are available are valued at their last quoted price where available (or, if separate buying and selling prices are quoted, the average of such 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). Where, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available, or if no price exists, or if the most recent price available does not reflect the ACD's best estimate of the value, a value which, in the opinion of the ACD, is fair and reasonable will be substituted.
- Collective investment schemes, where a single price for buying and selling units or shares is quoted, shall be valued at that price. Where separate bid and offer prices are quoted, the value is taken as the average of such prices before the application of any initial or exit charges. Where, in the opinion of the ACD, the price obtained is unreliable, or no recent traded price is available, or if no price exists, or if the most recent price available does not reflect the ACD's best estimate of the value, a value which in the ACD's opinion is fair and reasonable will be substituted;
- Any other property than that described above will be valued at a price which the ACD considers to be a fair and reasonable mid-market price;
- Cash and amounts held in current and deposit accounts and other time-related deposits are valued at their nominal value;
- In valuing assets, any fiscal or other charges paid or payable on the acquisition or disposal of the asset are excluded;
- Any anticipated UK and non-UK tax liabilities and any estimated amount of other liabilities payable out of the property of the Company, and for outstanding borrowings together with accrued but unpaid interest will be deducted;
- Amounts in respect of prudently estimated, recoverable tax and any other amounts due to be paid into the Company will be added;
- A sum representing any interest or any income accrued due or deemed to have accrued but not received will be added;
- The total amount of any set-up costs to be (but not yet) reimbursed to the ACD will be deducted;
- Currencies or values in currencies other than base currency or (as the case may be) the designated currency of the Company 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.

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

Where the ACD has reasonable grounds to believe that no reasonable price exists for a security at a valuation point or the most recent price available does not reflect the ACD's best estimate of the value of a security at a valuation point, it will value an investment at a price which, in its opinion, reflects a fair and reasonable price for that investments (the fair value price). The circumstance which may give rise to a fair value price being used includes where there has been no recent trade in the security concerned or where there has been the occurrence of a significant event since the most recent closure of the market where the price of the security is taken.

#### **Allocation of assets and liabilities**

The Company has credited to it the proceeds of all shares linked to it, together with the assets in which such proceeds are invested or reinvested and all income, earnings, profits or assets deriving from such investments. All liabilities and expenses attributable to the Company are charged to it.

## Prices of shares

The Company deals on a forward price basis, that is at the price for each class of share in the Company at the next valuation point following receipt of a request to issue or redeem shares.

As noted above, the Company operates on the basis of “single pricing” (i.e. subject to the dilution adjustment referred to below and the initial charge, the issue and redemption price of a share at a particular valuation point will be the same). The price of a share is calculated (to at least four significant figures) by:

- taking the value of the Company attributable to the relevant class at the next valuation of the Company; and
- dividing the result by the number of shares of the relevant class in the Company in issue immediately before the valuation concerned, after having converted the attributable value into the currency of the relevant share class, as appropriate.

The prices of shares may be obtained by telephone, by calling 01202 855856 (+44 (0)1202 855856 from outside of the UK), during normal business hours. The prices quoted will relate to the actual dealing prices applicable on the immediately preceding business day. Telephone calls will be recorded and the recordings will be stored for up to seven years.

The ACD issues and redeems shares in the Company on a forward pricing basis, not on the basis of the published prices. The ACD shall have no liability for the prices, wherever published, being incorrect unless the prices are incorrect as a direct result of the acts or omissions of the ACD.

## Dilution Policy

In order to mitigate the effect of dilution, the Regulations allow the ACD to adjust the sale and purchase price of Shares in the Company to take into account the possible effects of dilution. This practice is known as making a “dilution adjustment” or operating swinging single pricing. The power to make a dilution adjustment may only be exercised for the purpose of reducing dilution in the Company.

The price of each Class of Share in the Company will be calculated separately but any dilution adjustment will in percentage terms affect the price of Units of each Class identically.

The ACD reserves the right to make a dilution adjustment every day. The dilution adjustment is calculated using the estimated dealing costs of a Company’s underlying investments and taking into consideration any dealing spreads, commissions and transfer taxes. The need to make a dilution adjustment will depend on the difference between the value of Shares being acquired and the value of Shares being redeemed as a proportion of the total value of that Company. The measurement period will typically be a single day but, where a trend develops so that for a number of days in a row there is a surplus of acquisitions or redemptions on each and every day, the aggregate effect of such acquisitions or redemptions as a proportion of the total relevant Company value will be considered.

Where a Company is experiencing net acquisitions of its Shares the dilution adjustment would increase the price of Shares above their mid-market value. Where a Company is experiencing net redemptions the dilution adjustment would decrease the price of Shares to below their mid-market value.

It is the ACD’s policy to reserve the right to impose a dilution adjustment on purchases, sales and switches of Shares of whatever size and whenever made. In the event that a dilution adjustment is made it will be applied to all transactions in a Company during the relevant measurement period and all transactions during the relevant measurement period will be dealt on the same price inclusive of the dilution adjustment.

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

On the occasions when a dilution adjustment is not applied if the Company is experiencing net acquisitions of Shares or net redemptions there may be an adverse impact on the assets of the Company attributable to each underlying Share, although the ACD does not consider this is likely to be material in relation to the potential future growth in value of a Share. As dilution is directly related to the inflows and outflows of monies from the Company, 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 a dilution adjustment.

The dilution adjustment will be applied to the mid price for the Shares resulting in a figure calculated up to six decimal places. The final digit in this figure will then be rounded either up or down in accordance with standard mathematical principles resulting in the final price for the Shares.

It is envisaged (based on future projections) that a dilution adjustment will be applied from time to time.

The dilution adjustment for any one Company may vary over time because the dilution adjustment for the Company will be calculated by reference to the costs of dealing in the underlying investments of the Company, including any dealing spreads, and these can vary with market conditions. A typical dilution adjustment may range from 0.01% to 0.1% when buying or selling Shares based on historical data.

## **ISSUE, REDEMPTION AND CONVERSION OF SHARES**

### **General**

Requests for the issue, redemption and Conversion of shares are normally dealt with by the issue or cancellation of shares by the Company. However, in certain circumstances the ACD may, in accordance with the Regulations, deal with such requests by selling shares to, and/or repurchasing them from, the applicant as appropriate. The ACD is entitled to hold shares for its own account and to satisfy requests for the sale of shares from its own holding; it is required by the Regulations to procure the issue or cancellation of shares by the Company where necessary to meet any obligation to sell or redeem shares.

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

The ACD and the Depositary are under no obligation to account to the Company or to shareholders or any of them for any profit it makes on the issue of shares or on the reissue or cancellation of shares which it has redeemed and will not do so.

### **Issue**

#### **Applications**

Dealings are at forward prices (i.e. at a price calculated by reference to the next valuation point following receipt of an application). Shares to satisfy an application received before the valuation point (see page 16 for details of the valuation points) on a dealing day will be issued at a price based on that day's valuation point and shares to satisfy an application received after that time, or on a day which is not a dealing day, will be issued at a price calculated at the valuation point on the next dealing day. Any Business Day will constitute a dealing day.

Applications may be made by completing an application form and delivering it with payment to the ACD. Application forms are available from the ACD. Applications are irrevocable (except in the case where cancellation rights apply – see below). Subject to its obligations under the Regulations, the ACD reserves the right to reject any application in whole or in part. In that event, application moneys or any balance will be returned to the Applicant by post at his or her risk.

The ACD does not currently accept applications for shares on the authority of electronic communications from Applicants; however the ACD may decide to accept such electronic communications in the future and will update this Prospectus with the conditions that must be satisfied to effect an electronic communication accordingly.

Applications will not be acknowledged but a contract note will be sent to the Applicant (or the first named Applicant in the case of joint applications), or his or her regulated intermediary, if the application was received via the intermediary, on the Business Day next following the relevant dealing day. Where the total price payable for all shares for which the application is made would include a fraction of the smaller currency denomination (e.g. one penny, one cent etc.) it will be rounded up or down to the nearest smaller currency denomination.

No interest payment will be made on client money held by the ACD prior to investment in the Company. Client money will be held in an account with HSBC Bank Plc.

If an Applicant defaults in making any payment in money, or by way of a transfer of property, due to the ACD in respect of the sale or issue of shares, the Company is entitled to make any necessary amendment to the Register and the ACD will become entitled to the shares in place of the Applicant, subject, in the case of an issue of shares, to the ACD's payment of the purchase price to the Company. The ACD reserves the right to cancel investments for which settlement is not received, or fails to clear, and to recover from an Applicant, the amount of any decrease in value of the investment if this occurs.

Applicants who have received advice may have the right to cancel their application to buy Shares at any time during the 14 days after the date on which they receive a cancellation notice from the ACD. If an Applicant decides to cancel the

contract, and the value of the investment has fallen at the time the ACD receives the completed cancellation notice, they will not receive a full refund as an amount equal to any fall in value will be deducted from the sum originally invested.

As part of the process of buying shares, Applicants will be required to provide the ACD with any information that the ACD considers necessary to enable the Company to comply with its domestic (and any overseas) obligations relating to FATCA, the OECD Common Reporting Standard (CRS) for Automatic Exchange of Financial Account Information through the International Tax Compliance Regulations 2015, and any similar intergovernmental agreements for the automatic exchange of tax information which may be entered into and implemented by the United Kingdom.

As a result of UK legislation, the Company may be required to obtain confirmation of certain information from shareholders and (where applicable) their beneficial owners, such as where you are resident for tax purposes, your tax identification number, and your place and date of birth, and your tax status classification and place of incorporation if you are a corporate body. Under certain circumstances (including where you do not supply us with the information we request), we will be obliged to report your personal details as well as the details of your Investment to HM Revenue & Customs. This information may then be passed to other tax authorities. Any shareholder that fails to provide the required information may be subject to a compulsory redemption of their Shares and/or monetary penalties.

The extent to which the Company is able to report to HM Revenue & Customs will depend on each affected Shareholder in the Company, providing the Company or its delegate with any information, that the Company determines is necessary to satisfy such obligations. By signing the application form to subscribe for Shares in the Company, each affected Shareholder is agreeing to provide such information upon request from the Company or its delegate. Shareholders are encouraged to consult with their own tax advisors regarding the possible implications of FATCA and/or CRS on their interest in the Company.

### **Anti-Money Laundering Procedures**

The Company is subject to the UK's anti-money laundering regulations and the ACD may in its absolute discretion require verification of identity from any person applying for shares (the "**Applicant**") including, without limitation, any Applicant who:

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

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

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

The ACD will, where possible, verify identity using information from credit reference agencies. Where this is not possible, or where the ACD decides (at its discretion) that it is appropriate, further documentation will be requested.

### **Market Timing**

The ACD may refuse to accept a new investment if, in the opinion of the ACD, it has reasonable grounds for refusing to accept an investment. In particular, the ACD may exercise this discretion if it reasonably believes the shareholder has been or intends to engage in market timing activities.

For these purposes, market timing activities include investment techniques which involve short term trading in and out of shares generally to take advantage of variations in the price of shares between the daily valuation points of the Company. Short term trading of this nature may often be detrimental to long term shareholders, in particular the frequency of dealing may lead to additional dealing costs which can affect long term performance.

Investments may be made into the Company via nominee or similar omnibus accounts. For the purposes of monitoring and detecting potential market timing activity, the ACD's responsibilities will be restricted to the registered legal holder of shares rather than any underlying beneficial holder. The ACD will co-operate in helping to deter any potential market timing activities that the registered legal holder has detected in his monitoring of his underlying beneficial holders.

## **In specie issue**

Where the application for issue of shares is equivalent to five per cent or more of the Net Asset Value of the Company, the ACD may at its discretion, in consultation with the Depositary, accept assets other than cash as payment for the issue of shares. The acceptance of the assets will be on the basis that the receipt of the property should not adversely affect the interests of the existing shareholders of the Company and subject to the investment restrictions of the Company.

## **Minimum initial purchase and subsequent investments**

### *Lump Sum –*

The minimum value of shares which may be the subject of any one initial transaction or purchase of shares of class T is £50,000 and the minimum of each subsequent investment is £50,000 (or the equivalent value in the currency applicable to the relevant share class).

The minimum value of shares which may be the subject of any one initial transaction or purchase of shares of class B, E or S shares is £5,000 and the minimum of each subsequent investment is £5,000 (or the equivalent value in the currency applicable to the relevant share class). In respect of C shares, these amounts are £10,000 and £1,000 respectively.

*Regular Savings Plan* - The ACD also offers a Regular Savings Plan in respect of class B and E Accumulation shares, whereby shares can be purchased monthly, the settlement for which is collected by direct debit. The minimum value of shares which may be the subject of any one single transaction is £100.

The above minimum holding and transaction levels are, at all times, at the absolute discretion of the ACD.

## **Minimum holding**

*Lump Sum* – In respect of class T shares of the Company, the minimum value of shares which any one person may hold is £50,000 (or the equivalent value in the currency applicable to the relevant share class).

In respect of class B, E or S shares of the Company, the minimum value of shares which any one person may hold is £5,000 (or the equivalent value in the currency applicable to the relevant share class).

In respect of class C shares of the Company, the minimum value of shares which any one person may hold is £10,000 (or the equivalent value in the currency applicable to the relevant share class).

*Regular Savings Plan* – The minimum values shown under *Lump Sum* above will only apply where regular monthly contributions have been discontinued.

The value of shares for this purpose is calculated by reference to their current price, net of any initial charge and before any application of a dilution adjustment. “Smaller denomination shares” (in effect, fractions of shares equal to 1/1000th of an ordinary share) may be issued and all investments will be rounded up or down to the nearest smaller denomination share. The minimum holding requirements will not be treated as being breached if the value of shares held falls below the relevant minimum solely as a result of a fall in the share price.

## **Redemption**

### **- Application**

Shares in the Company may be redeemed on any dealing day. Dealings are at forward prices as explained under “Issue” above. Shares to be redeemed pursuant to a redemption request received before the valuation point on a dealing day will be redeemed at a price based on that day's valuation point and shares to be redeemed pursuant to a redemption request received after that time, or on a day which is not a dealing day, at a price calculated at the valuation point on the next dealing day. Any Business Day will constitute a dealing day.

Redemption instructions may be given by delivering to the ACD written instructions for redemption by letter, or by telephoning the ACD on 01202 855856 (+44 (0)1202 855856 from outside of the UK) between 9.00am and 5.00pm on any Business Day. Redemption instructions are irrevocable.

The ACD does not currently accept redemption instructions on the authority of electronic communications received from shareholders.

A redemption contract note will be sent on the Business Day next following the relevant dealing day, together with a form of renunciation for completion and execution by the shareholder(s). The redemption proceeds will be paid not later than the close of business on the fourth business day after the later of the following times:

- the valuation point immediately following the receipt by the ACD of sufficient written instructions to redeem the shares; and
- the time when the ACD has received the form of renunciation (or other sufficient written instructions) duly signed by the relevant shareholder(s) together with such evidence as the Company may lawfully require as proof of the identity of the shareholder and all other duly executed instruments and authorisations as effect (or enable the ACD to effect) transfer of title to the shares.

However, neither the Company nor the ACD is required to make payment in respect of a redemption of shares where the money due on the earlier issue of those shares has not yet been received or where it is considered necessary to carry out or complete identification procedures in relation to the holder or another person pursuant to a statutory, regulatory or European Community obligation (such as the UK's anti-money laundering regulations).

- **In specie redemption**

Where a shareholder requests redemption of a number of shares equivalent to 5% or more of the Net Asset Value of the relevant Company, the ACD at its discretion may, by serving a notice of election on the shareholder not later than the close of business on the second business day following the day of receipt of the request, elect that the shareholder shall not be paid the redemption price of his or her shares but instead there shall be a transfer to that holder of property of the Company having the appropriate value. Where such a notice is so served on a shareholder, the shareholder may serve a further notice on the ACD not later than the close of business on the third business day following the day of receipt by the shareholder of the first mentioned notice requiring the ACD, instead of arranging for a transfer of property, to arrange for a sale of that property and the payment to the shareholder of the net proceeds of that sale. The selection of scheme property to be transferred (or sold) is made by the ACD in consultation with the Depositary, with a view to achieving no more advantage or disadvantage to the shareholder requesting redemption of his or her shares than to continuing shareholders. The Company may retain out of the property to be transferred (or the proceeds of sale) property or cash of value or amount in respect of any applicable exit charge on the redemption of the shares.

- **Minimum redemption**

Unless the ACD in its discretion allows otherwise, a partial redemption request may not be made in respect of the investor's shares of the Company:

- (a) if it would result in a holding in the Company of less than the minimum value (see page 20); or
- (b) if it relates to shares of the Company having a value (calculated by reference to their current price net of any initial charge and before any dilution adjustment) of less than £1,000 (or the equivalent value in the currency applicable to the relevant share class).

**Conversions**

Subject to any restrictions on the eligibility of investors for a particular share class and the qualifications below, a shareholder may opt to Convert shares in one class in the Company for shares in a different class in the Company subject to the investment minima as set out in this Prospectus.

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

Conversions will be effected at the next valuation point. The number of shares to be issued in the new class will be calculated relative to the price of shares being Converted from. The ACD will notify shareholders once the Conversion has been effected. Conversions will not generally be treated as a disposal for capital gains tax purposes.

The right to exchange is subject to the following:

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

- (b) the ACD may decline to permit an exchange into a share class where it would be entitled under COLL to refuse to give effect to a request by the shareholder for the redemption of shares of the old class or the issue of shares of the new class.

There is no fee on a Conversion.

#### - **Application**

A shareholder wishing to Convert shares should apply in the same way as for a redemption (see this and page 21). A Conversion to be made pursuant to a request received before the valuation point of the Company, on a day which is a dealing day. Where a request is received after that time, or on a day which is not a dealing day for the Company, the Conversion will be effected at a price calculated on the valuation points made on the next such dealing day. A Conversion between share classes will not lead to a liability to capital gains tax. (Please refer to page 31 for further details).

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

#### **Mandatory Conversions**

In certain circumstances the ACD may seek to implement mandatory conversions. This will only be undertaken when a conversion to another share class is deemed to be in the best interests of the investor. For example, when an identical lower cost share class exists in the same fund. The ACD will provide 60 days' notice in line with the Regulations to any affected investor before a mandatory conversion takes place.

#### **Restrictions on purchase and redemption**

Subject to the FCA Rules the ACD may refuse any application for the purchase of shares in the Company, or any request for redemption of shares in the Company, if it has reasonable grounds to do so. If requested redemptions at a valuation point exceed 10% of a Company's value, the ACD may defer redemptions to the next valuation point in accordance with the FCA Rules and in accordance with procedures that ensure the consistent treatment of shareholders who have sought to redeem at that valuation point. The procedures are that to the extent redemption requests are deferred, deferral will be pro-rata based on the value of shares being redeemed (provided that the ACD may determine in its discretion a value threshold below which all redemptions will be effected, and above which the foregoing pro-rata deferral shall apply) and that all deals relating to an earlier valuation point are completed before those relating to a later valuation point.

#### **Suspension of dealings**

The ACD may with the prior agreement of the Depositary, and must without delay if the Depositary so requires, temporarily suspend the issue, cancellation, sale, redemption and Conversion of the shares in the Company where, due to exceptional circumstances, it is in the interests of shareholders in the Company. Suspension of dealing must cease as soon as practicable after the exceptional circumstances leading to the suspension have ceased. The ACD and the Depositary shall review the suspension at least every 28 days and shall inform the FCA of the result of the review, and in any event shall only allow the suspension to continue for so long as it is justified having regard to the interests of the shareholders. In accordance with the applicable rules in COLL, the ACD shall notify shareholders of the suspension as soon as practicable after suspension commences, and will keep shareholders appropriately informed about the suspension including, if known, its likely duration.

The ACD may, however, during the period in which dealing is suspended, agree to deal at prices calculated by reference to the first valuation point after resumption of dealing. The recalculation of the share price will commence at or about the valuation point on the first Business Day following such period of suspension.

#### **Method of delivery of applications or other instructions to deal in shares**

Instructions (including applications and redemptions) sent to the ACD by fax (the ACD's fax no is 01202 855850 (+44 (0)1202 855850 from outside of the UK)) are only valid and binding on the ACD if the applicant or the applicant's authorised agent obtains separate confirmation from the ACD that the ACD has received the fax. After sending the fax, the applicant or the applicant's authorised agent is required to telephone the ACD on 01202 855856 (+44 (0)1202 855856 from outside of the UK) promptly to obtain confirmation from a named representative of the ACD that the ACD has received the fax. Telephone calls will be recorded and the recordings will be stored for up to seven years. Without procuring such verbal confirmation from the ACD, the applicant and the applicant's authorised representative acknowledge that the ACD shall not be under any liability in relation to any and all fax messages not received by the ACD.

### **Mandatory redemption or transfer of shares**

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

- (a) constitute a breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or
- (b) may (or may if other shares are acquired or held in like circumstances) result in the Company incurring any liability to taxation or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory); or
- (c) may result in shares of a particular class being acquired or held by any person not falling within the categories of persons (if any) who are permitted to hold shares of such class; or
- (d) are owned by a shareholder who is registered in a jurisdiction (where the Company is not registered or recognised by the relevant competent authority) whereby communication with that shareholder by the ACD, on behalf of the Company, might constitute a breach of the regulations in that jurisdiction (unless specific action is taken by the ACD to prevent such communications constituting a breach), or
- (e) if the ACD is satisfied that any shares may give rise to a situation discussed in (a) to (d) above,

it may give notice to the holder of such shares requiring him or her to transfer them to a person who is qualified or entitled to own them, or to request in writing the redemption of the shares by the Company. If the holder does not either transfer the shares to a qualified person or establish to the ACD's satisfaction that he or she and any person on whose behalf he or she holds the shares are qualified and entitled to hold and own them, he or she will be deemed on the expiry of a 30 day period to have requested their redemption.

### **DISTRIBUTIONS AND ACCUMULATION**

The annual accounting period for the Company ends on 31<sup>st</sup> March (the "accounting reference date") or a day chosen by the ACD, if the ACD notifies the Depository, being within seven days of that date. The interim accounting date is the 30<sup>th</sup> September, or a day chosen by the ACD and notified to the Depository, being within seven days of that date.

The amount of income to be distributed or accumulated by a share class is calculated on the last day of the annual accounting period. Income is accumulated up until 30<sup>th</sup> September in respect of the Company. In the case of accumulation shares (when available), income is transferred to the capital account on 31<sup>st</sup> May. The distribution date for the Company is 31<sup>st</sup> May. In accordance with the Regulations the ACD and the Depository have agreed that in the event that the income available for distribution or accumulation is less than £20 per shareholder, for the share classes intended for retail investors, and less than £200 in respect of share classes intended for institutional investors, income, if any, will revert to the Company.

Tax vouchers will be sent to shareholders at least once in each accounting year, but only where net income is available for distribution. A direct credit or warrant for the amount of the net distribution will, where applicable, be sent to the bank account or the registered address and made payable to the order of the shareholder (or, in the case of joint holders, made payable and sent to the registered address of the first named holder on the Register).

The Company is entitled to reclaim any distribution which has been unclaimed for a period of six years from the date payment was due, and such reclaimed distribution shall become part of the capital of the Company for the benefit of all shareholders.

### **Determination of distributable income**

The income available for distribution or accumulation (when available) in relation to the Company is determined in accordance with the Regulations. Broadly it comprises all sums deemed by the Company, after consultation with the Auditor, to be in the nature of income received or receivable for the account of the Company in respect of the accounting period concerned, after deducting net charges and expenses paid or payable out of such income in respect of the period and adding the ACD's best estimate of any relief from tax on such charges and expenses and making such adjustments as the ACD considers appropriate, after consulting the Auditors in accordance with the Regulations, in relation to taxation and other matters. All distributions unclaimed for a period of six years after having become due for payment shall be forfeited and shall revert to the Company. The payment of any unclaimed distribution, interest or other sum payable by the Company on or in respect of a share into a separate account shall not constitute the Company a trustee thereof.



### Income equalisation

The price of a share of a particular class is based on the value of that class' entitlement in the Company including the income of the Company since the previous distribution or, in the case of accumulation shares (when available), deemed distribution. In the case of the first distribution received or accumulation made in respect of a share, except where shares have been purchased during the initial offer period for the Company, part of the amount, namely the equalisation payment, is a return of capital and is not taxable as income in the hands of the shareholder. This amount is, however, in the case of income shares, deducted from the cost of the share in computing any capital gains. In the case of accumulation shares (when available), the equalisation amount may only be eligible for taper relief/indexation allowance from the date of allocation (as distinct from the date of acquisition of the original shares).

Equalisation applies only to shares purchased during the relevant accounting period. It is calculated as the average amount of income included in the issue price of all shares of the Company issued during the period.

### THE FEES AND EXPENSES OF THE AUTHORISED CORPORATE DIRECTOR

#### Initial charge

An initial charge is paid by the Company to the ACD. The current initial charge is listed in the table below

Share Class	Charge
B	3% (of gross initial investment)
C	No initial charge
E	No initial charge
S	No initial charge
T	No initial charge

#### Conversion charge

The ACD is not entitled to make a charge in respect of a Conversion of shares of one share class to another available share class of the Company. Furthermore, no dilution adjustment will be charged in respect of the shares being sold and purchased as part of the Conversion.

#### Periodic charge

The ACD is entitled to make a periodic charge, calculated and accruing on each dealing day at each valuation point (the "Calculation Date"), and deducted from the Company's income account, by way of remuneration for the services of the ACD. The periodic charge is paid monthly to the ACD in arrears. . The charge will be calculated as a percentage rate per annum of the total value of the shares of entitlement in the property of the Company represented by the class on the Calculation Date. The ACD's annual management charge shall be deducted from the Company's income account. The current currently charge, plus VAT where applicable, for each share class is as follows:

Share Class	Charge
B	1.50%
C	0.65%
E	1.00%

S	1.00%
T	1.30%

The periodic charge will cease to be payable on the date of the commencement of the winding-up of the Company or, if earlier, the date of the termination of the ACD's appointment as such.

#### **Exit charge**

At present no charge is levied on the redemption of shares, although the ACD is permitted to apply a dilution adjustment, if applicable (see "Dilution Policy" on page 18). The ACD has the right (subject to the Regulations) to introduce a charge on the redemption of shares in the future, but this will not affect shares issued prior to its introduction.

#### **Expenses**

Certain expenses incurred by the ACD may be reimbursed by the Company: see page 27 below.

#### **Charges to capital**

All or part of the remuneration of the ACD may be treated as a capital charge to the Company, which may result in an erosion of capital or a constraint of capital growth. In accordance with the Regulations, all or part of the charges and expenses of the Company may be treated as a capital charge if agreed by the ACD and the Depositary.

The ACD's standard policy for the Company is to charge all relevant expenses, plus the full amount of the ACD's Periodic Charge, to the Company's income account.

### **THE FEES AND EXPENSES OF THE DEPOSITARY**

The Depositary is paid a monthly periodic fee plus VAT in remuneration for its services from the property of the Company. The Depositary fee is calculated, accrued and payable on the same basis as the periodic charge payable to the ACD (as described above) except that if the Company is being wound up, the periodic charge will cease to be payable on the date of the final distribution, or in the case of a winding up following the passing of an extraordinary resolution approving a scheme of amalgamation or scheme of construction in relation to the Company, down to and including the final day on which the Depositary is responsible for the safekeeping of the scheme property of the Company.

The current fee payable is:-

Fund value to first £250 million	0.04%
£250 million to £500 million	0.03%
£500 million to £1 billion	0.02%
Over £1 billion	0.01%
Subject to a minimum fee of £15,000 per annum	

VAT at the prevailing standard rate is added to this fee.

In addition to the above periodic fee, the Depositary levies transaction charges and custody charges which are currently as follows:

#### **UK Assets**

- Safekeeping fee of 0.015% (based on mid-market asset values at the end of a calendar month).
- Transaction charges of £12 per payment.
- Cash payment charges of between £10 and £30 per payment.

## **Non-UK assets**

Non-UK assets will be dependent on the individual market and the safe keeping fees applicable for that market and will range between the following:

- Safekeeping fees currently range from 0.009% per annum to 0.7% per annum. These fees are based on mid-market asset values at the end of a calendar month.
- Transaction charges currently range from £6 to £200 per transaction.
- Cash payment charges of between £10 and £30 per payment.

Custody is subject to a minimum of £7,500 per annum (currently exempt from VAT). Charges are accrued within the Company on a daily basis and paid monthly in arrears.

In addition to payment of the periodic charge the amount payable to the Depositary out of the property of the Company by way of remuneration for its services may include charges in connection with its duties (or the exercise of powers conferred upon it by the Regulations or the general law) as depositary of the Company referable to (i) custody of assets (including overseas custody services) as specified above; (ii) the acquisition holding and disposal of property; (iii) the collection of dividends, interest and any other income; (iv) the maintenance of distribution accounts; (v) the conversion of foreign currency; (vi) registration of assets in the name of the Depositary or its nominees or agents; (vii) borrowings, stocklending or other permitted transactions (including any deposit or loan authorised under this deed or the Regulations); (viii) communications with any parties (including telex, facsimile, SWIFT and electronic mail); (ix) taxation matters; (x) insurance matters; or (xi) the Depositary's report as set out in annual reports of the Company.

## **Expenses**

The Depositary is entitled to be reimbursed out of the Company's property for expenses properly incurred in performing duties imposed on it or exercising powers conferred upon it by the Regulations, together with any VAT payable.

In addition, the Depositary may be paid the following expenses or disbursements (plus VAT):-

- i. all expenses of registration of assets in the name of the Depositary or its nominees or agents, of acquiring, holding, realising or otherwise dealing with any asset; of custody of documents; of insurance of documents and of collecting income or capital; of opening bank accounts, effecting currency transactions and transmitting money; relating to borrowings or other permitted transactions; of obtaining advice, including legal, accountancy or other advice, of conducting legal proceedings, of communicating with shareholders, the ACD or other persons in respect of the Company, relating to any inquiry by the Depositary into the conduct of the ACD and any report to holders; or otherwise relating to the performance by the Depositary of its duties or the exercise by the Depositary of its powers; and
- ii. all charges of nominees or agents in connection with any of the matters referred to in i. above; and
- iii. any other costs, disbursements or expenses accepted under the laws of England and Wales from time to time as being properly chargeable by Depositaries. If any person, at the request of the Depositary in accordance with the Regulations, provides services including but not limited to those of a custodian of property of the Company, the expenses and disbursements hereby authorised to be paid to the Depositary out of the property of the Company shall extend to the remuneration of such persons as approved by the Depositary and the ACD provided that in respect of a custodian such expenses to be paid out of the property of the Company as relates to its remuneration shall be equal to (or less than) the current rates (subject to the maximum) stated above under "UK Assets" and "Non-UK Assets".

## OTHER PAYMENTS OF THE COMPANY

The following expenses (being the actual amounts incurred) may also be payable by the Company out of its capital or income at the discretion of the ACD:

1. broker's commission, fiscal charges and other disbursements which are:-
  - i. necessary to be incurred in effecting transactions for the Company, and
  - ii. normally shown in contract notes, confirmation notes and difference accounts as appropriate;
2. interest on borrowings permitted under the Instrument and this Prospectus and all charges incurred in negotiating, entering into, varying, carrying into effect with or without variation, maintaining and terminating the borrowing arrangements;
3. taxation and duties payable in respect of the property of the Company, the Instrument or the issue of shares;
4. any costs in modifying the Instrument and the Prospectus, including costs incurred in respect of meetings of shareholders convened for the purpose, where the modification is:-
  - i. necessary to implement any change in the law (including changes to the Regulations); or
  - ii. necessary as a direct consequence of any change in the law (including changes to the Regulations); or
  - iii. expedient having regard to any fiscal enactment and which the ACD and the Depositary agree is in the interest of shareholders; or
  - iv. to remove obsolete provisions from the Instrument and the Prospectus;
5. any costs incurred in respect of any other meeting of shareholders convened on a requisition by holders not including the ACD or an associate of the ACD and expenses of the Depositary in convening a meeting of shareholders convened by the Depositary alone; in relation to a scheme of arrangement where the property of a body corporate (such as an investment company) or of another collective investment scheme is transferred to the Company in consideration of the issue of shares in the Company to shareholders in that body corporate or to participants in that other scheme, any liability arising after the transfer which, had it arisen before the transfer, could properly have been paid out of that other property provided the ACD is of the opinion that proper provision was made for meeting such liabilities as were known or could reasonably have been anticipated at the time of the transfer;
6. the audit fees of the Auditor and VAT thereon and any expenses of the Auditor; and
7. the fees of the authority under Schedule 1, Part III of the Act or the corresponding periodic fees of any regulatory authority in any country or territory outside the United Kingdom in which shares in the Company are or may be marketed.
8. the fees and any proper expenses of any professional advisers retained by the Company or by the Company in relation to the ACD;
9. the fees and any proper expenses of any professional advisers incurred by the ACD and the Depositary in relation to the establishment of the Company;
10. the fees of the FCA and the corresponding periodic fees of any relevant regulatory authority outside the UK;
11. any sum due by virtue of any provision of the Regulations, such as cancellation proceeds and reasonable stock lending expenses;
12. the costs of printing and distributing annual, half yearly and quarterly reports and any other reports or information provided for shareholders;
13. the costs of listing the prices of the relevant shares classes in publications and information services selected by the ACD, including the Financial Times;
14. the fees and expenses of the Transfer Agent in relation to dealing in shares of the Company by new and existing shareholders at £15 per transaction;

15. the fees and expenses associated with the administration of the Company, pricing of the shares and valuation of the assets of the shares.
16. the fees of the Registrar for providing administration services for the Company and maintaining the Register. The fees for maintaining the Register for each shareholder. The current charge is £10 per annum;
17. The Registrar will also maintain sub-registers in respect of ISA entitlements. The current fees for maintaining the sub-registers will be £16 per annum for each shareholder;
18. VAT in respect of any of the costs, expenses, fees and charges payable by the Company; and
19. any other charges/expenses that may be taken out of the Company's property in accordance with the Regulations.

Expenses may be payable out of the capital property and/or income property of the Company at the discretion of the ACD, subject to any restrictions set out in the Instrument, and to the Regulations. Where such payments are made from the capital property, this policy may result in capital erosion or constrain capital growth.

### **Costs relating to efficient portfolio management ("EPM")**

Certain direct and indirect operational costs and/or fees may arise from time to time as a result of EPM techniques being used for the benefit of the Company. These costs and/or fees are regarded as transaction costs and, therefore, would fall within the above. Further details on the payment of costs and/or fees relating to EPM techniques will be set out in the Annual Report.

Efficient Portfolio Management may be used by all funds to reduce risk and/or costs in the funds and to produce additional capital or income in the funds. In order to achieve this and, where permitted by a fund's Investment Policy, the funds may use derivatives, borrowing, cash holding and stock lending for efficient portfolio management.

It is not intended that using derivatives for efficient portfolio management will increase the volatility of the funds. In adverse situations, however, a fund's use of derivatives may become ineffective in hedging or EPM and a fund may suffer significant loss as a result.

A fund's ability to use EPM strategies may be limited by market conditions, regulatory limits and tax considerations. Any income or capital generated by efficient portfolio management techniques will be paid to the funds.

The ACD may use one or more separate counterparties to undertake transactions on behalf of the funds. A fund may be required to pledge or transfer collateral paid from within the assets of the relevant fund to secure such contracts entered into for efficient portfolio management including in relation to derivatives and stocklending. There may be a risk that a counterparty will wholly or partially fail to honour their contractual arrangements under the arrangement with regards the return of collateral and any other payments due to the relevant fund. The ACD measures the creditworthiness of counterparties as part of the risk management process.

## **SET-UP COSTS**

Subject to the Regulations, the ACD and the Depositary will seek reimbursement (in one or more tranches) of set-up costs incurred in relation to the creation of the Company. In accordance with the Regulations, set-up costs are not amortised.

## **TAXATION**

### **General**

The information below is a general guide based on current United Kingdom law and HM Revenue and Customs practice, which are subject to change. It summarises the tax position of the Company and of investors who are United Kingdom resident (except where indicated) and hold Shares as investments. The statements below may not apply to certain Shareholders or classes of Shareholders. Prospective investors who are in any doubt about their tax position, or who may be subject to tax in a jurisdiction other than or in addition to the United Kingdom, are recommended to take professional advice.

### **The Funds**

Each Fund is treated as a separate entity for United Kingdom tax purposes.

The Funds are generally exempt from United Kingdom tax on capital gains realised on the disposal of investments (including interest-paying securities and derivatives) held within them.

The Funds will each be subject to corporation tax at 20% on most types of income other than dividends from UK or overseas companies (in relation to which exemptions may be available) but after deducting allowable management expenses and the gross amount of any interest distributions. Where a Fund suffers foreign tax on income received from overseas sources, this may, depending on the circumstances, be treated as an expense or offset against any United Kingdom tax payable on that income by way of double tax relief.

A Fund may be subject to withholding, capital gains or other taxes on income and/or gains arising from its investment portfolio, including without limitation taxes imposed by the jurisdiction in which the issuer of securities held by a Fund is incorporated, established or resident for tax purposes. A Fund may also incur or bear transaction or other similar taxes in respect of the actual or notional amount of any acquisition, disposal or transaction relating to its investment portfolio, including without limitation taxes imposed by the jurisdiction in which the issuer of securities held by a Fund or the counterparty to a transaction involving a Fund is incorporated, established or resident for tax purposes. Where a Fund invests in securities or enters into transactions that are not subject to withholding or other taxes at the time of acquisition, there can be no assurance that tax may not be withheld or imposed in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof.

Distributions paid may be either Dividend Distributions or Interest Distributions, depending on the nature of the investments of the Fund concerned. Interest Distributions can be made only where the market value of the Fund's interest-bearing investments exceeds 60% of the market value of all its assets throughout the accounting period to which it relates (these Funds are referred to as Bond Funds). Where a Fund does not have that level of interest-bearing assets throughout its accounting period then it must pay Dividend Distributions (these Funds are referred to as Equity Funds).

Formerly, surrenders and certain other transfers of Shares of a Fund could result in such Fund incurring a liability for UK stamp duty reserve tax ("SDRT") pursuant to Schedule 19, Finance Act 1999. The charging of SDRT on such transactions pursuant to Schedule 19, Finance Act 1999 was abolished by Finance Act 2014 in relation to surrenders and relevant other transfers made or effected on or after 30 March 2014. The only exception is an in-specie redemption which is not settled pro-rata to the assets held by the Fund. In that event, the redeeming Shareholder will be liable to SDRT at the rate of 0.5% of the value of the Shares surrendered.

## **Shareholders**

### **Income - Dividend Distributions**

Funds which are so called "Equity" Funds for the purposes of tax will pay any distributable income as dividend distributions, (which will be automatically retained in the Fund in the case of accumulation Shares). Details of whether a particular Fund is an "Equity" Fund or a "Bond" Fund for tax purposes are set out in Appendix I.

### ***UK resident individual Shareholders***

When the Company makes a dividend distribution a UK resident individual Shareholder may be liable to tax on such distribution.

For UK resident individuals, no income tax is payable in respect of the first £1,000 of dividend income received from all sources in the tax year (although such income will still count towards the basic, higher and additional rate thresholds). In respect of the 2023/24 tax year, in respect of aggregate dividend income received above £1,000, and in 2024/2025 tax year above £500, the current tiers and rates of tax are as follows and will be based upon an individual's level of income:

Basic Rate Taxpayers – 8.75% (basic rate)

Higher Rate Taxpayers – 33.75%

Additional Rate Taxpayers – 39.35%

Individuals should note that if the receipt of dividend income takes them from one band/tier of UK personal taxation to another, the tax due on the excess dividend income over the annual allowance will be at the rates applicable to the new band/tier.

A UK resident individual Shareholder who holds their Shares in an ISA will be exempt from income tax on dividend distributions in respect of such Shares.

#### ***Corporate Shareholders within the scope of corporation tax***

A dividend distribution made by the Company in respect of Income Shares (or deemed to be made in respect of Accumulation Shares) to a corporate Shareholder within the charge to corporation tax in respect of its investment in the Company will be split into franked and unfranked parts according to the underlying gross income of the Company. Very broadly, the unfranked part corresponds to such part of the Company's gross income as does not derive from franked investment income. The franked part will be treated in the same way as exempt dividend income received by a UK resident corporate Shareholder. The unfranked part will be treated as an annual payment received after deduction of income tax at the basic rate (currently 20%) from a corresponding gross amount and the corporate Shareholder will be liable to corporation tax on it accordingly, but with the benefit of credit for, or (subject to any applicable restrictions) repayment of, the income tax deducted at source.

#### ***Non-UK resident Shareholders***

Dividend distributions will be made gross to Shareholders who are not UK resident. Non-resident Shareholders, who are individuals, are not liable to UK income tax on the dividend distribution. Non-UK resident Shareholders are recommended to seek professional advice as to the tax consequences of receiving a dividend distribution under the law of the jurisdiction of their residence.

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

#### **Income - Interest Distributions**

Funds which are so called "Bond" Funds for the purposes of tax currently pay interest distributions (which will be automatically retained in the case of accumulation Shares). Details of whether a particular Fund is an "Equity" Fund or a "Bond" Fund for tax purposes are set out in Appendix I.

Interest distributions will be paid gross to Shareholders (with no income tax deducted from the payment).

UK resident individual Shareholders will (subject to any available allowance) be subject to income tax at the relevant rate on any interest distributions (or deemed distribution from accumulation shares) from any Fund of the Company.

A UK resident individual Shareholder may be entitled to a personal savings allowance in each tax year (the amount of the allowance, if any, depends on whether the taxpayer is a basic, higher or additional rate taxpayer).

A UK resident individual Shareholder who holds their Shares in an ISA will be exempt from income tax on interest distributions in respect of such Shares.

A corporate Shareholder within the charge to UK corporation tax in respect of a shareholding will be subject to corporation tax on any interest distributions (or deemed distribution from accumulation shares) from any Fund of the Company.

Non-United Kingdom resident Shareholders may be entitled to a refund from HM Revenue and Customs of the tax deducted from their interest distributions (or a proportion of it). This will depend on their personal circumstances and the terms of any double taxation agreement between their country of residence and the United Kingdom.

Currently no Bond Funds are available within the Company.

#### **Reporting requirements**

The Company may be required to report details of interest paid to United Kingdom residents.

The Company may also report information about Shareholders to HMRC in compliance with its domestic (and any overseas) obligations relating to FATCA and any similar intergovernmental agreements for the automatic exchange of tax information which may be entered into and implemented by the United Kingdom.

## **Income equalisation**

The first income allocation received by an investor after buying Shares may include an amount of income equalisation. This is effectively a repayment of the income equalisation paid by the investor as part of the purchase price. It is a return of capital and is not taxable. Rather it should, in the case of income Shares, be deducted from the acquisition cost of the Shares for capital gains tax purposes. Equalisation will be applied on all of the Funds.

## **Gains**

### *UK resident individual Shareholders*

An individual Shareholder will be liable to capital gains tax on any chargeable gain accruing on the disposal or deemed disposal (including redemption, switches and certain conversions) of Shares in the Company. Capital gains tax is generally charged at rates of 10% and 20%, dependent on an individual's total amount of taxable income and gains within a tax year. An individual Shareholder may also be entitled to set all or part of any gains against their annual capital gains tax exemption.

A UK resident individual Shareholder who holds their Shares in an ISA will be exempt from capital gains tax on any gain accruing on the disposal or deemed disposal of Shares.

Individual Shareholders will find further information in HM Revenue and Customs Help Sheets for the capital gains tax pages of their tax returns.

### *Corporate Shareholders within the scope of corporation tax*

Subject to the possible application of the rules treating a shareholding in the Company as a loan relationship, a corporate Shareholder within the charge to corporation tax in respect of its investment in the Company will be liable to corporation tax on any chargeable gain accruing to it on the disposal or deemed disposal (including redemption, switches and certain conversions) of its Shares in the Company. An indexation allowance may be available to reduce or eliminate such a gain but not to create or increase an allowable loss.

## **OECD Common Reporting Standard (CRS)**

To satisfy the requirement for the automatic exchange of financial information between tax authorities worldwide, CRS countries must obtain information from relevant clients and exchange that information with the tax authorities of other CRS countries. In the UK the CRS system was mandated by 'The International Tax Compliance Regulations 2015'.

The ACD is required to compile information about all accounts in existence as of 31 December and to report the information to HM Revenue and Customs.

## **FATCA**

The Foreign Account Tax Compliance Act (FATCA) is a piece of legislation introduced by the United States Government to help counter US tax evasion by encouraging more effective reporting of information.

In the United Kingdom, the principles of FATCA have been brought into local law. This means the ACD will need to provide information on US accounts to the local tax authority, HM Revenue and Customs (HMRC).

For further information on FATCA please refer to the International Tax Reporting section on page 3 of this Prospectus.

## **REPORTS AND ACCOUNTS**

The annual accounting period of the Company ends on 31 March or a day chosen by the ACD, with the agreement of the Depositary, being within seven days of that date.

The long-form accounts (long report) will be published on or before 31 July (Final) and 30 November (Interim) and will be available, free of charge, from the ACD and available at [www.wayfunds.com](http://www.wayfunds.com).



The annual report of the Company will be published on or before the 31 July and the half yearly report (to the interim accounting date being 30 September) on or before 30 November in each year.

Copies of the most recent annual and half yearly reports may be inspected at, and copies obtained free of charge from, the ACD at its head office.

The long reports of the Company shall (if relevant) contain details of:

- (a) the percentage of each Fund's assets that are subject to special arrangements arising from their illiquid nature;
- (b) any new arrangements that the ACD has made for managing a Fund's liquidity;
- (c) each Fund's current risk profile and the risk management systems employed by the ACD to manage those risks.

### ANNUAL GENERAL MEETING

The ACD has elected to dispense with the holding of AGMs. All Investors have the right to request copies of the service contracts in place between the Company and its providers.

### VOTING

#### Voting rights

Entitlement to receive notice of a particular meeting or adjourned meeting and to vote at such a meeting is determined by reference to:

- (a) those persons who are holders of shares in the Company as at a cut-off date selected by the ACD which is a reasonable time before the notices of the relevant meetings are sent out; or
- (b) in respect of shares which are participating securities (as defined in the Uncertificated Securities Regulations 1995), those persons who are entered on the register at the close of business on a day to be determined by the ACD, which must not be more than 21 days before the notices of the meeting are sent out.

Persons who are entitled to receive a notice of meeting will receive not less than 14 days' written notification by post.

The quorum at a meeting of holders is two shareholders present in person or by proxy or (in the case of a corporation) by a duly authorised representative. If a quorum is not present within 15 minutes of the time appointed the meeting will (if requisitioned by shareholders) be dissolved and in any other case will be adjourned to such day and time not being less than seven days thereafter. If at such adjourned meeting a quorum is not present within 15 minutes from the appointed time, one person entitled to be counted in a quorum present at the meeting will be a quorum.

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

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

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

In the case of joint holders only the vote of the first named in the Register of holders can be taken.

The ACD is entitled to attend any meeting but, except in relation to third party shares, is not entitled to vote or be counted in the quorum and any shares it holds are treated as not being in issue for the purpose of such meeting. An associate of the ACD is entitled to attend any meeting and may be counted in the quorum, but may not vote except in relation to third party shares. For this

purpose, third party shares are shares held on behalf of or jointly with a person who, if himself the registered shareholder, would be entitled to vote, and from whom the ACD or the associate (as relevant) has received voting instructions.

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

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

Any proposals to change a Fund's investment objective or investment policy will typically be treated by the ACD (with the agreement of the Depositary) as a "fundamental event" requiring prior approval of the majority of Shareholders in the Fund. However, Shareholders should be aware that the ACD may change a Fund's investment objective and/or its investment policy without first obtaining Shareholder consent to the extent necessary to satisfy any changes to the Regulations. In these circumstances, Shareholders shall be given as much notice as is practicable in the circumstances.

The requirement for a Shareholder meeting depends on the proposed change to the Company. Changes to the Company may fall within one of the following three categories:

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

### **Class rights**

The rights attached to a class of shares may only be varied with the sanction of a resolution passed at a class meeting of the holders of the classes concerned. The provisions about notice and conduct of meetings summarised above will apply, with the necessary alterations, to class meetings.

Changes to the Instrument which relate only to a particular class or classes of shares, and do not prejudice shareholders of any other class, may (subject to certain exceptions) be made by an extraordinary resolution passed at a class meeting or class meetings of the holders of the class of shares concerned.

## **INVESTMENT AND BORROWING POWERS**

Except as provided below the Company may exercise the full authority and powers permitted by Chapter 5 of the COLL Sourcebook for an ICVC belonging to the Non-UCITS Retail Scheme type (and more specifically chapter 5.6), but is subject to the applicable restrictions in the COLL Sourcebook and to its stated investment objective and policy.

The range of investments that may generally be held within the WAY Global Cautious Portfolio Fund are as follows:

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

The scheme property attributable to the Company may consist of transferable securities and money market instruments which are:

- (a) admitted to or dealt in on an eligible securities market (as set out in Appendix 2); or
- (b) are recently issued transferable securities, provided that the terms of issue include an undertaking that application will be made to be admitted to an eligible market, and such admission is secured within a year of issue; or
- (c) money market instruments which are normally dealt in on the money market, are liquid and whose value can be accurately determined at any time, being an 'approved money market instrument' in accordance with COLL which fulfil the following requirements:

- (i) the issue or the issuer is regulated for the purpose of protecting investors and savings, and
- (ii) the instrument is issued or guaranteed in accordance with COLL 5.2.10BR.

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

The Company may also invest in an approved money market instrument provided the issuer is a company whose capital and reserves amount to at least EUR 10 million and which presents and publishes its annual accounts in accordance with Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles (as defined in COLL) which benefit from a banking liquidity line (as defined in COLL).

The requirements of COLL 5.2.10BR are that the money market instrument must be:

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

A money market instrument that is normally dealt in on the money market and is admitted to or dealt in on an eligible market shall be presumed to be liquid and have a value which can be accurately determined at any time unless there is information available to the ACD that would lead to a different determination.

Not more than 20% in value of the scheme property attributable to the Company may consist of transferable securities which are not admitted to or dealt in an eligible market (in aggregate with (a)(v) under “Collective Investment Schemes” above) and/or money market instruments which do not fall within the criteria set out above.

Not more than 10% in value of the scheme property attributable to the Company may consist of transferable securities or money market instrument (referred to above) issued by any single body (however this rule does not apply in respect of government and public securities. The limit of 10% is raised to 25% in respect of covered bonds).

### ***Transferable securities***

The Company may invest in transferable securities only to the extent that the relevant transferable security fulfils the following criteria:

- the potential loss which the Company may incur with respect to holding the transferable security is limited to the amount paid for it;
- its liquidity does not compromise the ability of the ACD to comply with its obligation to redeem units at the request of any qualifying shareholder;
- reliable valuation is available for the transferable securities as follows:
  - in the case of a transferable security admitted to or dealt in on an eligible market, where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers;
  - in the case of a transferable security not admitted to or dealt in on an eligible market, where there is a valuation on a periodic basis which is derived from information from the issuer of the transferable security or from competent investment research;
- appropriate information is available for the transferable security as follows:
  - in the case of a transferable security admitted to or dealt in on an eligible market, where there is regular, accurate and comprehensive information available to the market on the transferable security or, where relevant, on the portfolio of the transferable security;

- in the case of a transferable security not admitted to or dealt in on an eligible market, where there is regular and accurate information available to the ACD on the transferable security or, where relevant, on the portfolio of the transferable security;
- it is negotiable; and
- its risks are adequately captured by the risk management process of the ACD.

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

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

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

- where the closed end fund is constituted as an investment company or a unit trust:
  - it is subject to corporate governance mechanisms applied to companies; and
  - where another person carries out asset management activity on its behalf, that person is subject to national regulation for the purpose of investor protection; or
- where the closed end fund is constituted under the law of contract:
  - it is subject to corporate governance mechanisms equivalent to those applied to companies; and
  - it is managed by a person who is subject to national regulation for the purpose of investor protection.

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

The Company may invest in any other investment which shall be taken to be a transferable security provided the investment:

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

Where such investments contain an embedded derivative component, the COLL rules applicable to investment in derivatives and forwards (summarised below) will apply.

***Covered bonds***

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

***Collective investment schemes***

The scheme property attributable to the Company may consist of units and/or shares in collective investment schemes. Not more than 35% in value of the property of the Company may consist of units or shares in any one collective investment scheme.

The Company must not invest in units or shares of a collective investment scheme (the "second scheme") unless the second scheme satisfies all of the requirements referred to in (a) to (d) below:

- (a) the second scheme:
  - (i) satisfies the conditions necessary for it to enjoy the rights conferred by the UCITS Directive; or
  - (ii) is a non-UCITS retail scheme; or
  - (iii) is a recognised scheme; or

- (iv) is constituted outside the United Kingdom and the investment and borrowing powers of which are the same or more restrictive than those of a non-UCITS retail scheme; or
  - (v) is a scheme which does not fall within any of the above categories and in respect of which no more than 20% in value of the property of the scheme (in aggregate with other such schemes and including any transferable securities which are not approved securities) is invested.
- (b) the second scheme must operate on the principle of the prudent spread of risk;
  - (c) the second scheme must be prohibited from investing more than 15% in value of the scheme property consisting of units and/or shares in collective investment schemes;
  - (d) the participants in the second scheme must be entitled to have their units redeemed in accordance with the scheme at a price:
    - (i) related to the net value of the property to which the units relate; and
    - (ii) which are determined in accordance with the scheme.

Investment may be made in collective investments schemes established in any jurisdiction, subject to compliance with the requirements of section (a) to (d) above.

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

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

### **Immovable property**

It is not intended that the Company should have any interest in any immovable property.

### **Borrowing Powers and Leverage**

Subject to the Regulations, the Company may borrow to meet redemption and settlement mismatches, although it is not expected that significant use will be made of borrowing for the latter purpose. Such borrowing may only be made from an eligible institution or an approved bank and must be on a temporary basis only; no period of borrowing may exceed three months without the prior consent of the Depositary (which may give such consent only on conditions as appear to the Depositary appropriate to ensure that the borrowing does not cease to be on a temporary basis). The borrowing of the Company must not, on any business day, exceed 10% of the value of its property. As well as applying to borrowing in a conventional manner, the 10% limit applies to any other arrangement designed to achieve a temporary injection of money into the property of the Company, in the expectation that such will be repaid, for example by way of a combination of derivatives which produces an effect similar to borrowings.

The above provisions on borrowing do not apply to “back-to-back” borrowing for an arrangement under which an amount of currency is borrowed from an eligible institution or an approved bank and an amount in another currency at least equal to the amount of currency borrowed is kept on deposit with the lender (or his or her agent or nominee).

Borrowings may be made from the Depositary, the ACD, the directors or any investment advisor or any associate of any of them provided it is an eligible institution or an approved bank and the arrangements are at least as favourable to the Company as would be those of any comparable arrangements effected on normal commercial terms negotiated at arm’s-length between two independent parties.

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

## **Derivatives**

The Company may use derivatives for the purposes of currency hedging only.

The Company may use forward currency transactions for the purposes of hedging the currency exposure of the portfolio. The assets which will underlie the forward currency contracts may be cash not yet received but due to be received within one month, cash obtained by borrowing, borrowings which the ACD reasonably regards an eligible institution to be committed to provide, in order to complete a “back-to-back” loan arrangement, as referred to in (g) above. Transactions involving forward currency contracts will be subject to the parameters set out below.

2. Pursuant to the Regulations the Company may enter into a transaction which is:
  - (i) a permitted transaction;
  - (ii) for the purpose of hedging the portfolio;
  - (iii) (alone or in combination with one or more others) reasonably believed by the ACD to be economically appropriate for the Company; and
  - (iv) fully covered in accordance with the Regulations.
3. A transaction may not be entered into if its purpose could reasonably be regarded as speculative.
4. A forward currency transaction which would or could lead to delivery of property to the Depositary may be entered into only if such property can be held by the Company and the ACD reasonably believes that delivery of the property pursuant to the transaction will not lead to a breach of the Regulations. A permitted transaction may at any time be closed out.
5. Any forward transaction must be with an eligible institution or an approved bank.
6. The purpose of currency hedging is to achieve, in respect of precisely identified property of the Company, reduction of risk to the Company with no, or with an acceptably low level of, risk.
7. To be economically appropriate to the Company, the ACD must reasonably believe that transactions undertaken to reduce risk, the transaction (alone or in combination) will diminish a risk of a kind or level which it is sensible to reduce.
8. No transaction may be entered into unless the maximum potential exposure created by the transaction, in terms of the principal or notional principal of the forward contract, is covered by cash or near cash sufficient to match the exposure.

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

The scheme property attributable to the Company may consist of cash or near cash to enable:

- (c) the pursuit of the Company's investment objectives as a defensive measure or where reasonably regarded as necessary; or
- (d) the redemption of shares; or
- (e) the efficient management of the Company in accordance with its objectives or any other purposes which may reasonably be regarded as ancillary to the objectives of the Company.

Cash forming part of the property of the Company may be placed in any current or deposit account with the Depositary, the ACD or any associate of any of them provided it is an eligible institution or approved bank and the arrangements are at least as favourable

to the Company concerned as would be those of any comparable arrangements effected on normal commercial terms negotiated at arm's length between two independent parties.

### **Investment in deposits**

The Company may invest in deposits only if it:

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

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

### **Government and public securities**

The following section applies to government and public securities ("such securities"):

- Where no more than 35% in value of the Scheme Property of a fund is invested in such securities issued by any one body, there is no limit on the amount which may be invested in such securities or in any one issue.
- A fund may invest more than 35% in value of the Scheme Property of a fund in such securities issued by any one body provided that:
  - the ACD has before any such investment is made consulted with the Depositary and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objectives of the fund;
  - no more than 30% in value of the Scheme Property consists of such securities of any one issue;
  - the Scheme Property of a fund includes such securities issued by that or another issuer, of at least six different issues;
  - the disclosures in the Prospectus required by the FCA have been made.
- No fund may invest more than 35% in the value of its Scheme Property in such securities issued by any one body.

### **Eligible Markets**

Eligible markets consist of any securities market which is an eligible securities market or eligible derivatives market under the Regulations to the extent that power to do so is conferred by the Regulations or to the extent that the power to do so is conferred by the Regulations irrespective of any issue of eligibility. The eligible securities markets for the WAY Global Cautious Portfolio Fund are listed in Appendix 2 to this Prospectus.

## **RISK FACTORS**

Potential investors should consider the below risk factors before investing in the Company. This list must not be taken to be comprehensive as there may be new risks that arise in the future which could not have been anticipated in advance.

The following are important risk factors:

- (a) **Market risk** - The investments of the Company are subject to normal market fluctuations and other risks inherent in investing directly or indirectly in securities. There can be no assurance that any appreciation in the value of investments will occur. The value of investments and the income derived from them may fall as well as rise and investors may not recoup the original amount they invest in the Company. There is no certainty that the investment objective of the Company will actually be achieved and no warranty or representation is given to this effect. Past performance is no guide to the future.

- (b) **Effect of initial charge or redemption charge** - Where an initial charge or redemption charge is imposed, an investor who realises his Shares after a short period may not (even in the absence of a fall in the value of the relevant investments) realise the amount originally invested.

The Shares therefore should be viewed as long term investments.

- (c) **Dilution adjustment** - Investors should note that in certain circumstances a dilution adjustment may be applied to the price payable on the purchase or redemption of their Shares (see the “Dilution Policy” section above). Where dilution adjustment is not applied the Company may incur dilution which may constrain capital growth..
- (d) **Suspension of dealings in Shares** - Investors are reminded that in certain circumstances their right to redeem Shares (including a redemption by way of Switching) may be suspended (see “Suspension of dealings” section).
- (e) **Pricing and liquidity** - From time-to-time the Company may have exposure to alternative asset classes, where there is a risk that the price at which an asset is valued may not be realisable in the event of sale. This could be due to a mis-estimation of the asset’s value or due to a lack of liquidity in the relevant security or market. As a result, at times, the ACD may have to delay acting on instructions to sell investments, and the proceeds on redemption may be less than the value implied by the Company’s share price.
- (f) **Currency exchange rates** - Currency fluctuations may adversely affect the value of the Company’s investments and, depending on an investor’s currency of reference, currency fluctuations may adversely affect the value of his investment in Shares.
- (g) **Non-UCITS Retail Schemes (NURS)** - The Company is classed as a NURS for the purposes of the rules in the FCA Handbook. Such funds can have wider investment and borrowing powers than UCITS schemes with higher investment limits in various areas. They can also invest to a greater extent in areas such as property and unregulated schemes and have the option to borrow on a permanent basis. Such additional powers can increase potential reward, but may also increase risk.
- (h) **Emerging markets** - Investments in emerging markets may be more volatile than investments in more developed markets. Some of these markets may have relatively unstable governments, economies based on only a few industries and securities markets that trade only a limited number of securities. Many emerging markets do not have well developed regulatory systems and disclosure standards may be less stringent than those of developed markets:

The risks of expropriation, nationalisation and social, political and economic instability are greater in emerging markets than in more developed markets.

The following is a brief summary of some of the more common risks associated with emerging markets investment:

**Fraudulent securities** – Given the lack of a regulatory structure it is possible that securities in which investments are made may be found to be fraudulent. As a result, it is possible that loss may be suffered.

**Lack of liquidity** – The accumulation and disposal of holdings may be more expensive, time consuming and generally more difficult than in more developed markets. Also, due to the lack of liquidity, volatility may be higher. Many emerging markets are small, have low trading volumes, low liquidity and significant price volatility.

**Currency fluctuations** – Significant changes in the currencies of the countries in which investments are made in respect of the currency of denomination of the Company may occur following its investment in these currencies. These changes may impact the total return of the Company to a significant degree. In respect of currencies of certain emerging countries, it is not possible to undertake currency hedging techniques.

**Settlement and custody risks** – Settlement and custody systems in emerging markets are not as well developed as those in developed markets. Standards may not be as high and supervisory and regulatory authorities not as sophisticated. As a result there may be risks that settlement may be delayed and that cash or securities could be disadvantaged.



**Investment and remittance restrictions** – In some cases, emerging markets may restrict the access of foreign investors to securities. As a result, certain equity securities may not always be available to a Fund because the maximum permitted number of or investment by foreign Shareholders has been reached. In addition, the outward remittance by foreign investors of their share of Net profits, capital and dividends may be restricted or require governmental approval. The Company will only invest in markets in which it believes these restrictions to be acceptable. However, there can be no guarantee that additional restrictions will not be imposed.

**Accounting** – Accounting, auditing and financial reporting standards, practices and disclosure requirements applicable to companies in emerging markets differ from those applicable in more developed markets in respect of the nature, quality and timeliness of the information disclosed to investors and, accordingly, investment possibilities may be difficult to properly assess.

- (i) **Smaller companies** - The Company may invest in smaller companies which may be less liquid than the securities of larger companies, as a result of inadequate trading volume or restrictions on trading. Securities in smaller companies may possess greater potential for capital appreciation, but also involve risks, such as limited product lines, markets and financial or managerial resources and trading in such securities may be subject to more abrupt price movements than trading in the securities of larger companies.
- (j) **Overseas bonds and currencies** - From time to time, the Company may invest in overseas bonds and currencies. These markets may respond to different influences to those that affect the underlying funds and accordingly carry a higher degree of risk.
- (k) **Inflation Risk** - Inflation will, over time, reduce the value of your investments in real terms.
- (l) **Tax risk** - The rates of, and any relief from, taxation may change over time. Tax information is set out later in this document. If you have any doubts about your tax position, you should seek professional advice.
- (m) **Investing in other collective investment schemes** - A substantial proportion of the Company's assets may be invested in other collective investment schemes. As an investor of another collective investment scheme, the Company will bear, along with the other investors, 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.

The Company may invest in collective investment schemes managed by either the Investment Manager or one of its associates. In such cases, to avoid a double charge, the Investment Manager or its associate, at its discretion, may waive any initial charge and rebate an amount equal to up to 100% of any annual management charge payable by the Company.

If the Company is invested in other collective investment schemes managed or operated by (or, in the case of an ICVC, whose authorised corporate director is) the ACD, or an associate of the ACD then there will not be a charge in respect of the second scheme where such charges are levied for the issue and redemption of shares.

- (n) **Unregulated Collective Investment Schemes** - The Company may invest, in total no more than 20% of the Scheme Property, in unregulated collective investment schemes which are generally considered to be a higher risk than investment in regulated schemes. An unregulated collective investment scheme is unlikely to be subject to regulations which govern how they are managed. For example, they can utilise higher risk investment techniques, they may borrow to invest, they can suspend calculation of Net asset value preventing redemption or otherwise limit redemption, they may not adhere to internationally recognised accounting standards and functions such as pricing and custody may not be subject to any rules.

The Company may also invest in unregulated collective investment schemes which are valued less frequently than itself. As a result, there is a risk that any market movements will not be reflected in the daily price of the Company and that investors may miss out on unrealised profits from underlying investments.

- (o) **Exchange Traded Funds ("ETFs")** - The Company may invest in Exchange Traded Funds. Exchange Traded Funds represent a basket of securities that are traded on an exchange and may not necessarily trade at the Net asset value of

their underlying holdings. As a result, they may trade at a price that is above or below the value of the underlying portfolio.

- (p) **Cash and money market instruments** - Defensive investment in cash and money market instruments, at times when relevant stockmarket indices are rising, may constrain the growth of capital invested in the Company.
- (q) **Regular Savings Plan** - If a Shareholder is making regular monthly investments in the Company with a view to saving for a specific objective, they should regularly review whether these savings will be sufficient to achieve their objective. Shareholders may not achieve their objective if they do not continue to invest regularly with a sufficient amount or if the investment does not appreciate sufficiently.
- (r) **Cancellation Rights** - Where cancellation rights are applicable, if Shareholders choose to exercise their cancellation rights and the value of the investment falls before notice of cancellation is received by the ACD in writing, a full refund of the original investment may not be provided but rather the original amount less the fall in value.
- (s) **Leverage** - Leverage of the Company's assets is limited to the permanent borrowing referred to in the "Borrowing Powers and Leverage" section.
- (t) **Investments held by the custodian or a sub-custodian** - Where the Company's assets are held in custody, there may be a risk of loss resulting from the insolvency, negligence or fraudulent action of the custodian or sub-custodian.
- (u) **Regulatory divergence from the European Union** - As a result of the UK leaving the European Union on the 31 January 2020, it is possible that the UK's laws and regulations concerning funds may in future diverge from those of the European Union. This may lead to changes in the operation of the Company or the rights of investors or the territories in which the Shares of the Company may be promoted and sold.

#### THE PROFILE OF A TYPICAL INVESTOR

This Prospectus sets out below a description of the profile of the typical investor for whom the Fund has been designed. Please note however that this description is not the ACD's assessment of the target market for the Fund for the purposes of the UK's Product Governance regime which may be obtained separately by distributors and other intermediaries by e-mailing the ACD at [compliance@wayfunds.com](mailto:compliance@wayfunds.com) or by calling 01202 855856 (+44 (0)1202 855856 from outside of the UK).

The ACD considers that the shares in the Company are suitable for cautious investors who see collective investment schemes as a convenient and cost-effective way of reducing the overall risks associated with participation in stock market investment and performance, whilst giving scope for some growth of capital over the long-term. The Fund's investment objective is capital growth and therefore the Fund is not suitable for investors looking for a fund which generates income. As the investment may occasionally experience periods of price volatility, the Company would be more suitable for investors who can afford to set aside the invested capital for a minimum period of 5 years. All investors in the Company should understand and appreciate the risks associated with investing in shares in the Company and must be able to accept losses.

Investors and potential investors should note that neither the description of the typical investor profile as set out above nor any other information contained in this Prospectus constitutes investment advice and investors and potential investors should consult their own professional advisers concerning the acquisition, holding or disposal of any shares in any of the Funds. Neither the Company, the ACD nor the Investment Manager makes any statement or representation in relation to the suitability, appropriateness or otherwise of any transaction in shares in any of the Funds.

#### WINDING UP OF THE COMPANY

##### Winding up the Company

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

Subject to the foregoing, the Company will be wound up under the Regulations:

- if an extraordinary resolution to that effect is passed; or
- if the FCA agrees to a request by the ACD for the winding up of the Company.

Winding up under the Regulations is carried out by the ACD, which will, as soon as practicable, cause the property of the Company to be realised and the liabilities of the Company to be met out of the proceeds. Provided that there are sufficient liquid funds available after making provision for the expenses of winding up and the discharge of the liabilities of the Company, the ACD may arrange for the Depositary to make one or more interim distribution(s) to shareholders: when all liabilities have been met, the balance (net of a provision for any further expenses of the Company) will be distributed to shareholders. The distributions out of the Company will be made to the holders of each class of shares, in proportion to the relative entitlements in the Company property which their shares represent (determined in accordance with the Instrument).

The Depositary will notify the FCA once winding up of the Company is completed and at that time the ACD or the Depositary must request the FCA to revoke the authorisation order. Any money (including unclaimed distributions) standing to the account of the Company shall be paid into court within one month of dissolution.

The ACD may make such a request, among other circumstances, if at any time after the first anniversary of the issue of the first shares linked to the Company the net value of the assets of the Company is less than £10,000,000.

## **OTHER INFORMATION**

### **Complaints**

Any complaint should be referred to the ACD at its head office. If a complaint cannot be resolved satisfactorily with the ACD it may be referred to the Financial Ombudsman Service at Exchange Tower, Harbour Exchange Square, London E14 9SR. More details about the Financial Ombudsman Service and a copy of the ACD's complaints procedure are available on request.

### **Cancellation**

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

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

### **Delegation**

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

### **Conflicts of interest**

The Depositary, the ACD or any associate of them may (subject to the Regulations) hold money on deposit from, lend money to, or engage in stocklending transactions in relation to, the Company, so long as the services concerned are provided on arm's-length terms (as set out in the Regulations) and in the case of holding money on deposit or lending money the Depositary, ACD or any associate of them is an eligible institution.

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

The Depositary may, from time to time, act as trustee, depositary or custodian of other collective investment schemes. The ACD and the Investment Adviser (as applicable) may manage other accounts/portfolios with similar investment objectives to the Company.

Subject to compliance with the Regulations the ACD may be party to or interested in any contract, arrangement or transaction to which the Company is a party or in which it is interested. The ACD is entitled in its own discretion to determine the terms of its appointment as such, and consequently to amend the terms of the Service Agreement referred to on page 13.

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

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

Furthermore, the ACD, as the sole director of the Company, may be party to, or interested in, any contract or arrangement or transaction to which the Company is a party, or in which the Company is in any way interested, and may hold and be remunerated in respect of any office or place of profit (other than the office of auditor or depositary of the Company) under the Company or any other company in which the Company is in any way interested and may retain for its own absolute use and benefit all profits and advantages accruing to it thereunder or in consequence thereof. Any such interest will be properly recorded and minuted by the ACD as soon as practicable after it becomes so interested. The board of directors of the ACD comprises persons employed by the ACD or its associates. The ACD is however subject to fiduciary obligations as a director to ensure that at all times it acts in the best interests of the Company as a whole.

Pursuant to the AIFMD Rules, the ACD is responsible for the valuation of the Scheme Property. There is a conflict of interest between any involvement of the ACD in this valuation process and the ACD's entitlement to receive its annual management charge from a Fund which is based on the value of the property of the Fund.

The FCA Rules contain provisions on conflicts of interest governing any transaction concerning the Company which is carried out by or with any "affected person", which means the Company, an associate of the Company, the ACD, an associate of the ACD, the Depositary and an associate of the Depositary. These provisions, among other things, enable an affected person: (a) to sell or deal in the sale of property to the Company or the Depositary for the account of the Company; (b) vest property in the Company or the Depositary against the issue of Shares in the Company; (c) purchase property from the Company (or the Depositary) acting for the account of the Company; (d) enter into a stock lending transaction in relation to the Company; or (e) provide services for the Company. Any such transactions with or for the Company are subject to best execution on exchange, or independent valuation or arm's length requirements as set out in the FCA Rules. An affected person carrying out such transaction is not liable to account to the Depositary, the ACD, any other affected person, or to the holders of Shares or any of them for any benefits or profits thereby made or derived. Investment of the property of the Company may be made on arm's length terms through a member of an investment exchange (acting as principal) who is an affected person in relation to the ACD. Neither the ACD nor any such affected person will be liable to account to the Company or to the holders of Shares for any profit made or derived out of such dealings.

### **Liability and indemnity**

With the exceptions mentioned below:

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

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

- any liability which would otherwise attach to the ACD or the Auditors in respect of any negligence, default, breach of duty or breach of trust in relation to the Company;
- any liability on the part of the Depositary for any failure to exercise due care and diligence in the discharge of its functions;
- any breach by the ACD or the Depositary of their respective obligations under the Financial Services and Markets Act 2000 or any rules made under or in pursuance of that Act.

## **Professional Liability Risks**

As the Company is an 'Alternative Investment Fund' for the purposes of the AIFMD, the ACD is required to ensure that certain Professional Liability Risks are covered at all times, either through additional own funds and/or through appropriate coverage of professional indemnity insurance. The ACD satisfies its obligations to cover Professional Liability Risks in relation to the Company by: (a) holding professional indemnity insurance (in accordance with the Regulations) and maintaining an amount of own funds to meet the capital requirements under the AIFMD; and (b) complying with the qualitative requirements in the AIFMD that address professional liability risks.

## **Financial Services Compensation Scheme**

Shareholders who are “Eligible Complainants” for the purposes of the FCA “Dispute Resolutions Complaints” rules (natural persons, micro-enterprises and certain charities or trustees of a trust) are able to refer any complaints against the ACD or the Depository to the Financial Ombudsman Service (“FOS”) (further details of which are available at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)). Additionally, Shareholders may be eligible for compensation under the Financial Services Compensation Scheme (“FSCS”) if they have claims against the ACD, Depository or another FCA authorised service provider (including the Investment Manager) which is in default. There are limits on the amount of compensation available. Further information about the FSCS is at [www.fscs.org.uk](http://www.fscs.org.uk). To determine eligibility in relation to either the FOS or the FSCS, unit holders should consult the respective websites above and speak to their legal advisers.

## **Fair Treatment of Investors**

Under the AIFMD, the ACD must treat all Shareholders fairly. The ACD has a number of policies and procedures in place to ensure that it will act honestly, fairly, professionally, independently and in the interest of the Company and its investors. For example, the ACD ensures the fair treatment of Shareholders through an organisational structure which employs robust review and oversight procedures.

Furthermore, the ACD adheres to its “Conflicts of Interest Policy”, which establishes requirements to identify and manage conflicts of interest in line with regulatory requirements, including potential conflicts of interest that could arise between investors. The ACD will endeavour to avoid situations whereby its own interests, or its duty to any persons on behalf of whom it acts, conflicts with its duty to clients.

In addition, the ACD adheres to its “Treating Customers Fairly Policy”, the purpose of which is to ensure that Shareholders understand the risks inherent in the markets and securities in which they invest and clearly understand the nature of the services the ACD provides, including terms, conditions and charges.

## **Rebate of fees and commission**

The ACD may at its sole discretion (but subject to the Regulations) rebate its initial or periodic charges in respect of any application for, or holding of, shares. Similarly, the Company may rebate or waive its charges in relation to any exchange of shares. A proportion of the initial charge may be rebated to the introducer (the investor’s financial intermediary) in the form of commission payment where permitted by the FCA Rules. The investor should check with the intermediary the amount of commission he or she has received.

## **General**

- At launch, shares in the Company will not qualify for investment by ISAs.
- All documents and remittances are sent at the risk of the shareholder.
- The address for service on the Company of notices or other documents required or authorised to be served on it is the ACD’s Registered and Head Office address.
- Copies of this Prospectus, the NURS-Kii and the most recent annual and half-yearly long reports may be inspected at, and obtained from, the ACD at the ACD’s Registered and Head Office address between 9am and 5pm on any Business Day.
- Copies of the Instrument and any amendments thereto may be inspected and copies obtained from the ACD and the Depository at their respective Registered and Head Office addresses. A fee is charged for copies of the Instrument.
- This Prospectus describes the constitution and operation of the Company at the date of this Prospectus. In the event of any materially significant change in the matters stated herein or any materially significant new matter arising which ought to be stated herein this Prospectus will be revised. Investors should check with the ACD that this is the latest version and that there have been no revisions or updates.

- The ACD will provide, at the request of a shareholder, supplementary information to this Prospectus, including:
  - (a) the quantitative limits applying to the risk management of the Company;
  - (b) the methods used in relation to (a) above; and
  - (c) any recent development of the risk and yields of the main categories of investment.

### **Individual Savings Accounts (ISA)**

It is the ACD's intention to offer shares in the Company linked to such accounts, at such time that Her Majesty's Revenue and Customs permits the use of Non-UCITS retail schemes with the investment profile similar to the Company. Restrictions imposed by Her Majesty's Revenue and Customs, however, could mean that the ACD does not offer shares in the Company under its ISA wrapper in the future.

### **Financial Services Compensation Scheme**

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

### **Telephone calls and electronic communications**

Please note that the ACD will record telephone calls and electronic communications. The ACD will keep a copy of telephone calls and electronic communications. A copy of the record is available from the ACD on request. The records will be kept for up to five years and, where requested by the FCA, for up to seven years.

### **Data Protection - How your personal data is used**

By completing and submitting an application to invest in any of the Funds that WAY Fund Managers Limited ("we"/"us") operates, you will be giving your consent to the processing of your personal data (including any anti-money laundering verification check), by us for the administration of services in connection with your investment on a contractual basis. Additionally we may be requested to share your personal data with our regulator, the Financial Conduct Authority, or for wider compliance with any legal or regulatory obligation to which we might be subject.

If you have used an intermediary to submit the application, we may also share information about your investment with them, to help them to continue to provide their services to you, unless you request us not to.

We may share your personal data with contracted third parties for the purposes mentioned above (however this does not entitle such third parties to send you marketing or promotional messages) and we do not envisage that this will involve your personal data being transferred outside of the UK or the European Economic Area.

We make every effort to maintain the registration of your holdings accurately. However, if you feel that we have incorrectly recorded any of your personal data, you may request its correction. You have the right to request copies of your personal data stored by us and can do so by using our contact details below.

Your data will be stored and processed securely for the period of your contract with us and for a minimum of seven years after our relationship ceases, for regulatory and legislation purposes only.

We are registered with the Information Commissioner's Office as a Data Controller and Data Processor for this purpose. Further information on how we manage your personal data can be found within our Privacy Notice which can be found on our website [www.wayfunds.com](http://www.wayfunds.com).

Should you wish to make a complaint or request further information on how we collect and process your personal data please contact us at:

**Data Protection Office**, WAY Fund Managers Limited, Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset, BH21 7SB.

Email: [DPO@wayfunds.com](mailto:DPO@wayfunds.com) Tel: 01202 855856 (+44 (0)1202 855856 from outside of the UK).

Alternatively, if you have any concerns or complaints as to how we have handled your personal data, you may lodge a complaint to the Information Commissioner's Office through their website which can be found at: <https://ico.org.uk/for-the-public/raising-concerns/>

## **Governing law**

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

## **Shareholder's rights**

Shareholders are entitled to participate in the Company on the basis set out in this prospectus (as amended from time to time).

Shareholders may have no direct rights against the service providers to the Company set out in this Prospectus.

Shareholders may be able to take action if the contents of this document are inaccurate or incomplete.

Shareholders have statutory and other legal rights which include the right to complain and may include the right to cancel an order or seek compensation.

Shareholders who are concerned about their rights in respect of the Company (or any Fund) should seek legal advice.

## **Information available to Shareholders**

The following information will be made available to Shareholders as part of the Company's periodic reporting and, as a minimum, in the annual report:

- (a) the percentage of each Fund's assets which will be subject to special arrangements arising from their illiquid nature, including an overview of any special arrangements in place, the valuation methodology applied to assets which are subject to such arrangements and how management and performance fees will apply to these assets;
- (b) the current risk profile of each Fund, and information on the risk management systems used by the ACD to manage those risks;
- (c) the total amount of leverage employed by each Fund calculated in accordance with the gross and commitment methods; and
- (d) any material changes to the information above.

Shareholders will be notified appropriately of any material changes to the liquidity management systems and procedures such as the suspension of redemptions, the deferral of redemptions or similar special liquidity arrangements. It is intended that any changes to the maximum level of leverage which a Fund may employ will be provided to Shareholders without undue delay.

## **LEGAL IMPLICATIONS OF AN INVESTMENT IN THE COMPANY**

In order to subscribe for Shares, applicants must complete an appropriate application form ("Form"). By doing so, Shareholders agree to subscribe for Shares and to be bound by the terms of this Prospectus and the Instrument of Incorporation (each Form, the Prospectus and the Instrument of Incorporation together the "Subscription Documents"). All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Instrument of Incorporation, copies of which are available from the ACD. The provisions of the Instrument of Incorporation are binding on the ACD, the Depositary and all Shareholders.

The Subscription Documents are governed by English law and the courts of England shall have jurisdiction in relation to claims made under them against parties domiciled in England or such jurisdiction as otherwise determined in accordance with Council Regulation (EC) No 44/2001. Judgments from overseas courts may be recognised and enforced by the Courts of England and Wales without re-examination of the merits where some form of reciprocal enforcement arrangement is in place. Instruments governing such reciprocal enforcement arrangements include the Brussels Regulation and the Brussels and Lugano Conventions in respect of judgments from the courts of EU member states, Iceland, Switzerland and Norway (the Brussels regime) and by the Administration of Justice Act 1920 and the Foreign Judgments (Reciprocal Enforcement) Act 1933 (covering most Commonwealth and some other countries – the "Statutory regime"). In other cases, under the English common law a final and conclusive foreign judgment given by a competent court potentially creates an obligation that is actionable in England and Wales through the institution of fresh legal proceedings, to which various defences are available to a defendant.

There is also provision in England and Wales for the enforcement of European Enforcement Orders obtained under the European Enforcement Orders Regulation, European Orders for Payment, judgments obtained under the European Small Claims Procedure, Community judgments and judgments from other parts of the UK. Where a judgment falls within the scope of the Brussels regime, an application can be made to register it. A registration order must be made if the required formalities have been complied with. There are limited grounds of appeal against the making of the order.

Where a judgment falls under the Statutory regime an application can be made to register it. There are various grounds for non-registration and on which registration will be set aside. Once registered under either regime, a judgment will be treated as if it was a judgment of the English court for enforcement purposes. The Company is reliant on the performance of service providers, including the ACD, the Depositary and the Investment Manager. None of the agreements appointing the ACD, the Depositary, the Investment Manager, the Administrator, the auditors, legal counsel or any other of the Company's service providers provides for any third party rights for investors. Absent a direct contractual relationship between the Shareholder and the relevant service provider, Shareholders generally have no direct rights against the relevant service provider and there are only limited circumstances in which a Shareholder may potentially bring a claim against the relevant service provider. Instead, the proper claimant in an action in respect of which a wrongdoing is alleged to have been committed against the Company by the relevant service provider is, prima facie, the Company itself.



## APPENDIX 1

### HISTORICAL PERFORMANCE

Below we have shown the historical performance, for the period to 31<sup>st</sup> December 2023. Where possible, we have shown the performance over and the last 5 years, for each complete year, to the 31<sup>st</sup> December.

In respect of Income shares (where they are available), the performance shown will assume that any income has been reinvested.

#### WAY Global Cautious Portfolio Fund - Class B Pounds Sterling (£) Accumulation shares

Percentage Growth year to 31 December 2019	Percentage Growth year to 31 December 2020	Percentage Growth year to 31 December 2021	Percentage Growth year to 31 December 2022	Percentage Growth year to 31 December 2023
6.22%	5.87%	4.90%	-9.45%	4.90%

**Launch Date: 25 February 2005**

#### WAY Global Cautious Portfolio Fund - Class B Pounds Sterling (£) Income shares

Percentage Growth year to 31 December 2019	Percentage Growth year to 31 December 2020	Percentage Growth year to 31 December 2021	Percentage Growth year to 31 December 2022	Percentage Growth year to 31 December 2023
6.22%	5.87%	4.90%	-9.44%	-4.90%

**Launch Date: 25 February 2005**

#### WAY Global Cautious Portfolio Fund - Class C Pounds Sterling (£) Income shares

Percentage Growth year to 31 December 2019	Percentage Growth year to 31 December 2020	Percentage Growth year to 31 December 2021	Percentage Growth year to 31 December 2022	Percentage Growth year to 31 December 2023
N/A	N/A	N/A	N/A	5.94%

**Launch Date: 1<sup>st</sup> November 2022**

**WAY Global Cautious Portfolio Fund - Class E Pounds Sterling (£) Accumulation shares**

Percentage Growth year to 31 December 2019	Percentage Growth year to 31 December 2020	Percentage Growth year to 31 December 2021	Percentage Growth year to 31 December 2022	Percentage Growth year to 31 December 2023
6.76%	6.40%	5.42%	-8.99%	-5.43%

**Launch Date: 30 September 2012****WAY Global Cautious Portfolio Fund - Class E Pounds Sterling (£) Income shares**

Percentage Growth year to 31 December 2019	Percentage Growth year to 31 December 2020	Percentage Growth year to 31 December 2021	Percentage Growth year to 31 December 2022	Percentage Growth year to 31 December 2023
6.75%	6.40%	5.43%	-8.99%	5.43%

**Launch Date: 30 September 2012****WAY Global Cautious Portfolio Fund - Class S Pounds Sterling (£) Income shares**

Percentage Growth year to 31 December 2019	Percentage Growth year to 31 December 2020	Percentage Growth year to 31 December 2021	Percentage Growth year to 31 December 2022	Percentage Growth year to 31 December 2023
6.75%	6.40%	5.43%	-8.99%	5.43%

**Launch Date: 25 November 2013****WAY Global Cautious Portfolio Fund - Class T Pounds Sterling (£) Income shares**

Percentage Growth year to 31 December 2019	Percentage Growth year to 31 December 2020	Percentage Growth year to 31 December 2021	Percentage Growth year to 31 December 2022	Percentage Growth year to 31 December 2023
6.43%	6.08%	5.12%	-9.27%	-5.12%

**Launch Date: 15 January 2013**

**WAY Global Cautious Portfolio Fund – Target Benchmark: IA Mixed Investment 0-35% Shares sector**

Percentage Growth year to 31 December 2019	Percentage Growth year to 31 December 2020	Percentage Growth year to 31 December 2021	Percentage Growth year to 31 December 2022	Percentage Growth year to 31 December 2023
8.70%	3.90%	2.84%	-10.87%	5.97%

**Investors and potential investors should note the following statements:**

The figures shown above reflect the past performance of the Funds and not a projection of the future performance. You should note that the price of shares, and the income from them, can go down as well as up as a result of changes in the value of the underlying securities and currency movements. You may not get back the amount originally invested.

Past performance is not necessarily a guide to future investment returns.

*Source of all data: FE Analytics*

## APPENDIX 2

### ELIGIBLE SECURITIES MARKETS

The Fund may deal through securities and derivative markets which are regulated markets and meet the requirements for Eligible Markets as set out in COLL 5.2.10 which includes any market which is regulated, operates regularly and is open to the public located in the UK or an EEA State\*.

\*Austria, Belgium, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden.

Detailed below are the additional eligible markets on which the Fund is currently permitted to deal:

<b>For approved securities</b>	
<b>Country</b>	<b>Market</b>
Australia	Australian Securities Exchange (ASX)
Canada	Montreal Exchange Toronto Stock Exchange
Hong Kong	The Stock Exchange Of Hong Kong
Japan	Osaka Exchange Tokyo Stock Exchange
Korea	Korea Exchange (KOSDAQ)
Mexico	Bolsa Mexicana de Valores
New Zealand	New Zealand Exchange Ltd
Singapore	Singapore Exchange (SGX)
South Africa	Johannesburg Stock Exchange
Switzerland	SIX Swiss Exchange
Thailand	The Stock Exchange of Thailand
United States of America	Chicago Stock Exchange ICE Futures U.S. NASDAQ NYSE American NASDAQ BX NYSE National NASDAQ PHLX New York Stock Exchange (NYSE)