

**LIONTRUST INVESTMENT FUNDS III**

(An open-ended investment company incorporated with limited liability and registered in England and Wales under registered number IC000216)



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

Liontrust Fund Partners LLP, 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. Liontrust Fund Partners LLP accepts responsibility accordingly.

This document constitutes the Prospectus for Liontrust Investment Funds III which has been prepared in accordance with the Collective Investment Schemes Sourcebook.

This Prospectus is dated, and is valid as at, 3 November 2023.

Copies of this Prospectus have been sent to the Financial Conduct Authority and the Depositary.

## CONTENTS

SECTION	PAGE
IMPORTANT INFORMATION .....	1
DEFINITIONS .....	3

### PART 1

#### GENERAL INFORMATION CONCERNING THE COMPANY

1.	PARTIES .....	9
1.1	Regulatory Status .....	9
1.2	The Company .....	9
1.3	The ACD .....	9
1.4	The Depositary .....	11
1.5	The Investment Manager .....	14
1.6	The Registrar and Administrator .....	15
1.7	The Fund Accountant .....	15
1.8	The Auditor .....	15
2.	CHARACTERISTICS OF SHARES; RIGHTS ATTACHING TO SHARES; SHAREHOLDERS' MEETINGS; WINDING-UP, AMALGAMATION, RECONSTRUCTION AND TERMINATION.....	17
2.1	Characteristics of Shares .....	17
2.2	Types of Share .....	17
2.3	Smaller and larger denomination Shares.....	17
2.4	Meetings of Shareholders .....	18
2.5	Winding-up, termination, amalgamation and reconstruction .....	19
3.	VALUATION OF FUND PROPERTY AND PRICING OF AND DEALING IN SHARES.....	22
3.1	Valuation of Fund Property.....	22
3.2	Grouping for equalisation .....	25
3.3	Minimum investment and holding .....	26
3.4	Issue and redemption of Shares .....	26
3.5	Restrictions and compulsory transfer and redemption.....	33
3.6	Transfers.....	34
3.7	Right to withdraw .....	35

3.8	Limited issue .....	35
3.9	Suspension of issues and redemptions.....	35
3.10	Title to Shares and certificates.....	35
4.	CHARGES AND EXPENSES.....	36
4.1	Initial Charge .....	36
4.2	Ongoing Charges Figure .....	36
4.3	Annual Management Charge .....	36
4.4	Charges payable by the ACD from the Annual Management Charge and Performance Fee .....	36
4.5	Performance Fee .....	37
4.6	Large net creation or cancellation of shares .....	40
4.7	Exit Charge .....	41
4.8	VAT .....	41
4.9	Modification of Rates.....	42
4.10	Costs and expenses .....	42
4.11	Right to charge additional costs and expenses on notice .....	43
4.12	Allocation of charges and expenses between Funds.....	44
5.	TAXATION.....	45
5.1	Taxation of the Company.....	45
5.2	Taxation of a Shareholder in the Company .....	45
5.3	International tax reporting .....	47
6.	ACCOUNTS AND REPORTS; INCOME DISTRIBUTION.....	49
6.1	Annual and half-yearly reports .....	49
6.2	Distribution of income .....	49
7.	GENERAL AND MISCELLANEOUS.....	49
7.1	Material interests.....	49
7.2	Investing in Shares through the services of a financial adviser.....	49
7.3	Property .....	50
7.4	Risk factors .....	50
7.5	Profile of Typical Investor .....	55
7.6	Best Execution.....	57
7.7	Research Costs .....	57
7.8	Telephone Recording.....	58

7.9	Voting Rights .....	58
7.10	Historic Performance .....	58
7.11	Inspection of documents and supply of copies .....	63
7.12	Material Contracts .....	63
7.13	Investment powers and safeguards.....	63
7.14	Notices to shareholders.....	63
7.15	Provision of Investment Advice.....	63
7.16	Complaints.....	63
7.17	Benchmarks Regulation .....	64
7.18	Value Assessment .....	64

**PART 2**  
**INVESTMENT AND BORROWING POWERS**

1.	INTRODUCTION .....	65
2.	GENERAL POWERS OF INVESTMENT IN TRANSFERABLE SECURITIES .....	65
2.1	What is a “transferable security”? .....	65
2.2	General provisions as to investment in transferable securities.....	65
3.	INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES .....	68
3.1	Units in other collective investment schemes: generally .....	68
3.2	Units in collective investment schemes managed by the ACD or an associate.....	68
4.	DERIVATIVES AND FORWARD TRANSACTIONS.....	69
5.	FURTHER GENERAL INVESTMENT AND BORROWING POWERS ...	71
5.1	Stock lending .....	71
5.2	Borrowing powers.....	71
5.3	Power to hold cash etc.....	72
5.4	Placing and underwriting exposure .....	72
6.	LISTING ARRANGEMENTS .....	72
7.	ELIGIBLE MARKETS .....	72

## **APPENDICES**

### **PARTICULARS OF THE FUNDS**

1.	Liontrust UK Equity Fund .....	74
2.	Liontrust UK Focus Fund .....	78
3.	Liontrust Institutional UK Small Cap Fund .....	82
4.	Liontrust Tortoise Fund .....	85
5.	Liontrust UK Equity Income Fund .....	94
6.	Liontrust Global Equity Fund.....	98
7.	Liontrust Global Focus Fund .....	101

### **SUB-CUSTODIANS**

8.	List of Sub-Custodians.....	104
----	-----------------------------	-----

### **LIST OF AUTHORISED COLLECTIVE INVESTMENT SCHEMES**

9.	List of other authorised collective investment schemes operated by the ACD.....	120
----	---	-----

## IMPORTANT INFORMATION

This Prospectus relates to a continuing offer of the Shares in each Fund of the Company. Investors should be aware that information in this Prospectus is generic in nature, and there may be specific reasons why investing in the Shares would not be in the interests of a particular prospective investor. Investors are encouraged to seek appropriate advice prior to investing in the Shares.

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 this Prospectus and, if given or made, such information or representations must not be relied upon as having been made by the Company or the ACD. The delivery of this Prospectus (whether or not accompanied by any reports) or the 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 contains three sections: Part 1 (*General Information concerning the Company*) contains generic information concerning the Company; Part 2 (*Investment and borrowing powers*) contains a description of the investment and borrowing powers of the Company; and the Appendices contain specific information in relation to each Fund (for example, their investment objectives and the Annual Management Charges applicable to each of them).

**You should remember that past performance is no guarantee of future returns. The price and value of Shares and the amount of income from them can go down as well as up. You may not get back the amount that you originally invested. An investment in any Fund promoted by the Company should be seen as medium to long term. Before investing, you should consider carefully whether the investment is appropriate for you and, if in doubt, you should take independent advice. A summary of the risk factors pertinent to investing in a Fund appears in Paragraph 7.4 (Risk factors) of Part 1.**

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.

The provisions of the Instrument are binding on each of the Shareholders and a copy of the Instrument is available on request from Liontrust Fund Partners LLP.

This Prospectus has been issued for the purpose of section 21, FSMA by Liontrust Fund Partners LLP.

The distribution of this Prospectus in certain jurisdictions may require that this Prospectus is translated into the official language of those jurisdictions. Should any inconsistency arise between the translated version and the English version, the English version shall prevail.

This Prospectus is based on information, law and practice at the date hereof. The Company and ACD cannot be bound by an out- of-date prospectus when a new version has been issued and investors should check with your financial adviser or Liontrust Fund Partners LLP that this is the most recently published prospectus.

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

### Selling Restrictions

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be prohibited or restricted. Persons into whose possession this Prospectus comes are required by the Company to inform themselves about and to observe any such prohibitions or restrictions.

This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not permitted authorised or to any person to whom it would be unlawful to make such offer or solicitation or who is prohibited by applicable laws from subscribing for Shares.

The Shares have not been and will not be registered in the United States of America under any applicable federal or state legislation. The Company and the ACD have not been and will not be registered in the United States of America under any applicable legislation.

The Shares may not be directly or indirectly offered or sold in the United States or to the account or benefit of any US Person or purchased or held by or for U.S. Persons unless the Company determines (i) the transaction is permitted under an exemption available under the securities laws of the United States and (ii) the relevant Fund and the Company continue to be entitled to an exemption from registration as an investment company under the securities laws of the United States and in the opinion of the Company the holding of Shares by a US Person will not result in any adverse consequences for the Company or its Shareholders.



## DEFINITIONS

In this document (including the Appendices), the following standard terms and abbreviations are used from time to time, and they shall have the meanings given to them here:

**“ACD”** means Authorised Corporate Director and is Liontrust Fund Partners LLP;

**“ACD Agreement”** means the Authorised Corporate Director Agreement dated 1 October 2022 between the Company and the ACD (as amended from time to time) under which the ACD is appointed to manage and administer the affairs of the Company;

**“Annual Management Charge”** means in relation to each Fund the annual management charge payable to the ACD as set out in the Appendix for that Fund under the ACD Agreement;

**“Appendices”** means the particulars of each Fund, the list of sub-custodians and the list of other authorised collective investment schemes operated by the ACD as set out in the back of this Prospectus and **“Appendix”** shall be construed accordingly;

**“Approved Bank”** means one of certain approved banks as defined in the glossary of definitions to the FCA Handbook;

**“Associate”** means any other person whose business or domestic relationship with the ACD or the ACD’s Associate might reasonably be expected to give rise to a community of interest between them which may involve a conflict of interest in dealings with third parties;

**“Auditor”** means KPMG LLP, or such other entity as is appointed from time to time to act as auditor to the Company;

**“Base Currency”** means in relation to any Fund such currency as is specified in the Appendices;

**“Benchmark”** shall have the same meaning as in the Benchmarks Regulation;

**“Benchmarks Register”** means the public register of administrators and Benchmarks required under the BMR to be established and maintained by the European Securities and Markets Authority;

**“Benchmarks Regulation”** and **“BMR”** means Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds;

**“Business Day”** means any day (apart from Saturdays, Sundays and public holidays in the UK or any part of it) on which banks are ordinarily open for business;

**“CFDs”** means contracts for differences;

**“Class”** means a class of Shares issued by the Company in respect of a Fund;

**“Class Meeting”** means a meeting of Shareholders of a given Class;

**“COLL”** refers to the appropriate chapter or rule in the COLL Sourcebook;

**“the COLL Sourcebook”** means the Collective Investment Schemes Sourcebook issued by the FCA as amended from time to time;

**“Company”** means Liontrust Investment Funds III;

**“Company Meeting”** means a meeting of Shareholders in the Company which has been convened in accordance with the Sourcebook;

**“Conversion”** means an exchange of Shares in one Class in a Fund for Shares of another Class in the same Fund and **“Convert”** shall be construed accordingly;

**“Dealing Day”** means in respect of each Fund each Business Day as is specified in the Appendix for the relevant Fund provided there is one Dealing Day for each Fund per fortnight;

**“Dealing Deadline”** means in relation to applications for subscriptions, redemptions or exchanges of Shares in a Fund, the date and time specified in the Appendix for the relevant Fund;

**“Depository”** means The Bank of New York Mellon (International) Limited or such other entity as is appointed from time to time to act as depository of the Company;

**“Depository Agreement”** means the Depository Agreement between the ACD, the Company and the Depository dated 11 June 2022 (as amended from time to time) under which the Depository has been appointed to act as depository of the Company;

**“Derivative”** shall have the same meaning as in the Sourcebook;

**“Director” or “Directors”** means the directors of the Company from time to time (including the ACD);

**“EEA State”** means a member state of the European Union and any other state which is within the European Economic Area;

**“EEA UCITS Scheme”** a collective investment scheme established in accordance with the UCITS Directive in an EEA State;

**“Efficient Portfolio Management” or “EPM”** means for the purposes of this Prospectus, an investment technique where derivatives are used for one or more of the following purposes: reduction of risk, reduction of costs or the generation of additional capital or income for the Company with a risk level which is consistent with the risk profile of the Company and the risk diversification rules laid down in COLL;

**“Eligible Institution”** means one of certain eligible institutions as defined in the glossary of definitions to the FCA Handbook;

**“Emerging Markets”** unless defined differently for a Funds or other requirement in this Prospectus, an emerging market is a country with a less established financial market and investor protections, including many countries in Africa, Asia, Eastern Europe, Latin America and the Middle East;

**“EMIR”** the [UK](#) version of Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories, which is part of [UK](#) law by virtue of the [EUWA](#), sometimes referred to as the "European Markets Infrastructure Regulation" as amended by Regulation (EU) 2019/834 of the European Parliament and of the

Council of 20 May 2019;

“**EUWA**” the European Union (Withdrawal) Act 2018;

“**Exit Charge**” means in relation to each Fund a charge (if any) for redeeming any Shares;

“**Extraordinary Resolution**” means a resolution which is put to a Meeting, and which requires the approval of at least 75% of all the votes cast for and against it in order to be passed;

“**FATCA**” the Foreign Account Tax Compliance Act (US);

“**the FCA**” means The Financial Conduct Authority of 12 Endeavour Square, London E20 1JN or any successor or replacement authority responsible for regulating the Company and the ACD;

“**the FCA Glossary**” means the glossary which forms part of the Handbook published by the FCA;

“**the FCA Handbook**” the FCA Handbook of Rules and Guidance, as amended from time to time;

“**the Financial Services Register**” means the public record, as required by section 347 of the Financial Services and Markets Act 2000 (The public record) of every:

- (a) authorised person;
- (b) AUT;
- (c) ICVC;
- (d) ACS;
- (e) recognised scheme;
- (f) recognised investment exchange;
- (g) individual to whom a prohibition order relates;
- (h) approved person; and
- (i) person within such other class (if any) as the FCA may determine;

except as provided by any transitional provisions;

“**FSMA**” means the Financial Services and Markets Act 2000, and as in the future amended or replaced by new legislation;

“**Fund**” means a sub-fund, comprised within the Company, with its own investment objectives (as set out in Appendices of this Prospectus);

**“Fund Accountant”** means The Bank of New York Mellon (International) Limited or such other entity as is appointed to provide fund accounting services;

**“Fund Property”** means in relation to a Fund that part of the Scheme Property attributable to that Fund;

**“Home State”** as defined in the glossary of definitions to the FCA Handbook;

**“ICVC”** means an investment company with variable capital;

**“Initial Charge”** means in relation to each Fund a charge (if any) for purchasing any Shares;

**“Instrument”** means the Company's Instrument of Incorporation as amended from time to time;

**“Investment Manager”** means Liontrust Investment Partners LLP, the investment manager to the ACD in respect of the Company and each Fund;

**“IOSCO”** means the International Organisation of Securities Commissions;

**“KIID”** means the Key Investor Information Document (a "KIID") published by the Company for each Share Class of each Fund which contains the information to help investors understand the nature and the risks of investing in the Fund. A KIID must be provided to investors prior to subscribing for Shares so they can make an informed decision about whether to invest;

**“Meeting”** means a Company Meeting or a Class Meeting, as the context requires;

**“NAV”** means in respect of a Fund its net asset value;

**“NAV per Share”** means in respect of a Fund its NAV divided by the number of Shares in issue;

**“OEIC Regulations”** means the Open-Ended Investment Companies Regulations 2001 as amended or re-enacted from time to time;

**“Ongoing Charges Figure”** means a single percentage figure used to show the total annual operating costs taken from the assets of the relevant Fund over the year, and based on the figures for the preceding year, including the Annual Management Charge, registration fees, the Depositary's periodic charge, custody fees and the Auditor's fees, but excluding any initial charge, redemption charge, brokerage charges, taxes or other dealing costs incurred in respect of the Fund's Scheme Property;

**“Ordinary Resolution”** means a resolution which is put to a Meeting, and which requires the approval of a simple majority of all the votes cast for and against it in order to be passed;

**“OTC”** means an over-the-counter derivative: a derivative transaction which is not traded on an investment exchange;

**“PRN”** the product reference number assigned by the FCA to identify each Fund;

**“Register”** means the register of Shareholders of the Company maintained by the Registrar and Administrator in accordance with chapter 6.4 of the Sourcebook;

**“Registrar and Administrator”** means The Bank of New York Mellon (International) Limited ;

**“Regulated Activities Order”** the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544);

**“Regulations”** means the ICVC Regulations and the Sourcebook;

**“Scheme Property”** means the property of the Company;

**“Securities Act”** means the United States Securities Act of 1933;

**“Share”** means a share issued by the Company;

**“Shareholder”** means the holder of one or more Shares;

**“Sourcebook”** means that part of the Handbook which deals with regulated collective investment schemes;

**“Sub-Custodians”** means the entities as listed in Appendix 8 to which the custody of assets in certain markets in which the Funds may invest has been delegated or sub-delegated;

**“Switch”** (as a noun) means an exchange of Shares in a Class in a Fund for Shares of a Class in another Fund and **“Switch”** (as a verb) shall be construed accordingly;

**“The International Tax Compliance Regulations”** – means 2015 (SI 878/2015) implementing obligations arising under the following agreements and arrangements: the Multilateral Competent Authority Agreement on the Automatic exchange of Financial Account Information signed by the government of the UK on 29<sup>th</sup> October 2014 in relation to agreements with various jurisdictions to improve international tax compliance based on the standard for automatic exchange of financial account information developed by the Organisation for Economic Co-Operation and Development (sometimes known as “the CRS”); and the agreement reached between the government of the UK and the government of the USA to improve tax compliance (sometimes known as “the Intergovernmental Agreement” or “the FATCA Agreement”);

**“UCITS Directive”** refers to Directive 2009/65/EC on the co-ordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended by Directive 2014/91/EU and which applies to EEA UCITS;

**“UK”** the United Kingdom of Great Britain and Northern Ireland;

**“UK UCITS”** as defined in the glossary of definitions to the FCA Handbook;

**“UK UCITS Rules”** the COLL Sourcebook and the Collective Investment Schemes (Amendment etc) (EU Exit) Regulations 2019 No.325;

**“US” or “United States”** the United States of America (including the States and the District of Columbia) and any of its territories, possessions and other areas subject to its jurisdiction;

**“US Person”** a person who falls within the definition of “US Person” as defined in rule 902 of regulation S of the United States Securities Act 1933 and shall include additionally any person that is not a "Non-United States Person" within the meaning of United States Commodity Futures Trading Commission Regulation 4.7;

For the purposes of the explanations with regard to FATCA in this Prospectus, US Person shall have the meaning as set out in the FATCA provisions;

**“Valuation Point”** means in relation to a Fund the point in time by reference to which the NAV and the NAV per Share are calculated as is specified in the Appendix for that Fund; and

**“VAT”** means Value Added Tax.

Other words and expressions contained in this Prospectus but not defined herein shall have the meanings ascribed to them in the FCA Glossary.

As regards the UK and any entity or person in the UK, references to Directives and Regulations of the European Union shall also, where the context requires, be read and construed after the UK shall have left the European Union as referring to the relevant UK legislation and/or regulation domesticating the Directive or Regulation into UK law.

## **PART 1**

### **GENERAL INFORMATION CONCERNING THE COMPANY**

#### **1. PARTIES**

##### **1.1 Regulatory status**

The ACD and the Investment Manager are authorised and regulated by the Financial Conduct Authority of 12 Endeavour Square, London E20 1JN.

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

##### **1.2 The Company**

###### **General**

The Company is an ICVC incorporated in England under registered number IC000216. The Company was authorised by an order made by the Financial Services Authority (as predecessor of the FCA) on 12 March 2003. The FCA's Product Reference Number ("**PRN**") for the Company is 407798. The PRN of each Fund is set out in the Appendix for that Fund. The Company has an unlimited duration.

For the purposes of the Sourcebook, the Company is a UK UCITS and an umbrella company as defined in the ICVC Regulations with power to issue different Classes of Shares in relation to different Funds. The Company's operation is governed by the Regulations, the Instrument and this Prospectus.

Shareholders are not liable for the debts of the Company. A Shareholder is not liable to make any further payment to the Company after they have paid the price on purchase of the Shares.

The ACD is also the manager of certain authorised unit trusts and ICVCs as set out in Appendix 9 (*List of other authorised collective investment schemes operated by the ACD*).

###### **Head office and address for service**

The head office of the Company is at 2 Savoy Court, London WC2R 0EZ, which is the address of the place in the UK for service on the Company of notices or other documents required or authorised to be served on it.

###### **Base currency of the Company and Share capital**

The Company's base currency is Sterling. Its minimum permitted capital is £100 and its maximum permitted capital is £100,000,000,000.

##### **1.3 The ACD**

###### **General**

The Funds ACD is Liontrust Fund Partners LLP which is a limited liability partnership incorporated in England and Wales. It is an indirect subsidiary of Liontrust Asset Management PLC, a public company limited by shares, incorporated in England and Wales.

The members of the ACD are:

I Chimes  
S R L Corebett

S J J Hildrey  
J S Ions  
M F Kearney  
M A Keogh  
A C Morrison  
C Prince  
Liontrust Asset Management Plc  
Liontrust Investment Funds Limited

Where any such activities give rise to a potential conflict with the business of the ACD these are appropriately disclosed. Any material conflicts are managed appropriately and reviewed regularly.

No member is engaged in any significant business activity not connected with the business of the ACD or other subsidiaries of Liontrust Asset Management Plc.

**Registered Office:** 2 Savoy Court, London, WC2R 0EZ.

**Principal Place of Business:** 2 Savoy Court, London, WC2R 0EZ.

**Share Capital:** It has a share capital of £3,050,000 issued and paid up

**Ultimate Holding Company:** Liontrust Asset Management Plc, a company incorporated in the United Kingdom and listed on the London Stock Exchange.

The ACD is responsible for managing and administering the Company's affairs in compliance with the COLL Sourcebook. The ACD may delegate its management and administration functions, but not responsibility, to third parties, including Associates subject to the rules in the COLL Sourcebook.

It has delegated to the Investment Manager the function of managing and acting as the investment adviser for the investment and reinvestment of the assets of the Funds (as further explained in Paragraph 1.5 (*The Investment Manager*) below). It has also delegated to the Registrar and Administrator certain functions relating to the Register and administration of the Company and each Fund (as further explained in paragraph 1.6 (*Registrar and Administrator*) below).

The ACD is required to have a Remuneration Code relating to the way in which it remunerates its staff. The Remuneration Code is designed to ensure that firms have risk-focused remuneration policies which are consistent with and promote effective risk management and do not expose the ACD or the funds it operates to excessive risk.

Full details of the Remuneration Code are available on the website of the ACD: [www.liontrust.co.uk](http://www.liontrust.co.uk). This sets out a description of how remuneration and benefits are calculated and the identities of persons responsible for awarding the remuneration and benefits. A paper copy of that website information will be made available free of charge on request from the ACD.

### **Terms of Appointment**

The appointment of the ACD has been made under the ACD Agreement between the Company and the ACD, as amended from time to time.

Pursuant to the ACD Agreement, the ACD manages and administers the affairs of the Company in accordance with the Regulations, the Instrument and this Prospectus. The ACD Agreement incorporates



detailed provisions relating to the ACD's responsibilities. Copies of the ACD Agreement are available on request.

The ACD Agreement may be terminated by either party on not less than 6 months' written notice or earlier upon the happening of certain specified events. The ACD Agreement contains detailed provisions relating to the responsibilities of the ACD and excludes it from any liability to the Company or any Shareholder for any act or omission except in the case of negligence, wilful default, breach of duty or breach of trust in relation to the Company on its part. The ACD Agreement provides indemnities to the ACD to the extent allowed by the Regulations and other than for matters arising by reason of its negligence, wilful default, breach of duty or breach of trust in the performance of its duties and obligations. Subject to certain limited exceptions set out in the Regulations, the ACD may retain the services of any person to assist it in the performance of its functions.

Details of the fees payable to the ACD are set out in Section 4 (*Charges and expenses*).

The Company has no directors other than the ACD. The ACD is the manager of certain authorised unit trusts and open-ended investment companies details of which are set out in Appendix 9 (*List of other collective investment schemes operated by the ACD*).

## 1.4 The Depositary

### General

The Depositary of the Company is The Bank of New York Mellon (International) Limited (registered no. 03236121).

The Depositary has been appointed to act as depositary for the purposes of the Company being a UK UCITS.

The Depositary is a private company limited by shares incorporated in England and Wales on 9 August 1996. Its ultimate holding company is The Bank of New York Mellon Corporation, a public company incorporated in the United States.

The registered and head office of the Depositary is at 160 Queen Victoria Street, London, EC4V 4LA. The Depositary is authorised by the Prudential Regulation Authority and is dual-regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

### Duties of the Depositary

The Depositary is responsible for the safekeeping of the Scheme Property, monitoring the cash flows of the Company, and must ensure that certain processes carried out by the ACD are performed in accordance with the Regulations, the Instrument and the Prospectus.

### Delegation of Safekeeping Functions

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

The Depositary has delegated safekeeping of the Scheme Property to The Bank of New York Mellon SA/NV and The Bank of New York Mellon (the "**Global Sub-Custodian(s)**"). In turn, the Global SubCustodian(s) has/have sub-delegated the custody of assets in certain markets in which the Company may invest to various sub-delegates ("**Sub-Custodians**").

A list of Sub-Custodians is given in Appendix 8 (*Sub-Custodians*). Investors should note that, except in the event of material changes requiring a prompt update of this Prospectus, the list of Sub-Custodians is updated only at each Prospectus review.

### **Updated Information**

Up-to-date information regarding the Depositary, its duties, the delegation of its safekeeping functions and its conflicts of interest will be made available to Shareholders on request.

### **Terms of Appointment**

Under the UCITS Directive the appointment of the Depositary must be evidenced by a written contract. The Depositary is appointed as depositary of the Company under an agreement entered into between the ACD, the Company and the Depositary dated 11 June 2022, pursuant to which the ACD and the Depositary agree to carry out various functions in order to comply with, and facilitate compliance with, the requirements of the Regulations.

The Depositary will be remunerated by the ACD out of its Annual Management Charge from the Funds as explained in Paragraph 4.3 (*Charges payable by the ACD from the Annual Management Charge and Performance Fee*) below.

### **Conflicts of Interest**

For the purposes of this section, the following definitions shall apply:

**“Link”** means a situation in which two or more natural or legal persons are either linked by a direct or indirect holding in an undertaking which represents 10% or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of the undertaking in which that holding subsists.

**“Group Link”** means a situation in which two or more undertakings or entities belong to the same group within the meaning of section 399 of the Companies Act 2006, Article 2(11) of Directive 2013/34/EU or international accounting standards adopted in accordance with Regulation (EC) No. 1606/2002.

#### *The Company, ACD, Depositary and Shareholders*

The following conflicts of interests may arise between the Depositary, the Company and the ACD:

A Group Link where the ACD has delegated certain administrative functions including but not limited to fund accounting and transfer agency, to the Depositary or another entity within the same corporate group as the Depositary.

The Depositary shall ensure that policies and procedures are in place to identify all conflicts of interests arising from such Group Links and shall take all reasonable steps to avoid such conflicts of interests. Where such conflicts of interests cannot be avoided, the Depositary and the ACD will ensure that such conflicts of interests are managed, monitored and disclosed in order to prevent adverse effects on the interests of each Fund and its Shareholders.

To the extent that a link exists between the Depositary and any Shareholders in a Fund, the Depositary shall take all reasonable steps to avoid conflicts of interests arising from such Link, and ensure that it complies with the applicable regulations for a UK UCITS.

### **Depositary conflicts of interest**

The Depositary or any BNY Mellon Affiliates may have an interest, relationship or arrangement that is in conflict with or otherwise material in relation to the services it provides to the ACD and the Company. Conflicts of interest may also arise between the Depositary’s different clients.

As a global financial services provider, one of the Depositary's fundamental obligations is to manage conflicts of interest fairly and transparently. As a regulated business, the Depositary is required to prevent, manage and, where required, disclose information regarding any actual or potential conflict of interest incidents to relevant clients.

The Depositary is required to and does maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps designed to prevent conflicts of interest from adversely affecting the interests of its clients.

The Depositary maintains an EMEA Conflicts of Interest Policy (the "**Conflicts Policy**"). The Conflicts Policy (in conjunction with associated policies):

- (a) identifies the circumstances which constitute or may give rise to a conflict of interest entailing a risk of damage to the interests of one or more clients;
- (b) specifies the procedures or measures which should be followed or adopted by the Depositary in order to prevent or manage and report those conflicts of interest;
- (c) sets out effective procedures to prevent or control the exchange of information between persons engaged in activities involving a risk of a conflict of interest where the exchange of that information may harm the interests of one or more clients;
- (d) includes procedures to ensure the separate supervision of persons whose principal functions involve carrying out activities with or for clients and whose interests may conflict, or who otherwise represent different interests that may conflict, including with the interests of the Depositary;
- (e) includes procedures to remove any direct link between the remuneration of individuals principally engaged in one activity and the remuneration of, or revenues generated by, different individuals principally engaged in another activity, where a conflict of interest may arise in relation to those activities;
- (f) specifies measures to prevent or limit any person from exercising inappropriate influence over the way in which an individual carries out investment or ancillary services or activities; and
- (g) sets out measures to prevent or control the simultaneous or sequential involvement of an individual in separate investment or ancillary services or activities where such involvement may impair the proper management of conflicts of interest.

The Conflicts Policy clarifies that disclosure of conflicts of interest to clients is a measure of last resort to be used by the Depositary to address its regulatory obligations only where the organisational and administrative arrangements established by the relevant firm to prevent or manage its conflicts of interest are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of clients will be prevented.

The Depositary must assess and periodically review the Conflicts Policy at least once per annum and take all appropriate measures to address any deficiencies.

The Depositary undertakes that it shall make available to its competent authorities, on request, all information which it has obtained while performing its Services and which may be required by the competent authorities of the Company.

## **Delegation**

The following conflicts of interest exist as a result of the delegation arrangements relating to safekeeping outlined below:

- A Group Link where the Depositary has delegated, or where either Global Sub-Custodian has sub-delegated, the safekeeping of Scheme Property to an entity within the same corporate group as the Depositary.

The Depositary shall ensure that policies and procedures are in place to identify all conflicts of interests arising from such Group Links and shall take all reasonable steps to avoid such conflicts of interests. Where such conflicts of interests cannot be avoided, the Depositary will ensure that such conflicts of interests are managed, monitored and disclosed in order to prevent adverse effects on the interests of each Fund and its Shareholders.

The Depositary may, from time to time, act as the depositary of other open-ended investment companies with variable capital and as trustee or custodian of other collective investment schemes.

Up-to-date information stated above with regards to the Depositary will be made available to Shareholders on request.

## **1.5 The Investment Manager**

### **General**

The ACD has appointed the Investment Manager, Liontrust Investment Partners LLP (registered number OC351668) to provide investment management services to the ACD in respect of the Company. The Investment Manager is authorised and regulated by the FCA.

The Investment Manager's registered office is at 2 Savoy Court, London WC2R 0EZ.

The principal activity of the Investment Manager is investment management.

### **Terms of Appointment**

The terms of the Investment Management Agreement between the ACD and the Investment Manager include the provision of discretionary investment management to attain the investment objectives, discretion to place purchase and sale orders with regulated dealers and on the exercise of voting rights relating to such investments (in accordance with the ACD's voting strategy). The appointment of the Investment Manager may be terminated by either party upon not less than 6 months' written notice after the first anniversary of the effective date of the Investment Management Agreement and may be terminated by either party at any time in certain other circumstances.

Under the Investment Management Agreement, the ACD provides indemnities to the Investment Manager, (except in the case of any matter arising in connection with its fraud, gross negligence or wilful default). The ACD may be entitled under the indemnities in the ACD Agreement to recover from the Company amounts paid by the ACD under the indemnities in the Investment Management Agreement.

The Investment Manager will be remunerated by the ACD out of the Annual Management Charge and the Performance Fee received from the Funds as explained in Paragraph 4.3 (*Charges payable by the ACD from the Annual Management Charge and Performance Fee*) below.

The Investment Manager will not be considered as a broker fund adviser under the FCA Handbook in relation to the Company.

## 1.6 **The Registrar and Administrator**

### **General**

On behalf of the Company the ACD has also appointed the Registrar and Administrator to act as registrar of and provide administration services to the Company. In addition to maintaining the Register, the Registrar and Administrator will deal with applications for the purchase, sale and transfer of Shares and otherwise administer Share dealing services, deal with communication with Shareholders, payment of distributions (where applicable) to Shareholders and payment of fees and expenses and such other matters as may be agreed from time to time between the ACD and the Registrar and Administrator.

The registered office of the Registrar and Administrator is 160 Queen Victoria Street, London, EC4V 4LA.

### **Register of Shareholders**

The Register is kept and maintained by the Registrar and Administrator at:

The Bank of New York Mellon (International) Limited  
Capital House,  
2 Festival Square,  
Edinburgh,  
EH3 9SU

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

## 1.7 **The Fund Accountant**

The ACD has appointed The Bank of New York Mellon (International) Limited to provide fund accounting services to the Company.

The Fund Accountant is a private company limited by shares incorporated in England and Wales on 9 August 1996. Its ultimate holding company is The Bank of New York Mellon Corporation, a public company incorporated in the United States.

The registered and head office of the Fund Accountant is at 160 Queen Victoria Street, London, EC4V 4LA. The Fund Accountant is authorised by the Prudential Regulation Authority and is dual-regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

## 1.8 **The Auditor**

The auditor to the Company are KPMG LLP, whose principal office address is KPMG, 11th Floor, 15 Canada Square, Canary Wharf, London, E14 5GL. They are responsible for auditing the annual accounts of the Company and expressing an opinion on certain matters relating to the Company in the annual

report including whether its accounts have been prepared in accordance with applicable accounting standards, the Regulations and the Instrument.

## 2. CHARACTERISTICS OF SHARES; RIGHTS ATTACHING TO SHARES; SHAREHOLDERS' MEETINGS; WINDING-UP, AMALGAMATION, RECONSTRUCTION AND TERMINATION

### 2.1 Characteristics of Shares

A Share is a division of the Company's capital. The holder of a Share is entitled to participate in the Fund Property and the income of the Fund which it represents, in proportion to the value of that Share. However Shareholders do not have rights in respect of any specific property or assets of the Company or of any Fund. Shareholders do not, for example, have the right to vote at any meeting called by a company or other vehicle whose securities are included within the portfolio of a Fund. The ACD shall exclusively be entitled to direct the manner in which votes and other rights attaching to such securities are exercised.

As an umbrella company, the Company's different Funds are treated in law as being parts of a single legal entity, even though each Fund pursues a separate investment objective. The assets of a Fund belong exclusively to that Fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the Company, or any other Fund, and shall not be available for any such purpose. Shareholders are not liable for the debts of the Company and are not obliged to contribute towards the assets of the Company (or of any Fund) in any amount in excess of the price which they have agreed to pay for their Shares.

### 2.2 Types of Share

Broadly, the Sourcebook permits an ICVC to issue different classes of Share. The classes of Share that may be issued by the Company are as follows:

- (a) **"Accumulation Shares"**- an Accumulation Share is one in respect of which income is not distributed, but is instead periodically capitalised, increasing the capital value of the Share. As a matter of UK tax law, the income accumulated into the value of an Accumulation Share is deemed to be distributed and the Shareholder is taxed upon the income which they are deemed to have received. Further details of the taxation of the Company and of Shareholders is set out in Paragraph 5 (*Taxation*) of Part 1.
- (b) **"Income Shares"**- an Income Share is one in respect of which income is distributed to the Shareholder on a periodic basis.

The Company only issues Accumulation Shares and Income Shares (as detailed in the Appendices) which are net Accumulation Shares or net Income Shares, as the case may be. The Company has power to issue gross Accumulation Shares and gross Income Shares but has no current intention to do so.

### 2.3 Smaller and larger denomination Shares

Each Fund will issue so-called **"smaller denomination"** Shares to each investor who subscribes for Shares with a sum of money that is not precisely equal to a whole number of **"larger denomination"** (i.e. regular) Shares, in order to make up the difference because an ICVC cannot issue fractions of shares. There are 1,000 smaller denomination Shares to each larger denomination Share. In all respects other than relative value, smaller and larger denomination Shares entitle Shareholders to equivalent proportionate rights in the Fund Property.

The Appendices provide details of the Classes of Shares currently issued by the Company, together with specific details of the charging structures applicable.

## 2.4 Meetings of Shareholders

### (a) Powers of a Company Meeting

The powers of a Company Meeting are restricted to the following:

- (i) approval of an Extraordinary Resolution for the purpose of making a change in the Company's investment objective;
- (ii) approval of an Ordinary Resolution to remove the ACD;
- (iii) approval of a change to the currency in which the accounts of the Company are prepared;
- (iv) approval of an Extraordinary Resolution for (i) the amalgamation of the Company with another single ICVC or other recognised collective investment scheme; or (ii) the reconstruction of the Company so as to constitute two or more ICVCs or other recognised collective investment schemes; and
- (v) any other matters for which the approval of the Shareholders is required under the Sourcebook or the ICVC Regulations.

The ACD has elected in accordance with the ICVC Regulations to dispense with annual general meetings. This election is valid for all annual general meetings after that which was held in June 2005.

Apart from the above, Company Meetings have no further powers.

### (b) Convening a Company Meeting and service of notice

The ACD may convene a Company Meeting, and shall do so if required to do so by the Depositary or by a requisition from Shareholders representing at least 10% in value of all Shares for the time being in issue. Notice of at least 14 days must be given in respect of a Company Meeting (which period includes the date on which the Notice was posted and the date of the Company Meeting itself). The notice is required to be sent to all persons who were Shareholders as of seven days prior to the date of issue of the notice (other than where any such person is known to have ceased to be a Shareholder during those intervening seven days). The notice must state the time and place for the Company Meeting. The text of any Ordinary Resolution(s) and/or Extraordinary Resolution(s) to be proposed at the Company Meeting must appear in the Notice.

### (c) Quorum and representation

The quorum for a Company Meeting is two Shareholders present, in person or by proxy. A proxy for a Shareholder need not himself be a Shareholder. A Shareholder that is a legal person (such as a company) may appoint a natural person as its representative to attend the Company Meeting. Where a quorum is not present at a Company Meeting within 15 minutes of the time appointed for it to commence, it shall be adjourned (or where the Company Meeting has been convened upon the requisition of Shareholders, dissolved). At least 14 days' notice of the time and place for the reconvention of an adjourned Company Meeting shall be given to Shareholders (including the date of service of the notice and the date of the reconvened Company Meeting). At the reconvened Company Meeting, those Shareholders present in person or by proxy, irrespective of their number, shall constitute a quorum.



(d) Voting

Those entitled to receive notice of a Company Meeting (see above) are entitled to vote at it. Votes may be counted at a Company Meeting on a show of hands, though more commonly a poll is demanded. A poll may be demanded by the Chairman of the Company Meeting, the Depositary or two Shareholders present in person or by proxy. On a show of hands each Shareholder present in person or by proxy or (in the case of a Shareholder which is a corporation) represented by an authorised representative shall have one vote (irrespective of the number or value of their Shares). On a poll, each Shareholder (whether present in person or by proxy) shall have one vote for every unit of value in the Company represented by the Shares which they hold (smaller denomination Shares representing 0.001 of a unit of value for these purposes). Where two or more persons are jointly registered as Shareholders, the vote of the first named Shareholder (or their proxy) as shown in the Register shall be accepted to the exclusion of the other joint holder(s).

(e) Class Meetings

A Class Meeting shall have power to consider an Extraordinary Resolution proposed for the purpose of amending the investment objectives of that Class. In general, rights which are specific to a given Class cannot be varied other than with the sanction of the holders of Shares of that Class, given through the passing of an appropriate form of resolution considered at a Class Meeting. The description given above for the giving of notice, conduct of the Meeting, quorum, voting and adjournment apply (modified as necessary) to Class Meetings.

(f) Rights of the ACD and its associates

The ACD may attend any Meeting, but is not entitled to count in the quorum, nor to vote in respect of any Shares to which it is beneficially entitled (for the purpose of Meetings attended by the ACD, such Shares are treated as not being in issue). Associates of the ACD may attend and be counted in the quorum for a Meeting, but are subject to the same restrictions as the ACD with respect to voting. The ACD and associates of the ACD may exercise votes at Meetings in respect of Shares which they hold beneficially for third parties from whom they have received appropriate voting instructions.

## 2.5 **Winding-up, termination, amalgamation and reconstruction**

(a) When the Company may be wound up

The Company as a whole may be wound up under the terms of the Sourcebook, or as an unregistered company pursuant to Part V Insolvency Act 1986. Winding-up pursuant to the Sourcebook will take place upon:

- (i) the passing of an Extraordinary Resolution of the Company:
  - a) approving the amalgamation of the Company with another regulated collective investment scheme or its reconstruction; or
  - b) sanctioning the winding-up of the Company; or
- (ii) the FCA agreeing to a request received from the ACD seeking a revocation of the Company's authorisation order,

and in either case the ACD has filed with the FCA a solvency statement stating that the liabilities of the Company will be met within 12 months of the date of such statement.

(b) Winding-up arrangements

On the occurrence of any of the above:

- (i) Rule 6.2 (*Dealing*), Rule 6.3 (*Valuation and pricing*) and Chapter 5 (*Investment and borrowing powers*) of the Sourcebook will cease to apply to the Company or the particular Fund;
- (ii) the Company will cease to issue and cancel Shares in the Company or the particular Fund and the ACD shall cease to sell or redeem Shares or arrange for the Company to issue or cancel them for the Company or the particular Fund;
- (iii) no transfer of a Share shall be registered and no other change to the Register will be made without the sanction of the ACD;
- (iv) where the Company is being wound up, the Company will cease to carry on its business except insofar as it is beneficial for the winding-up of the Company; and
- (v) the corporate status and powers of the Company and, subject to the preceding provision of (i) and (iv) above, the powers of the ACD will remain until the Company is dissolved.

The ACD shall, as soon as practicable after the Company falls to be wound up, administer the realisation of the Scheme Property and, after paying out all liabilities properly so payable and retaining provision for the costs of winding-up, shall direct the Depositary as to the distribution of the remaining proceeds to the Shareholders (including itself if a Shareholder) in proportion to their holdings in the Company.

If the ACD has not previously notified Shareholders of the proposal to wind-up the Company, the ACD shall, as soon as practicable after the commencement of winding-up of the Company, give written notice to Shareholders. When the ACD has caused all of the Scheme Property and all of the liabilities of the Company to be realised, the ACD will arrange for the Depositary to make a final distribution to Shareholders on or prior to the date on which the final account is sent to Shareholders of any balance remaining, in proportion to their holdings in the Company.

As soon as reasonably practicable after completion of the winding-up of the Company, the ACD will notify the FCA that it has done so.

On completion of a winding-up of the Company, the Company will be dissolved.

Following the completion of a winding-up of the Company, the ACD must prepare a final account showing how the winding-up took place and how the Scheme Property was distributed. The auditors of the Company will make a report in respect of the final account stating their opinion as to whether the final account has been properly prepared. This final account and the auditors' report must be sent to the FCA and to each Shareholder.

(c) Amalgamation or reconstruction

In the case of an amalgamation or reconstruction pursuant to which all the Scheme Property is intended to be transferred to be held subject to the terms of one or more other regulated collective investment schemes, the ACD will wind-up the Company in accordance with the terms of the amalgamation or reconstruction.

(d) Unclaimed proceeds

Any net proceeds or other cash of the winding-up of the Company unclaimed after the expiration of one month from the date on which the same became payable, will be paid by the Depositary into court (subject to the Depositary having a right to retain therefrom any expenses incurred by it in making and relating to that payment).

(e) Termination of a Fund

Termination of a Fund may occur if:

- (i) the Shareholders of the Class(es) of Share representing that Fund pass an Extraordinary Resolution:
  - a) approving the amalgamation or reconstruction of the Fund with another Fund, or with another regulated collective investment scheme (or a constituent part of such a scheme); or
  - b) sanctioning the winding-up of the Fund; or
- (ii) the FCA agrees to a request from the ACD for the termination of that Fund (which the ACD may lodge in a number of circumstances, including where the NAV of the Fund has at any time after the first anniversary of the issue of Shares in the Fund fallen below £5 million)

and in either case the ACD has filed a solvency statement concerning the liabilities of the Fund with the FCA. Upon termination, the ACD shall wind-up the Fund in broadly the same fashion as applies to the winding-up of the Company as a whole (set out above).

### 3. VALUATION OF FUND PROPERTY AND PRICING OF AND DEALING IN SHARES

#### 3.1 Valuation of Fund Property

##### (a) Valuations

The Fund Property of each Fund is valued at its Valuation Points so as to calculate the NAV of the Fund and the NAV per Share. The normal Valuation Points for each Fund are stated in the Appendices, although there may be instances where the ACD carries out an extra valuation, for example, where required to do so in accordance with the Sourcebook. The ACD may at any time during a Business Day carry out an additional valuation if it is desirable to do so. The ACD shall inform the Depositary of any decision to carry out such additional valuation. The prices at which the ACD will create and cancel Shares will be recalculated accordingly and will be notified to the Depositary. The prices of all Shares are calculated on a single pricing basis.

##### (b) Valuation bases and assumptions

The Fund Property is valued on the following bases.

- (i) Transferable securities are valued at their most recently quoted single price (or if bid and offer prices are quoted, at the arithmetic mean of these two). Units in collective investment schemes which operate on a pricing spread are valued at the mean of their most recent bid and offer prices (determined before charges are taken into account). The ACD has power to attribute what it considers to be a fair and reasonable price in the case of a security or unit for which no recent or reliable valuation or price exists.
- (ii) Other non-cash assets will be valued by the ACD on a fair and reasonable basis.
- (iii) Cash, near cash and cash deposits will be valued at their nominal values.
- (iv) Contingent liability transactions will be valued using a method agreed between the ACD and the Depositary, provided it has the following characteristics, namely that: written options will be valued net of premium receivable; off-exchange futures will be valued at the net value upon close-out; and other transactions will be valued at the net value of margin upon closing out.
- (v) Fiscal and other charges paid or payable upon acquisition or disposal of an asset shall be discounted in determining its value.
- (vi) Estimated taxes due, outstanding borrowings (and accrued interest) and other estimated liabilities are deducted.
- (vii) Estimated tax refunds or rebates due and interest due on deposits remaining unpaid are added back.
- (viii) Set-up costs will not be reimbursed out of Fund Property.
- (ix) Assets in a Fund which it has been agreed are to be sold but have not been transferred to the purchaser are deemed to have been disposed of, and assets which it has been agreed are to be acquired for a Fund but which have not yet been delivered are deemed to form part of the Fund Property, for the purposes of valuation.

(x) All instructions given to issue or redeem Shares shall be assumed to have been carried out (and any cash paid or received) whether or not this is the case.

(c) Issue and redemption prices of Shares

Shares of a given Class in each Fund are issued and redeemed at a single price, which is calculated by:

- (i) taking the proportion of the value of the Fund Property (ascertained as above) attributable to that Class; and
- (ii) dividing it by the number of Shares of that Class in issue in that Fund immediately prior to the valuation.

The price for the issue or redemption of a smaller denomination Share of any given Class will therefore be one thousandth of the price determined as above for a regular Share in that Class.

(d) Dilution adjustment

The basis on which the Company's investments are valued for the purpose of calculating the price of Shares as stipulated in COLL and the Instrument of Incorporation is summarised in the 'Valuation of Fund Property' section of this Prospectus. The actual cost of purchasing or selling the Company's investments may be higher or lower than the mid-market value used in calculating the Share price – for example, due to dealing charges, or through dealing at prices other than the mid-market price. Under certain circumstances (for example, large volumes of deals) this may have an adverse effect on the Shareholders' interest in the Company.

In order to prevent this effect, called 'dilution', the ACD has the power to make a dilution adjustment, but may only exercise this power for the purpose of reducing dilution in a Fund, or to recover any amount which it has already paid or reasonably expects to pay in the future in relation to the issue or cancellation of Shares. Any dilution adjustment charged is added to the Scheme Property and is effectively used to offset the expenses incurred through the purchase and sale of investments within a Fund. On the occasions when a dilution adjustment is not made there may be an adverse impact on the total assets of a Fund. Other expenses that may be charged in addition to any dilution adjustment are set out in the 'Charges and Expenses' section of this Prospectus.

Any decision made by the ACD on dilution adjustments must not be made for the purposes of creating a profit or avoiding a loss for the account of the ACD.

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

The calculation methodology or rate of any dilution adjustment will be reviewed on a periodic basis as determined from time to time by the ACD. The calculation methodology or rate will include estimates of the spreads between the buying and selling prices of the underlying investments, professional fees such as brokers' commissions and taxes. The rate may also include an allowance for market impact.

The estimated rates of dilution adjustment, at the date of this Prospectus, excluding any allowance for market impact, are provided below and are split between occasions when the

dilution adjustment reflects a net creation of shares (**offer basis**) and occasions where the dilution adjustment reflects a net cancellation of shares (**bid basis**).

The ACD operates a dilution adjustment policy to ensure that any dilution adjustment is applied consistently throughout the life of the relevant fund, it will be applied consistently throughout the categories of assets in which a Fund invests and that it reflects the underlying market conditions appropriately. Typically, the dilution adjustment will be applied in the following circumstances:

- (a) where a Fund is in continual decline;
- (b) where a Fund is experiencing large levels of net sales relative to its size;
- (c) where there is a net issue or cancellation of Shares in a Fund above the ACD's internal threshold which occurs in the period between one Valuation Point and the following Valuation Point, whether at the request of a single Shareholder or of a number of Shareholders;
- (d) in any other case where the ACD is of the opinion that the interests of Shareholders require the making of a dilution adjustment.

The ACD is entitled to amend at its discretion the threshold value for the purposes of letter (c) above in respect of a Fund by giving 60 days' notice to the Shareholders of the relevant Fund. It is not possible to predict accurately whether dilution is likely to occur and whether dilution adjustment will be applied in the future. However, on a historical basis for the twelve month period ended 31 December 2022, a dilution adjustment was made on the following occasions based on the following average rate agreed at each quarter:

Fund	Offer Basis		Bid Basis	
	Number of occasions	Average rate	Number of occasions	Average rate
Liontrust UK Equity Fund	0	0.0%	0	0.0%
Liontrust UK Focus Fund	0	0.0%	3	0.10%
Liontrust Institutional UK Small Cap Fund	0	0.0%	0	0.0%
Liontrust UK Equity Income Fund	0	0.0%	0	0.0%
Liontrust Tortoise Fund	1	0.18%	0	0.0%
Liontrust Global Equity Fund	0	0.0%	0	0.0%
Liontrust Global Focus Fund	1	0.08%	2	0.08%

- (e) Fair Value Pricing

Where the ACD has reasonable grounds to believe that:

- (i) no reliable price exists for a security (including a unit/share in a collective investment scheme) at a Valuation Point; or
- (ii) the most recent price available does not reflect the ACD's best estimate of the

value of the security (including a unit/share in a collective investment scheme) at the Valuation Point;

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

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

- (i) no recent trade in the security concerned; or
- (ii) suspension of dealings in the security concerned; or
- (iii) the occurrence of a significant event since the most recent closure of the market where the price of the security is taken.

In determining whether to use such a fair value price, the ACD will include in its consideration but need not be limited to:

- (i) the type of authorised fund concerned;
- (ii) the securities involved;
- (iii) whether the underlying collective investment schemes may already have applied fair value pricing;
- (iv) the basis and reliability of the alternative price used; and
- (v) the ACD's policy on the valuation of Scheme Property as disclosed in this Prospectus.

### 3.2 Grouping for equalisation

The Instrument permits grouping for equalisation. The price of a Share includes an “**equalisation amount**”, which represents the ACD's best estimate of income accrued to that Share (or to Shares of the same type) since the last annual or interim accounting date for the Fund in question. The equalisation amount, although calculated with respect to distribution of that Fund's income, is capital in nature. Therefore:

- (a) with respect to a Share issued, the equalisation amount will affect the capital value at which the Shareholder acquired it for capital gains taxation purposes; and
- (b) with respect to a Share redeemed, the equalisation amount affects the price at which the Share was redeemed for capital gains taxation purposes.

Shares purchased during an accounting period will carry an entitlement to equalisation, which is the amount arrived at on an average basis of the accrued net income per Share included in the price of Shares issued or re-issued during that accounting period. Where applicable an equalisation amount will be

included as part of any income distribution to Shareholders and represents a return of capital rather than income.

### 3.3 Minimum investment and holding

The following provisions apply in relation to minimum initial and subsequent investment in, and to redemption of, Shares in each Fund:

- (a) the Appendices prescribe minimum lump sum amounts which an investor must commit when applying to subscribe for Shares in any Fund for the first time (hereinafter referred as the “**Minimum Amount**”) not inclusive of the appropriate Initial Charge; and
- (b) other than where a Shareholder wishes to redeem their entire holding of Shares, the ACD reserves the right to refuse a Redemption Request, a Conversion Request or a Switch Request (each as defined in Paragraph 3.4 (*Issue and redemption of Shares*)) if the remaining value of the Shares held is less than the Minimum Amount for the Fund or Class in question, or would do so following implementation of the Redemption, Conversion or Switch. If the ACD refuses to process a Redemption Request, Conversion Request or Switch Request on this ground, it will notify the Shareholder as soon as is reasonably practicable after receiving that request. In this event, the ACD may require the Shareholder to redeem their entire holding in that Class of Share in the relevant Fund.

However, the ACD may, at its discretion, agree on an individual basis a lower amount in relation to minimum transaction sizes and holdings.

### 3.4 Issue and redemption of Shares

The ACD is responsible for arranging for the issue and cancellation of Shares in each Fund, which the ACD as principal sells to and redeems from investors at the price at which the Shares were issued or cancelled, as the case may be. This shall not however preclude the ACD requiring or permitting issues and cancellations of Shares direct with the Company in accordance with Sourcebook requirements. The ACD deals in Shares as principal in order to facilitate the efficient management of the Company. Any profits made where the ACD’s capital is not at risk will be returned to the Company. The ACD is not accountable to Shareholders for any profit it makes from dealing in Shares as principal where its own capital is at risk.

Each purchase and sale of Shares is made on the terms of the up-to-date version of this Prospectus applying at the time of that purchase or sale. It is the responsibility of prospective Shareholders to ensure that they have obtained the applicable version of this Prospectus and have read the applicable KIID(s) prior to each purchase of Shares. The up-to-date versions of this Prospectus and the KIIDs at any given time can be accessed at [www.liontrust.co.uk](http://www.liontrust.co.uk).

The ACD may require Shareholders to provide any relevant account opening documentation and details prior to accepting any application for the purchase of Shares. The initial purchase must, at the discretion of the ACD, be accompanied by an application form.

- (a) When can Shares be bought

The ACD will accept orders to buy Shares on any Business Day between 9.00a.m. and 5.00 p.m. Orders to buy Shares may be made in writing (including by facsimile); or, if the applicant is already a Shareholder of a Fund, by telephone; in addition, the ACD may from time to time make



arrangements to allow Shares to be bought on-line or through other communication media. Orders in writing should be sent to:

Liontrust Customer Services Team  
PO Box 373  
Darlington  
DL1 9RQ

Orders by facsimile should be sent to:

Fax: 0207 964 2562

+44 (0) 207 964 2562 if outside the UK      Orders by telephone by calling:      Tel: 0344 892 0349

(+44 (0) 203 528 4110 if outside the UK)

Applications to buy Shares will be acknowledged by a contract note, which will be issued no later than the end of the Business Day following the Valuation Point by reference to which the price is determined, together with, where appropriate, a notice of the applicant's right to cancel.

The ACD has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for Shares in whole or part and in this event the ACD will return any money sent, or the balance of such monies, at the risk of the applicant.

Any subscription monies remaining after a whole number of larger denomination Shares have been issued will not be returned to the applicant. Instead smaller denomination Shares will be issued. A smaller denomination Share is equivalent to one thousandth of a larger denomination Share.

(b) When can Shares be sold (redeemed)

The ACD will accept orders to sell Shares ("**Redemption Requests**") on any Business Day between 9.00 a.m. and 5.00 p.m.

Redemption Requests will be acknowledged by a contract note, which will normally be despatched by the close of the Business Day following execution of the Redemption Request.

Redemption Requests may be made in writing, by facsimile, by telephone; in addition, the ACD may from time to time make arrangements to allow Shares to be sold on-line or through other communication media.

If a valid coverall form of renunciation is not in place, the Redemption Request should specify the bank account which must be in the name of the Shareholder to which the sale proceeds are to be credited. If a bank account is not specified, the ACD may at its discretion accept the Redemption Request and pay the sale proceeds by cheque to the Shareholder's address on the Register.

Application forms, coverall forms of renunciation and further details are available on the ACD/Investment Manager's website ([www.liontrust.co.uk](http://www.liontrust.co.uk)) or by calling 0344892 0349 or by writing to the address above.

Redemption Requests in writing should be sent to the address stated in (a) above. Redemption Requests by facsimile should be sent to the fax number stated in (a) above.

The ACD shall not be liable for any costs or losses whatsoever in the event that documentation provided is not sufficient to enable the ACD to discharge all applicable obligations under the regulatory system including, but not limited to, The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended).

(c) Compliance with money laundering regulations and tax status

As a result of legislation in force in the UK to prevent money laundering, the ACD is responsible for compliance with anti-money laundering regulations. In order to implement these regulations, in certain circumstances investors may be asked to provide proof of identity when buying or redeeming Shares. Until satisfactory proof of identity is provided, the ACD reserves the right to refuse to enter into any transaction to issue Shares, pay the proceeds of a redemption of Shares, or pay income on Shares to the investor. In the case of a purchase of Shares where the applicant is not willing or is unable to provide the information requested (i) in the event that the investor or the investor's duly authorised agent instructs a sale of those shares the ACD may refuse to pay the proceeds of sale until satisfactory proof of identity has been provided or (ii) the ACD may sell the Shares purchased and at the ACD's sole discretion return the proceeds to the account from which the subscription was made or withhold the proceeds of sale until satisfactory evidence of identity has been provided. These proceeds may be less than the original investment.

A new corporate criminal offence came into force in the United Kingdom on 30 September 2017. The offence is broad in scope and targets the failure by a 'relevant body' to prevent a person acting on its behalf from facilitating tax evasion (whether by an individual or legal entity). If it can be demonstrated that reasonable prevention procedures were in place which were designed to prevent such facilitation occurring, the relevant body will not be guilty of a criminal offence. The ACD reserves the right to adopt additional practices and procedures as it deems at any point necessary to avoid committing an offence under the legislation.

(d) Forward basis for Share dealing

Any application to purchase or redeem Shares in a Fund will be effective at the Valuation Point next following the receipt of that application and at the dealing price (known as a "**forward price**") calculated at that Valuation Point.

(e) Pricing

A Share will be:

- (i) issued for a sum which cannot exceed the aggregate of its price (determined as described above which may include a dilution adjustment); and
- (ii) redeemed for a sum which cannot be less than its price (determined as described above which may include a dilution adjustment),

other than where that Share is redeemed by the ACD pursuant to its powers of compulsory redemption contained in the Instrument (see Paragraph 3.5 (*Compulsory redemption*) of Part 1).

(f) Settlement for purchases of Shares

Settlement for purchases of Shares will be due from the Shareholder no later than the third Business Day following the date on which the dealing in the Shares took place. The ACD is not obliged to issue Shares unless it has received cleared funds from or on behalf of the applicant. Funds must be sent by electronic transfer to the bank account specified with the contract note and payment by cheque will not be accepted.

(g) Settlement for redemptions of Shares

Payment due in respect of redemptions will be made, in accordance with the Sourcebook, not later than the close of business on the third Business Day after the Valuation Point occurring immediately following receipt by the ACD of all relevant documentation necessary to complete the redemption. An instruction to the ACD to redeem Shares, although irrevocable, may not be settled by either the Company or the ACD if the redemption represents Shares where the money due on the earlier purchase of those Shares has not yet been received or if documentation or anti-money laundering information which the ACD considers is sufficient for the ACD to meet and discharge its obligations under the regulatory system has not been received by the ACD. No interest will be paid on funds held whilst the ACD awaits receipt of all relevant documentation necessary to complete a redemption. Shares that have not been paid for cannot be redeemed.

Payment of redemption proceeds will be made by electronic transfer to a bank account specified by the Shareholder or by cheque to the Shareholder's address on the Register. Payment of redemption proceeds to third parties will not usually be made and will only be made by prior agreement with the ACD. All payments are made at the Shareholder's sole risk.

(h) Client Money

In accordance with the Client Asset Sourcebook ("CASS") of the FCA handbook, by agreeing to subscribe for Shares, Shareholders agree that any unclaimed redemption monies held for more than six years without any activity (disregarding any payment of distributions, charges or similar items), may be paid to a charity of the ACD's choice after the ACD has taken all reasonable steps to trace the Shareholder in order to return the Shareholder's monies.

In all circumstances monies paid to a charity would no longer be treated as client money. The making of a payment of unclaimed client money to a charity would not prevent a Shareholder from making a future claim to the ACD for repayment of such client monies upon production to the ACD of satisfactory evidence of their entitlement to those monies.

Any monies which the ACD is required to hold as client money will be protected by being deposited in a client money account in the ACD's name with an appropriately regulated financial institution of the ACD's choice in accordance with the ACD's obligations under CASS. The ACD will not be responsible for any acts or omissions of the financial institution. In the event that the bank or institution becomes insolvent, the ACD will have a claim on behalf of its customers against the financial institution. However, any shortfall in meeting the claim may be shared pro rata between the ACD's customers. In the event of insolvency of the financial institution, Shareholders may be an eligible claimant under the Financial Services Compensation Scheme and be entitled as an individual to claim up to £85,000 in respect of the total cash the relevant Shareholder holds directly and indirectly hold with the failed financial institution.

In relation to CASS, the ACD confirms that it will not pay any interest on any client money balances.

In accordance with CASS, the ACD chooses to operate under a delivery versus payment exemption. This exemption allows the ACD to treat monies as if they were not client money in the following scenarios:

(a) where the money is received from an investor one day before the due settlement date in relation to the issuance of Shares;

(b) where the money is held by the ACD in the course of Shares being redeemed where the proceeds of that redemption are paid to the investor within the time period specified in the FCA Rules (normally within four working days of receiving the signed renunciation).

In these scenarios, where money is not treated as client money, money is not protected and in the event that the ACD should fail this money is at risk. By agreeing to subscribe for Shares, investors agree to the ACD operating on this basis. Should the ACD cease to use the delivery versus payment exemption, Shareholders will be given prior notice of the change.

In accordance with CASS, the ACD is obliged to obtain Shareholder agreement to use the delivery versus payment exemption within Commercial Settlement Systems it may use. By subscribing for Shares, investors confirm their agreement to the use of such systems.

In relation to CASS, by agreeing to subscribe for Shares, investors agree that the ACD and any applicable third party may establish a contractual agreement to cover the holding of client money by the third party in a client transaction account showing that it is holding the monies on behalf of the ACD's clients

(i) Publication of dealing prices

The prices for all Shares are published on every dealing day on the website of the ACD's/Investment Manager's website ([www.liontrust.co.uk](http://www.liontrust.co.uk)). Valuations of holdings and the Liontrust fund prices can be obtained on request by telephone during normal working hours to our Customer Services Team on 0344 892 0349. Please note that security checks will be undertaken before any client specific information can be released. Liontrust also offers a 24 hour telephone service to clients to receive a valuation or fund price through an automatic voice recognition facility. Clients will need to register for this service. Details are available on request. Liontrust fund prices are also available on the Liontrust website [www.liontrust.co.uk/Products/FundPrices](http://www.liontrust.co.uk/Products/FundPrices). The prices of Shares may also be obtained by calling 0344 892 0349 during the ACD's normal business hours or by writing to:

Liontrust Fund Partners LLP  
2 Savoy Court, London, WC2R 0EZ

As the ACD deals on a forward pricing basis, the price that appears in these sources will not necessarily be the same as the one at which investors can currently deal. The ACD may also, at its sole discretion, decide to publish certain Share prices in other third party websites or publications. The ACD does not accept responsibility for the accuracy of the prices published in, or for the non-publication of prices by, these sources or on the Investment Manager's website for reasons beyond the control of the ACD.

(j) In specie subscriptions and redemptions

If so requested by an applicant, the ACD may, at its discretion, arrange for the Depositary to issue Shares in exchange for assets other than cash. If a Shareholder requests the redemption of Shares the ACD may, where it considers the deal to be substantial in relation to the total size of the Fund concerned or in some way disadvantageous or detrimental to the Fund, arrange, having given prior notice in writing to the Shareholder, that in place of payment of the price of the Shares in cash, the Company transfer relevant investments (having the appropriate value to the Shareholder). Before the redemption proceeds of the Shares become payable, the ACD must give written notice to the Shareholder that the relevant investments are to be transferred to that Shareholder so that the Shareholder can receive the net proceeds of redemption rather than the investments if they so desire.

The ACD must serve its written notice before the close of business on the second Business Day following receipt of the request by a Shareholder to redeem Shares.

If a Shareholder redeems Shares in specie in return for an appropriate value of assets out of the Company, there will be no Stamp Duty Reserve Tax 'SDRT' on UK equities provided the Shareholder receives a proportionate part of each holding. Otherwise the Shareholder will be liable to SDRT at 0.5% on the value of any UK equities transferred.

(k) Switch and Conversion

**Initiated by a Shareholder**

A Shareholder in a Fund may at any time:

- (i) Convert all or some of their Shares (the "**Original Shares**") in that Fund for Shares of another Class (the "**New Shares**") in the same Fund; or
- (ii) Switch all or some of their Original Shares of one Fund for New Shares of a Class in another Fund;

subject to minimum investment and eligibility requirements.

On a Conversion, the number of New Shares to be issued will be determined by applying a conversion factor to the value of the Original Shares held to determine the number of New Shares to be issued. The conversion factor applicable is available on request from the ACD by calling 0344 892 0349 or writing to:

Liontrust Fund Partners LLP  
2 Savoy Court  
London  
WC2R 0EZ

On a Switch, the number of New Shares issued will be determined by reference to the respective prices of Original Shares and New Shares at the relevant Valuation Point.

The ACD will accept requests for Conversions (each a “**Conversion Request**”) and Switches (each a “**Switch Request**”) (together “**Conversion and Switch Requests**”) on any Business day between 9.00 a.m. and 5.00 p.m.

Conversion and Switch Requests will be acknowledged by contract note(s), which will normally be dispatched by the close of the Business Day following execution of the Conversion Request or the Switch Request, as the case may be.

Conversion and Switch Requests may be made in writing, by facsimile, by telephone or by prior arrangement with the ACD by electronic communication. For Conversion and Switch Requests in writing or by facsimile the Company’s Conversion Request form or Switch Request form, as the case maybe, may, but does not have to be used. These forms are available by writing to the address above.

Conversion and Switch Requests should be sent to the address stated in (a) above. Conversion and Switch Requests by facsimile should be sent to the fax number stated in (a) above.

Where Funds have different Dealing Deadlines a Switch Request will be executed in respect of the Original Shares at the Dealing Deadline applicable to them and in respect of the New Shares at the then next Dealing Deadline applicable to them.

The ACD may at its discretion make a charge on a Conversion or Switch. Any such charge would be based on a percentage of the value of the Conversion or Switch and will not exceed the prevailing Initial Charge (if any) for the New Shares. The ACD may adjust the number of New Shares to be issued on a Conversion or Switch to reflect the application of any such charge. Currently the ACD makes no charge for Conversions or Switches.

If a Conversion or Switch would result in the Shareholder holding a number of Original Shares of a value which is less than the minimum holding in the Fund concerned, the ACD may, if it thinks fit, effect a Conversion or Switch of the whole of the applicant’s holding of Original Shares to New Shares or refuse to effect any Conversion or Switch of the Original Shares. No Switch Request will be accepted during any period when the right of Shareholders to require the redemption of their Shares is suspended, but, if it is permitted to do so, the ACD may at its discretion accept a Conversion Request during such a period.

On completion of a Switch or a Conversion, subsequent share dealing instructions may be limited, restricted or denied where the ACD’s identity evidence requirements have not been complied with. In such circumstance, the ACD shall not be liable for any costs or losses whatsoever.

Please note that a Switch (being between different Funds) is treated as a redemption of the Original Shares and a purchase of New Shares and will, for persons subject to UK taxation, be a realisation of the Original Shares for the purposes of UK tax on capital gains. The ACD understands that present HMRC practice is not to regard a Conversion (being between different Classes in the same Fund) as giving rise to a disposal for the purposes of UK tax on capital gains.

A Shareholder who makes a Conversion or Switch will in no circumstances be given a right by law to withdraw from or cancel the transaction.

#### **Initiated by the ACD**

Upon giving reasonable notice to Shareholders in accordance with the Regulations, the ACD may compulsorily convert Shares where to do so is considered by the ACD to be in the best interests of Shareholders.

Any Shareholder upon whom such a notice is served shall be entitled before the expiry of such notice to notify the ACD that they wish to remain invested in the Original Shares, in which case the ACD will not effect the Conversion. Any Shareholder upon whom such a notice is served and who has not notified the ACD that they wish to remain invested in the Original Shares, shall be deemed upon the expiry of the notice period to have given a request in writing for the Conversion of the Original Shares into the New Shares and the ACD shall be entitled to effect such Conversion.

The ACD shall not make a charge for Conversions in these circumstances.

### 3.5 Restrictions and compulsory transfer, and redemption

Under the Instrument, the ACD has the power compulsorily to redeem any Share which it believes to be held by or on behalf of a person who is ineligible as a Shareholder for any reason. A typical ground of ineligibility would be the residence or domicile of that person in, or their citizenship of, a country or territory in which it is unlawful for Shares to be promoted (whether generally or to that particular person).

The ACD will redeem shares held by an entity who in the opinion of the ACD is a US Person unless the ACD determines (i) that the transaction is permitted under an exemption available under the securities laws of the US and (ii) that the relevant Fund and the Company continue to be entitled to an exemption from registration as an investment company under the securities laws of the US if such person holds Shares and in the opinion of the Company the holding of Shares by a US Person will not result in any adverse consequences for the Company or its Shareholders. Where the ACD exercises its rights of compulsory redemption, the ACD may deduct from the proceeds of redemption an amount representing the extra cost to the Fund in question and to the Depositary of administering the compulsory redemption.

The ACD may from time to time impose such restrictions as it may think necessary for the purpose of ensuring that no Shares are acquired or held by any person in breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory or which would result in the Company incurring any liability to taxation which the Company is not able to recoup itself or suffering any other adverse consequence. In this connection, the ACD may, inter alia, reject in its discretion any application for the purchase, redemption, transfer or switching of Shares.

If it comes to the notice of the ACD that any Shares (the **“Affected Shares”**):

- (a) are owned directly or beneficially in breach of any law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or
- (b) would result in the Company incurring any liability to taxation which the Company would not be able to recoup itself or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory); or

- (c) are held in any manner by virtue of which the Shareholder or Shareholders or the beneficial owner or owners of Shares in question is/are not qualified to hold such Shares or if it reasonably believes this to be the case;
- (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 a communication constituting a breach);

the ACD may give notice to the Shareholder(s) of the Affected Shares requiring the transfer of such Shares (or the beneficial interest in such Shares, as the case may be) to a person who is qualified or entitled to own them or that a Redemption Request is given for the redemption of such Shares in accordance with the Sourcebook. If any Shareholder upon whom such a notice is served does not within 30 days after the date of such notice transfer their Affected Shares to a person qualified to own them or submit a Redemption Request to the ACD or establish to the satisfaction of the ACD (whose judgement is final and binding) that they or the beneficial owner is qualified and entitled to own the Affected Shares, they shall be deemed upon the expiry of that 30 day period to have given a Redemption Request for the redemption or cancellation (at the discretion of the ACD) of all the Affected Shares.

A Shareholder who becomes aware that they are holding or own Affected Shares shall immediately, unless they have already received a notice as set out above, either transfer all their Affected Shares to a person qualified to own them or submit a request in writing to the ACD for the redemption of all their Affected Shares.

A Shareholder moving to a different jurisdiction may give rise to a situation described in (a), (b) or (c) above.

It is not practicable for the ACD to be fully informed of current laws and regulations in every jurisdiction. Accordingly in the interests of Shareholders and to be able to ensure no Shares (or beneficial interest in Shares) are held or acquired by any person in breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory or which would result in any Fund incurring any liability to taxation which a Fund is not able to recoup itself or suffering any other adverse consequence, Shareholders are required to self-certify with respect to their residency for tax purposes and the ACD may treat Shares of Shareholders moving to jurisdictions other than EEA Member States or the UK as Affected Shares. In such circumstances the ACD may refuse to issue Shares to anyone outside the EEA or the the UK.

Where a request in writing is given or deemed to be given for the redemption of Affected Shares, such redemption will be effected in the same manner as the redemption of other Shares.

### 3.6 Transfers

Shareholders are entitled to transfer their Shares to another person or body. All transfers must be in writing in the form of an instrument of transfer approved by the ACD for this purpose. However, the ACD in its discretion, may also accept electronic transfers in a format specified by the ACD. Completed instruments of transfer, together with such documentary evidence of proof of identity as may have been requested by the ACD, must be returned to the ACD in order for the transfer to be registered. The ACD shall not be liable for any costs or losses that may be incurred as a result of any failure to or delay in providing satisfactory evidence of identity to the ACD.



### 3.7 **Right to withdraw**

Investors 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 investor 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. The ACD may extend cancellation rights to other investors but is under no obligation to do so.

### 3.8 **Limited issue**

The ACD may limit the issue of any class of Shares in a given Fund. Where the ACD has limited the issue of Shares in a given Fund, it may not provide for the further issue of Shares unless, at the time of the issue, it is satisfied on reasonable grounds that the proceeds of that subsequent issue can be invested without compromising that Fund's investment objective or materially prejudicing existing Shareholders. This power is given in accordance with, and subject to, Paragraph 6.2.18 of the Sourcebook.

### 3.9 **Suspension of issues and redemptions**

The ACD may, with the prior agreement of the Depositary, and must if the Depositary so requires, temporarily suspend the issue, cancellation, sale and redemption of Shares in a given Fund where, due to exceptional circumstances, it is in the interests of all the Shareholders to do so (e.g. in circumstances where the ACD is unable to obtain reliable information on the prices of investments comprised within the Fund Property).

The ACD and the Depositary must ensure that any suspension is only allowed to continue for so long as it is justified having regard to the interests of the Shareholders and that the suspension is reviewed at least every 28 days.

When such suspension takes place, the ACD will publish, on its website or other general means, sufficient details to keep Shareholders appropriately informed about the suspension, including, if known, its possible duration.

Recalculation of the Share price for the purposes of purchases and redemptions will commence on the next relevant Valuation Point following the ending of the suspension.

### 3.10 **Title to Shares and certificates**

#### (a) Title

Title to Shares is evidenced by entries in the Register. Applicants will not receive title to Shares until cleared funds have been received from the applicant and received by the Fund.

#### (b) Certificates

Certificates are not issued in respect of Shares in any of the Funds. Any Shareholder whose title to Shares is evidenced by an entry in the Register may apply to the ACD for a printed statement of the Shares which they hold.

## 4. CHARGES AND EXPENSES

### 4.1 Initial Charge

The price payable by an investor upon issue of a Share (other than on a Conversion) may include a Initial Charge receivable by the ACD. Currently, there will be no Initial Charge for any investment in a Fund.

### 4.2 Ongoing Charges Figure

For each Fund the ACD and the Investment Manager have agreed that the Ongoing Charges Figure shall be limited to the rate of the Annual Management Charge as specified in the relevant Appendix.

Investors should note that should this arrangement cease, the Ongoing Charges Figure may increase. Investors will be given at least sixty days' prior notice of this.

### 4.3 Annual Management Charge

The Instrument provides for the ACD to be remunerated in respect of its services as director of the Company and manager of each of the Funds. Under the ACD Agreement the ACD is entitled to the Annual Management Charge as set out in the Prospectus. For each Fund the ACD's Annual Management Charge accrues daily based on the value of the Fund Property and is payable monthly in arrears on the last Business Day of the month.

**Rates of Annual Management Charge:** the Appendices set out, in relation to each Fund, the current rate of the ACD's Annual Management Charge, and the basis upon which the Annual Management Charge accrues and is paid.

**Whether payable out of capital or income:** Expenses are allocated between capital and income in accordance with the Regulations. However, the approach for a given Fund is set out in the relevant Appendix. Where expenses are deducted in the first instance from income if and only if this is insufficient, deductions will be made from capital. If deductions were made from capital, this would result in capital erosion and constrain growth.

### 4.4 Charges payable by the ACD from the Annual Management Charge and Performance Fee

Out of the Annual Management Charge and any Performance Fee which it receives, the ACD pays its own fees and the fees and expenses of the following and, where applicable, their delegates:

- the Investment Manager;
- the Depositary;
- the Custodian;
- the Registrar and Administrator;
- the Fund Accountant; and
- the Auditor.

The Annual Management Charge does not include the other expenses payable out of the Company as set out in paragraph 4.9 (*Costs and expenses*) below.

### **Rebates of the Annual Management Charge**

The ACD may at its sole discretion rebate its Annual Management Charges in respect of any application for, or holding of, Shares. The provision of rebates will not result in any additional cost to the Company or a Fund.

The ACD will make disclosures to the Company in relation to inducements as required under applicable FCA rules.

## **4.5 Performance Fee**

In addition to the Annual Management Charge, a performance fee (the “**Performance Fee**”) may be payable to the ACD in respect of a Share Class which provides for a Performance Fee (each a “**Performance Fee Share Class**”).

A Share Class which is a Performance Fee Share Class will be designated as such in the relevant Fund Appendix. The period over which performance is calculated for the purpose of calculating the Performance Fee (“**Performance Period**”), the applicable benchmark or hurdle rate (“**Performance Target**”) and the applicable rate of Performance Fee (the “**Performance Fee Rate**”) will be stated in the relevant Fund Appendix. The date at which a Performance Period is stated to end is the “**Performance Period end date**”). The first Performance Period for a Performance Fee Share Class commences on its launch date and will end on the next following date specified in the relevant Fund Appendix as the end of a Performance Period. The final Performance Period will end immediately the Performance Fee Share Class closes. “**High Water Mark**” means the NAV per Share of a Performance Fee Share Class at which a Performance Fee was last paid, adjusted by reference to the Performance Target as at each Valuation Point.

In relation to a Performance Fee Share Class, the Performance Fee becomes due in the event that its NAV per Share (after allowance for all fees, charges and expenses, but excluding any Initial Charge or dilution adjustment) outperforms the Performance Target over a Performance Period. The Performance Fee will be calculated using a special gross NAV per Share (the “**GAV per Share**”) calculated before accrual for any Performance Fee allowing for the effect of any income distributed during the Performance Period. The Performance Fee accrual will never fall below zero.

The Performance Fee is calculated based upon the performance of the relevant Performance Fee Share Class (the “**Share Class Performance**”) over the Performance Target, multiplied by the weighted average number of Shares of the Class in issue throughout the Performance Period, where:

- (a) The Share Class Performance is the difference between the opening NAV per Share on the first Dealing Day of the Performance Period and the closing NAV per Share on the last Dealing Day of the Performance Period (after allowance for all fees, charges, and dividend distributions, but excluding any Initial Charge or dilution adjustment);
- (b) The weighted average number of Shares in issue of the Performance Fee Share Class is calculated as the total number of Shares of the Class in issue on each Dealing Day, added to the same calculation for each previous Dealing Day in the Performance Period, together divided by the number of Dealing Days in such performance period; and

If at a Performance Period end date, the Share Class Performance is below the High Water Mark, no Performance Fee will be payable to the ACD and the Performance Period extended until the next following Performance Fee end date at which the Share Class Performance is greater than the High Water Mark. This is to ensure that investors benefit from the recapture of underperformance before Performance Fee accruals recommence

**It is important to note that there is no maximum Performance Fee that could be paid, as it is impossible to quantify performance in advance.** While the ACD is entitled to receive the proportion of outperformance at the applicable Performance Fee Rate of a Performance Fee Share Class (e.g. 20%), investors will benefit from the remainder of such outperformance (e.g. 80%).

**Once a Performance Fee become payable, any subsequent underperformance will not result in the Performance Fee being repayable by the ACD.**

The daily published NAV per Share of any Performance Fee Share Class at any Valuation Point will include an accrual for any Performance Fee from the commencement of the Performance Period up to that Valuation Point. As the Performance Fee accrues on an ongoing daily basis and is included within the daily published NAV per Share, at the end of a Performance Period the published NAV per Share is not subject to a one-off Performance Fee adjustment relating to the whole Performance Period.

Since the NAV per Share may differ between different Share Classes within a Fund, separate Performance Fee calculations will be carried out for each Performance Fee Share Class and each Performance Fee Share Class may therefore be subject to different amounts of Performance Fee.

Any Performance Fee payable to the ACD is based on net realised and net unrealised gains and losses at the end of each Performance Period and as a result a Performance Fee may be paid on unrealised gains which may subsequently never be realised.

Where the Performance Target is a Benchmark, which may fall as well as rise, the Share Class Performance may be greater than the Performance Target and accordingly a Performance Fee payable even though the NAV per Share has fallen but to a lesser extent than the Benchmark Index. If the Performance Target is a Benchmark referencing interest rates, it shall be applied in the Performance Fee calculation on the basis that the interest rate shall never be negative and the floor value of the interest rate shall accordingly be zero.

If a Benchmark which is a Performance Target for a Performance Fee Share Class ceases to be produced or in the ACD's opinion to be suitable, the Performance Target shall be replaced by such index or indices or hurdle rate as the Company, with the approval of the Depositary, may determine. In any other case, the ACD shall be entitled to change a Benchmark which is a Performance Target for a Performance Fee Share Class only with the prior approval by way of an extraordinary resolution of the Shareholders of the relevant Performance Fee Share Class.

Performance Fee computations are made by the Registrar and Administrator and audited at the end of each annual accounting period by the Auditor of the Company. The Company may make such adjustments of accruals as it deems appropriate to ensure that the accrual represents fairly and accurately the Performance Fee liability that may eventually be payable out of a Performance Fee Share Class to the ACD. The ACD must approve the payment of any Performance Fee at the end of a Performance Period. Any change to the Performance Fee Rate or basis on which it is calculated will require prior notice to all Shareholders of the relevant Performance Fee Share Class of not less than 60 days before the new rate or basis may commence. Any increase in the Performance Fee Rate applicable

to a Performance Fee Share Class will also require prior approval by way of an ordinary resolution of the Shareholders of that Performance Fee Share Class.

## **WORKED EXAMPLES**

To illustrate the effect that the Performance Fee might have on the NAV per Share, examples of three theoretical performance periods are shown below. These examples are provided for illustrative purposes only and should not be interpreted as an indication of future performance.

Investors should note that the examples below are included so that they may understand the methodology of the Performance Fee calculation. They are not intended to provide an exact calculation of the amount of Performance Fee payable to the ACD since this will depend upon the weighted average number of Shares in issue throughout the relevant Performance Period.

In addition, and as outlined above, the Performance Fee accrues on an ongoing daily basis and is included within the daily published NAV per Share. Accordingly, at the end of a Performance Period, the published NAV per Share is not subject to a one-off Performance Fee adjustment relating to the whole Performance Period.

***It should be noted that the Performance Target for the Liontrust Tortoise Fund is SONIA (Sterling Overnight Index Average). The scenarios below provide examples of how the Performance Fee mechanism applies in Performance Periods of underperformance or outperformance when compared to the Performance Target.***

### **Performance Period 1 - 1st October 2020 to 30th September 2021**

For illustrative purposes, the Performance Period commences on 1st October 2020 with an assumed NAV per Share of 100.00p and a Performance Target of SONIA with a floor of 0% which is calculated daily and compounded during the Performance Period.

Between 1st October 2020 and 30th September 2021, the Performance Target goes up by 0.6% giving a hurdle of 100.60p. In the same period, the NAV per Share of the Performance Fee Share Class goes up by 3% from 100.00p to 103.00p per Share. A Performance Fee will be payable because the Performance Fee Share Class has outperformed the Performance Target over the performance period.

The Performance Fee is based upon the performance of the Performance Fee Share Class less the performance of the Performance Target i.e. 3% less 0.6% = +2.4%. The Performance Fee per Share is calculated by multiplying the outperformance in the NAV per Share over the Performance Target (100p x 2.4% = 2.4p) by the Performance Fee Rate (20%) i.e. 0.48p per Share. The total Performance Fee payable to the ACD is calculated by multiplying the Performance Fee per Share (0.48p) by the weighted average number of Shares in the Performance Fee Share Class in issue over Period 1.

On 30th September 2021 (the last day of the Performance Period), the GAV per Share, before deduction of any Performance Fee is 103.00p and the NAV per Share is 102.52p (103p less 0.48p). The NAV per Share will be the opening GAV per Share for Period 2.

### **Period 2 - 1st October 2021 to 30th September 2022**

For Period 2 commencing 1st October 2021, the opening GAV per Share for that Performance Period will be 102.52p, which is the same as the NAV per Share for that day.

Between 1st October 2021 and 30th September 2022, the Performance Target goes up by 1%, giving a hurdle of 103.55p. In the same period, the GAV per Share goes up by 0.8% from 102.52p to 103.34p. In this example, no Performance Fee will be payable since the Performance Fee Share Class has underperformed the Performance Target by 0.2% (0.8% less 1% = -0.2%).

On 30th September 2022, the GAV per Share is 103.34p, which is the same as the NAV per Share for that day. As no Performance Fee crystallises, the Performance Period does not end and is extended to 30 September 2022 (or, if later, the next Performance Fee end date on which the Share Class Performance is above the High Water Mark).

### **Period 3 - 1st October 2022 to 30th September 2023**

For the third performance period, commencing on 1st October 2022, the opening NAV per Share will be 103.34p. As explained above, as no Performance Fee crystallised with respect to Period 2, the Performance Period is extended backwards to the date at which a Performance Fee for the Performance Fee Share Class last crystallised, and retaining the opening Share Class NAV per Share and performance hurdle at that date for the purposes of Performance Fee calculation as at the start of Period 2, being 102.52p.

Between 1st October 2022 and 30th September 2023, the Performance Target goes up by 1%, resulting in cumulative performance hurdle since the previous Performance Fee crystallisation date of +2.01% (1st October 2022 to 30th September 2023). The NAV per Share of the relevant Class at 30th September 2022 has gone up by 2% from 103.34p to 105.41p, resulting in cumulative NAV performance since the previous Performance Fee crystallisation date of +2.82% (102.52p to 105.41p). A Performance Fee will be payable as the Performance Fee Share Class has outperformed the Performance Target over the Performance Period.

The Performance Fee is based upon the performance of the Performance Fee Share Class less the performance of the Performance Target i.e.  $2.82\% - 2.01\% = 0.81\%$ . The Performance Fee per Share is calculated by multiplying the outperformance in the relevant NAV per Share over the Performance Target ( $102.52p \times 0.81\% = 0.83p$ ) by the Performance Fee Rate (20%) i.e. 0.17p per Share. The total Performance Fee payable to the ACD is calculated by multiplying the Performance Fee per Share (0.17p) by the weighted average number of Shares in the Performance Fee Share Class in issue over the Performance Period.

On 30th September 2022, the GAV per Share is 105.41p and the NAV per Share is 105.41p less 0.17p = 105.24p. This will be the opening GAV per Share for the following Performance Period. The High Water Mark will be reset to 105.24, being the NAV per Share at 30th September 2023.

## **4.6 Large net creation or cancellation of Shares**

The use of the weighted average number of Shares in the calculation of the Performance Fee can lead to instability in the Share Price calculation if there is a large net creation or cancellation of Shares in a Performance Fee Share Class in the period between one Valuation Point and the following Valuation Point (“**Valuation Period**”).

To mitigate the effects that a large net creation of Shares may have on the calculation of the NAV of the relevant Performance Fee Share Class, the ACD reserves the right to restrict creations of a particular

Performance Fee Share Class if it believes, in its sole discretion, that such creations may result in disproportionate instability in the Share Price calculation to the detriment of existing Shareholders of that Performance Fee Share Class.

To mitigate the effects that a large net cancellation of Shares may have on the calculation of the NAV of the relevant Performance Fee Share Class, the Performance Fees accrued at the redemption date will crystallise immediately, and shall become payable to the ACD as soon as reasonably practicable after determination by the Registrar and Administrator. The number of Shares in the relevant Performance Fee Share Class cancelled will be removed from the calculation of the weighted average number of Shares for all days in the Performance Period. For the avoidance of doubt, Performance Fees will only crystallise on those Shares being redeemed. Performance Fee accruals will remain in place for continuing investors and will only crystallise if still valid at end of the Performance Period. A large net cancellation of Shares is defined for these purposes as a net cancellation of Shares in a Performance Fee Share Class having a value of 1 per cent or more of the relevant Share Class NAV, whether at the request of a single Shareholder or of a number of Shareholders.

#### **Worked Example**

Assume that on a Valuation Date/Dealing Date, a Performance Fee Share Class has 100 million Shares in issue and that the published NAV per Share is 108p, representing an NAV per Share before deduction of any Performance Fee of 110p, and a Performance Fee accrual of 2p per Share. The published NAV of the Share Class would be £108 million, based on a NAV (before deduction of Performance Fees) of £110 million and a Performance Fee accrual of £2 million.

Next assume that a large net cancellation of 10 million Shares is received. In these circumstances, the redeeming investor would receive 108p per Share. The 2p per Share Performance Fee accrual on the cancelled Shares would crystallise, with £0.2 million being paid to the ACD. The £1.8m remaining Performance Fee accrual applies only to the remaining 90 million Shares. As such, the Performance Fee accrual of 2p per Share and the published NAV per Share of 108p remain unchanged.

If this arrangement for large cancellations had not been in place, the redeeming investor would still have received proceeds based on the published NAV of 108p per Share. However, since the Performance Fee accrual is based on the weighted average number of Shares in the Performance Fee Share Class (where the weighted average after the large cancellation would be significantly higher than the actual number of Shares in issue) an artificially large Performance Fee could accrue, to the benefit of the ACD and the detriment of the remaining investors.

#### **4.7 Exit Charge**

Upon redemption of a Share, the ACD is entitled to deduct an Exit Charge from the proceeds of redemption.

Currently, there will be no Exit Charge for any investment in a Fund.

#### **4.8 VAT**

Under present UK regulations, all of the above charges are exempt from VAT.

#### 4.9 **Modification of rates**

If the ACD wishes to increase any of these charges from its present rate stated in the Appendices of this Prospectus, the ACD is required to obtain FCA approval and to serve written notice of not less than 60 days of the proposed increase. This notice is to be served:

- a) in the case of increases to the Initial Charge, on persons whom the ACD ought reasonably to be aware are regularly purchasing Shares in the Fund in question; and
- b) in all other cases, on Shareholders in the Fund in question;

The increase may then take effect from the expiry of the 60-day notice period.

#### 4.10 **Costs and expenses**

In addition to the ACD's Annual Management Charge and Performance Fee, any other class of fee, cost or expense permitted to be paid out of the property of an ICVC in accordance with the Sourcebook may be so paid, including those listed below.

The following specific classes of costs and expenses may be paid out of the applicable Fund Property:

- (a) Investment and borrowing costs and expenses:
  - (i) the cost of investments acquired by each Fund;
  - (ii) brokers' commissions, fiscal charges and other disbursements which are necessarily incurred in effecting transactions for each Fund; and
  - (iii) interest on permitted borrowings and charges incurred in effecting or terminating or negotiating or varying the terms of such borrowings;
- (b) Taxation and duties payable in respect of the Company or the issue of Shares;
- (c) Costs of , and arising from Meetings, etc.:
  - (i) Any costs incurred in respect of Meetings convened on a requisition of Shareholders other than the ACD or its associates; and
  - (ii) certain liabilities of any collective investment scheme which has amalgamated with the Company if the relevant liabilities arose after the amalgamation;
- (d) Professional third party costs, being the fees, disbursements and proper expenses of the Company's legal or other professional advisers in relation to advice sought by the Company (or by the ACD on the Company's behalf) as to any matter concerning the proper conduct of the Company's affairs and compliance with the Sourcebook or with the law relating to the affairs of the Company in any jurisdiction outside the UK.

VAT on any fees, charges or expenses will be payable by the Company out of the applicable Fund Property.



#### 4.11 Right to charge additional costs and expenses on notice

In addition the Company may, in accordance with the Sourcebook, also pay out of the relevant Fund Property all other relevant costs, charges, fees and expenses including those listed below. The ACD's current policy in relation to the Company is that these items are borne by the ACD and not the Company or any Fund. Should this policy change such that any or all of the below listed costs, charges, fees and expenses are charged to the Company or any Fund, then the ACD will first give affected Shareholders 60 days' prior written notice of that change.

- (a) Regulatory registration fees etc.:
  - (i) the fees of the FCA under FSMA and the Sourcebook;
  - (ii) periodic fees of any regulatory authority in a country or territory outside the UK in which Shares are or may be marketed;
- (b) the audit fees properly payable and the proper expenses of the Auditor (plus VAT).
- (c) Expenses of service providers to the Company:
  - (i) the expenses of any person engaged by the ACD to assist it in the discharge of the ACD's administration duties to the Company, including expenses arising out of periodic valuations of the Fund Property of each Fund, maintaining the Register and any plan sub-registers, dealing with applications for the issue and redemption of Shares and otherwise administering Share dealing services, calculating the NAV and NAV per share, dealing with routine communication with Shareholders (including dispatch of reports and accounts), payment of distributions (where applicable) to Shareholders and payment of fees and expenses and such other matters as may be agreed from time to time between the ACD and the Registrar and Administrator or such other persons in question;
  - (ii) the fees and expenses from time to time payable to any person engaged by the ACD or the Investment Manager to provide it with investment management or advisory services in relation to the Company.
- (d) reimbursement of Depositary costs and expenses:

The Depositary is entitled to be reimbursed out of the Scheme Property its expenses properly incurred in performing duties imposed (or exercising powers conferred) upon it by the Sourcebook. Expenses of the Depositary which are attributable to a given Fund will be borne by that Fund. Expenses attributable to the Company as a whole will be paid out of such Funds and in such proportions as the ACD may determine. Those duties include:

- (i) dealing with, and custody of, assets of each Fund (including effecting foreign currency and efficient portfolio management transactions, insurance of documents, and effecting borrowings). This will include in particular all charges imposed by, and any expenses of, any agents appointed by the Depositary to assist in the discharge of its duties;
- (ii) submission of tax returns;
- (iii) handling of tax claims;

- (iv) preparing its annual report of the Depositary to the Shareholders of the Company in the annual accounts of the Company;
- (v) supervision of certain of the ACD's activities;
- (vi) functions in relation to Meetings;
- (vii) all charges and expenses incurred in connection with the collection and distribution of income;
- (viii) all charges and expenses incurred in relation to stock lending; and
- (ix) other duties imposed upon the Depositary by the Sourcebook or the general law.

In circumstances where any of the above categories of expense represent payments intended to reimburse any third party to whom the Depositary has delegated any of its functions (e.g. fees of sub-custodians), the Company may make such payments to the Depositary for the account of such third party or to such third party directly (as the Depositary may direct).

The Company will also be responsible for payment of VAT and any other relevant tax or imposition that relates to each and every such category of cost, fee, expense or payment identified above.

#### **4.12 Allocation of charges and expenses between Funds**

Expenses will be charged to the Fund in respect of which they are incurred or, where an expense is considered by the ACD not to be attributable to any one Fund the expense will normally be allocated on a pro-rata basis according to the NAV of the relevant Funds. In the case of audit fees however, the cost is split equally between the Funds.

## 5. TAXATION

**General Warning:** the following paragraphs are only intended as a brief summary of the relevant taxation provisions affecting the Company and investors or potential investors in the Company resident for tax purposes in the UK. They are based on the taxation regime applicable in the UK as at the date of preparation of this Prospectus. These paragraphs do not constitute tax advice. Prospective investors in the Company requiring further information as to the relevant tax provisions or requiring to establish the accuracy of the information concerning taxation contained in this Prospectus at any particular time, or otherwise in doubt and therefore seeking clarification as to their individual tax position, should consult their own tax advisers.

### 5.1 Taxation of the Company

The Funds are sub-funds of an open-ended investment company to which the Authorised Investment Funds (Tax) Regulations 2006 apply. Each Fund will be treated as a separate entity for UK tax purposes.

#### (a) Income

Each Fund is liable to corporation tax on its income (net of certain management expenses). The rate of UK corporation tax applicable to each Fund is equal to the basic rate of income tax, which is currently 20%.

#### (b) Chargeable gains

The Company is exempt from UK tax on chargeable gains.

### 5.2 Taxation of a Shareholder in the Company

#### (a) Income

Distributions, including deemed distributions reinvested in Accumulation Shares, can be credited to a Shareholder either as a dividend or, in certain circumstances, as an interest distribution.

The Funds are generally exempt from United Kingdom tax on capital gains realised on the disposal of their investments (including interest-paying securities and derivatives) held within them. However, any gains realised on disposing of holdings in non-reporting offshore funds are charged to tax as income and not capital. Any dividend received by the Funds (whether directly or through another United Kingdom authorised investment fund) will generally be exempt from corporation tax. Each Fund will be subject to corporation tax on most other types of income but after deducting allowable management expenses and where relevant, interest distributions. Where the Funds suffer foreign withholding tax on exempt income, this will generally be an irrecoverable tax expense.

Each Fund will make dividend distributions except where more than 60% of its Fund Property has been invested throughout the distribution period in qualifying assets (broadly, interest paying assets), in which case it may make interest distributions.

Where the Fund pays a dividend distribution (which will be automatically retained in the Fund in the case of accumulation Shares), no tax credit is attached to the dividend distribution.

#### (i) Distributions which are characterised as dividends comprise income for UK tax purposes.

UK resident individuals and certain other Shareholders liable to UK income tax are taxable on the sum of the distribution. For Shareholders liable to UK corporation tax, the distribution will be treated as franked investment income to the extent that the gross income from which the distribution is derived is itself not subject to corporation tax in the hands of the Company (that is, exempt dividends received from UK or non-UK companies). In these circumstances, the distribution will be treated in the same way as a dividend from a UK resident company.

- (ii) Interest distributions are made without any deduction for income tax.
  - a) This means that individual Shareholders will be obliged to include the full amount of the distribution on their tax returns and pay tax accordingly.
  - b) For UK tax-paying corporate Shareholders who are not financial traders, the interest distribution will be treated as a non-trading loan relationship credit.

The first income allocation received by an investor after buying Shares may include an amount of income equalisation, which will be shown on the issued tax voucher. 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 be deducted from the acquisition cost of the Shares for capital gains tax purposes.

(b) Capital gains

Shareholders may be liable to capital gains tax on gains arising from the redemption, transfer or other disposal of Shares. The rate of tax, and available reliefs, will be as applicable from time to time.

**5.3 An exchange of Shares in one Fund of the Company for Shares in another Fund will generally be treated as a disposal for this purpose, but exchanges of Shares between classes within a Fund are generally not. International tax reporting**

The Company and the ACD are subject to obligations which require them to provide certain information to relevant tax authorities about the Company, any Fund, investors and payments made to them.

The International Tax Compliance Regulations 2015 give effect to:

- (a) reporting obligations under the Organisation for Economic Co-Operation and Development's Common Reporting Standard for the Automatic Exchange of Financial Account Information (the "CRS"). The Company is required to identify accounts maintained for account holders who are tax resident in the EU or jurisdictions with which the UK has entered into an agreement to automatically exchange tax information and collect and report such information to HMRC; and
- (b) an intergovernmental agreement between the US and the United Kingdom in relation to the US Foreign Account Tax Compliance Act ("FATCA"). FATCA is designed to help the Internal Revenue Service (the "IRS") combat US tax evasion. It requires financial institutions, such as the Company, to report on US investors or US holdings, whether or not this is relevant. Failure to comply (or be

deemed compliant) with certain conditions under FATCA will subject the Company to US withholding taxes on certain US-sourced income and gains.

Provided the Company complies with its obligations, under the International Tax Compliance Regulations 2015, to identify and report taxpayer information directly to HMRC, it should be deemed compliant with FATCA and the CRS. HMRC will share such information with the relevant overseas tax authorities.

Shareholders may be asked to provide additional information to the ACD to enable the Company to satisfy these obligations. Failure to provide requested information may subject a Shareholder to liability for any resulting penalties, US withholding taxes, tax information reporting and/or mandatory redemption, transfer or other termination of the Shareholder's interest in a Fund.

#### *Withholding Tax Liability*

To the extent the Company is subject to withholding tax as a result of:

- (a) a Shareholder failing (or delaying) to provide relevant information to the ACD;
- (b) a Shareholder failing (or delaying) to enter into a direct agreement with the IRS; or
- (c) the Company becoming liable under FATCA or any legislation or regulation to account for tax in any jurisdiction in the event that a Shareholder or beneficial owner of a share receives a distribution, payment or redemption, in respect of their Shares or disposes (or be deemed to have disposed) of part or all of their Shares in any way,

(each a "**Chargeable Event**"), the ACD may take any action in relation to a Shareholder's shareholding to ensure that such withholding is economically borne by the relevant Shareholder and/or the ACD and/or its delegate or agent shall be entitled to deduct from the payment arising on a Chargeable Event an amount equal to the appropriate tax. The action by the ACD may also include, but is not limited to, removal of a non-compliant Shareholder from the relevant Fund or Funds or the ACD redeeming or cancelling such number of Shares held by the Shareholder or such beneficial owner as are required to meet the amount of tax. Neither the ACD nor its delegate or agent will be obliged to make any additional payments to the Shareholders in respect of such withholding or deduction.

The Company is required to comply with The International Tax Compliance Regulations. The regulations transpose into UK law rules and obligations derived from European Union law and inter-governmental agreements entered into by the UK which are aimed at increasing transparency and reducing tax evasion.

To be compliant with these regulations the Company must collect information about each investor's tax residence and in certain circumstances provide information about investors' Shareholdings to HM Revenue & Customs (HMRC). HMRC may in turn share this information with overseas tax authorities.

Therefore, where an investor fails to provide the information required by the Company to comply with its obligations to HMRC this may result in the ACD taking appropriate action against the Shareholder, including invoking the compulsory transfer and redemption provisions.

The ACD intends to procure compliance with the regulations but cannot give an assurance that this will be achieved.

The underlying laws and agreements are a complex area of tax law and investors should consult their professional advisers on the implications these rules may have for them.

Tax laws currently in place may change in the future which could affect the value of a Shareholder's investments.

Currently, the Funds rely extensively on tax treaties between the United Kingdom and other countries to reduce domestic rates of withholding tax being applied on income arising where a Fund holds underlying assets in those countries. A risk exists that these treaties may change or that tax authorities may change their position on the application of a relevant tax treaty. As a consequence, any such change (i.e. the imposition of, or increase in, withholding tax in that foreign jurisdiction) may result in higher rates of tax being applied to income from underlying investments and this may have a negative effect on the returns to the Fund and Shareholders.

In addition, under some treaties the rate of withholding tax applied to a Fund may be affected by the tax profiles of investors in the Fund (or by the tax profiles of investors in other Funds of the Company). This is because such treaties may require a majority of investors in the Fund (or the other Funds of the Company) to be resident in either the UK or another specified jurisdiction as a condition of relief. Failing to satisfy this test may also result in increased withholding tax and therefore a negative effect on the returns to the Fund and investors.

Shareholders should consult their own tax advisers regarding the possible implications of these rules on their investments in any Fund.

The information in this section is a general guide based on current United Kingdom law and HM Revenue & Customs practice, which are subject to change. It summarises the tax position of the Funds and of investors who are United Kingdom resident individuals and hold Shares as investments. The regime for taxation of income and capital gains received by individual investors depends on the tax law applicable to their personal circumstances and may be subject to change in the future. Prospective investors who are in any doubt about their tax position, or who may be subject to corporation tax in the United Kingdom or to tax in a jurisdiction other than the United Kingdom, are recommended to take professional advice.

## 6. ACCOUNTS AND REPORTS; INCOME DISTRIBUTION

### 6.1 Annual and half-yearly reports

The Company's annual accounting date is 31 December, and its first annual accounting date fell on 31 December 2003. The Company's annual report will be published within four months of the annual accounting date. A half yearly report will be prepared each year as at 30 June (the interim accounting date), and will be published within two months. Copies of the Annual and Interim Report and Financial Statements are available on the ACD/Investment Manager's website [www.liontrust.co.uk](http://www.liontrust.co.uk) and are also available free of charge on request from the ACD at 2 Savoy Court, London WC2R 0EZ.

### 6.2 Distribution of income

Income which has accrued to a Fund by an accounting date (be it an interim or a final accounting date) will be allocated to Shares in the Fund in question within four months of the accounting date or interim accounting date. Upon distribution, income will be distributed to the Shareholders concerned. Shareholders will receive a statement of the tax deducted at source prior to the distribution being made (with regard to liability to tax, see Paragraph 5 (*Taxation*) of Part 1). Annual and interim distribution dates are set out in the Appendices. There will be no smoothing of interim distributions within an annual accounting period as there is a full distribution policy.

If a distribution remains unclaimed for a period of six years after it has become due it will be forfeited and returned to the relevant Fund (or, if that no longer exists, to the Company).

The Company operates a policy of income equalisation, which has been explained in Section 3 (*Valuation of Fund Property and pricing of and dealing in Shares*) of Part 1.

For Funds in which Accumulation Shares are issued, income will become part of the capital property of the Fund and will be reflected in the price of each such Accumulation Share as at the end of the relevant accounting period.

Income available for distribution in respect of each Fund is calculated in respect of each accounting period by taking the income received or receivable in respect of that period, deducting all charges and expenses paid or payable out of income, adding the ACD's best estimate of relief from tax on such charges and expenses, and making certain other adjustments to the resultant total which are permitted in accordance with the Sourcebook (after consultation with the Auditor, as appropriate).

## 7. GENERAL AND MISCELLANEOUS

### 7.1 Material interests

The ACD may carry out transactions for the Company in which the ACD has a material interest (as defined in the rules of the FCA) or relating to which the ACD has a relationship which gives rise to a conflict, but the ACD will not knowingly do so unless the ACD is satisfied that the transaction concerned is not precluded by law or the Sourcebook or the Instrument and reasonable steps have been taken to ensure (i) fair treatment of the Shareholders; and (ii) compliance with the Sourcebook.

### 7.2 Investing in Shares through the services of a financial adviser

A person who purchases Shares through the agency of a financial adviser or after taking advice from a financial adviser may be entitled to cancel that contract. If that right to cancel is exercised, the ACD will

ensure that the purchase money is refunded, subject to any fall in the value of the Shares that may have taken place between the time of the purchase and the time of its cancellation.

### 7.3 **Property**

There is no intention for the Company to have an interest in any immovable property or tangible moveable property.

### 7.4 **Risk factors**

#### (a) **General**

The price of Shares and the income that they generate can go down as well as up. A Shareholder may not be able to recover the total amount invested in Shares. Shares in all the Funds should generally be regarded as a long-term investment.

Before investing, Shareholders should make specific enquiries as to whether, in view of their personal circumstances, an investment in Shares represents a significant risk for them. The statements in this Prospectus as to risk factors involved with investment in Shares are generic in nature, and are not intended to be exhaustive.

There is no guarantee that the investment objective of a Fund, or its risk monitoring, hedging and diversification goals, will be achieved and results may vary substantially over time. Shareholders should recognise that investing in a Fund or Funds involves special considerations not typically associated with investing in other securities and that the asset allocation is not structured as a complete investment programme. Investments may be made in assets domiciled in jurisdictions which do not have a regulatory regime which provides an equivalent level of Shareholder protection to that provided under English law.

#### (b) **Currency Exchange Rates**

Where an underlying investment of any Fund is not denominated in the currency of the Share Class which you hold, the effect of fluctuations in the rate of exchange between that currency and the currency of denomination of the investment may adversely affect the value of that investment, and this will be reflected in the value of Shares in that Fund.

#### (c) **Illiquidity**

Funds investing in smaller companies invest in transferable securities that 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. Additionally in extreme market conditions illiquidity within the portfolio may mean investors are unable to redeem their shares when required.

#### (d) **Suspension of Dealing in Shares**

Investors should be aware that in certain circumstances their right to redeem shares may be suspended. See Paragraph 3.8 (*Suspension of issues and redemptions*) of Part 1.



(e) Dilution

Shareholders should note that in certain circumstances a dilution adjustment may be applied on the sale or redemption of shares. See Paragraph 3.1(d) (*Dilution Adjustment*) of Part 1. Where a dilution adjustment is not applied the Fund in question may incur dilution which may constrain capital growth.

(f) Liabilities of the Company

Each Fund will be treated as bearing the liabilities, expenses, costs and charges attributable to it. While the ICVC Regulations provide for this “segregated liability” between Funds, the concept is relatively new and so, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known how such foreign courts will interpret or implement the ICVC Regulations.

(g) Concentration of Investments

A Fund may at certain times hold relatively few investments. A Fund could therefore be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected.

Whilst the ACD will regularly monitor the concentration of the Fund's exposure to related risk, concentration in any one industry, region or country or with respect to any given counterparty may arise from time to time. To the extent there is a downturn or other problem in any area where the Fund has concentration, this could reduce the return the Fund receives on its investments and, consequently, could have an adverse impact on the Fund's financial conditions and its ability to pay distributions.

(h) Nature of Investments

An investment in a Fund will require a long-term commitment, with no certainty of return. A Fund may make investments which the ACD perceives as having the potential for substantial return, but which may also involve substantial risks. Since a Fund may only make a limited number of investments and since such investments may involve a high degree of risk, poor performance by such investments could severely affect the total return to investors.

(i) Liquidity Risk

Certain securities may be difficult or impossible to sell at the time and the price that the seller would like. The seller may have to lower the price to effect a secondary market sale, sell other securities instead or forego an investment opportunity, any of which could have a negative effect on fund management or performance.

(j) Market risk

The investments of a Fund are subject to normal market fluctuations and the risk inherent in investment in equity securities and similar instruments and there can be no assurances that appreciation will occur.

(k) Use of leverage

The use of leverage by a Fund will accentuate any change in its NAV of the Fund and thereby result in increased volatility. The use of leverage creates special risk and may significantly increase a Fund's investment risk. Leverage will create an opportunity for greater yield and total return but, at the same time, will increase the Fund's exposure to capital risk and interest costs. Any investment income and gain earned on investments made through the use of leverage that are in excess of the interest costs associated with it may cause the NAV to increase more rapidly than would otherwise be the case. Conversely, where the associated interest rate costs are greater than such income and net gains and losses, the NAV may decrease more rapidly than would otherwise be the case.

(l) Potential Conflicts of Interest

In addition, investors should note that the Annual Management Charge is based on the NAV of the Fund and the ACD may value assets of the Fund in certain circumstances so there is the potential of conflict of interest and its fees will rise with an increase in the NAV of the Fund.

(m) Foreign exchange/currency risk

Although Shares may be denominated in a Fund's base currency, it may invest its assets in securities denominated in a wide range of currencies, some of which may not be freely convertible. The value of securities as expressed in the base currency of the Fund will fluctuate in accordance with the changes in the foreign exchange rate between the base currency of the Fund and the currencies in which the Fund's investments are denominated. The Fund may therefore be exposed to a foreign exchange/currency risk.

It may not be possible or practicable to hedge against the consequent foreign exchange/ currency risk exposure. The ACD may, at its sole discretion, enter into hedging transactions to protect against fluctuations in the relative values of a Fund's portfolio positions as a result of changes in currency exchange rates and market interest rates.

In some Funds certain Share Classes are denominated in currencies other than the Base Currency. This means that the prices of those Share Classes will be affected by fluctuations in the currency of denomination against the Base Currency. All non-Base Currency Share Classes are unhedged.

(n) Equity risk

Equities as a class have historically outperformed other types of investments over the long term. Individual stock prices, however, tend to go up and down more dramatically over the short term. These price movements may result from factors affecting individual companies or industries, or the securities market as a whole.

(o) Political legal and/or regulatory risks

The value of the assets of the Company may be adversely affected by uncertainties, such as international, political and economic developments, changes in market conditions, government policies or in legal, regulatory or taxation requirements.

(p) Availability of certain investment opportunities

Each Fund will compete with other potential investors to acquire assets. Certain competitors of the Fund's may have greater financial and other resources and may have better access to suitable investment opportunities. There can be no assurance that each Fund will be able to locate and complete investments which satisfy the Fund's rate of return objectives or that the Fund will be able to invest fully its committed capital. If no suitable investments can be made then cash will be held by the Fund and this will reduce returns to Shareholders. Whether or not suitable investment opportunities are available to the Fund, Shareholders will bear the cost of management fees and other Fund expenses.

In the event that a Fund is terminated or the Company is wound up, and to the extent that the assets may be realised, any such realisation may not be at full market value and will be subject to deductions for any expenses for the termination of the relevant Fund or the liquidation of the Company.

(q) Limited number of investments

Each Fund will be diversified. However, in the event of a material demand for redemptions, a Fund could be forced to sell liquid positions resulting in an over-weighting in a small number of illiquid investments. In such circumstances, the aggregate return of a Fund may be substantially and adversely affected by the unfavourable performance of a single investment.

(r) Portfolio selection and reliance on the ACD

Shareholders of a Fund are reliant on the ability of the Investment Manager to make, manage and dispose of appropriate investments for the Fund. While the Investment Manager intends to make only carefully selected investments that meet the investment criteria of the Fund, it has complete discretion with respect to the selection of such investments within the investment criteria.

(s) Payments of charges and expenses to capital

Where the charges and expenses of a Fund are taken from the income received by the Fund, if there is insufficient income then the remaining charges and expenses will be taken from the capital of the Fund. In such circumstances, this may erode capital and constrain capital growth.

Where charges are taken from a Fund's capital, this will increase the amount of income available for distribution; however, this will erode capital and constrain capital growth.

(t) Performance Fees

In relation to Performance Fee Share Classes in certain Funds the ACD may receive a Performance Fee from a Fund calculated as a percentage of the outperformance of its Benchmark Index on an annual basis (as described in Sections 4.4 (*Performance Fee*) and 4.5 (*Large net creation or cancellation of Shares*) above). Performance fee arrangements may create an incentive for the ACD to make investments that are riskier or more speculative than would be the case in the absence of such arrangements. The Performance Fee payable to the ACD will be based on the cumulative performance of the Net Asset Value per Share of a Performance Fee Share Class as a whole (before deduction of any Performance Fee), including any income attributable to the cash assets of such Performance Fee Share Class and subscriptions and redemptions. The combination

of daily subscriptions and redemptions and the changing cumulative performance of the Net Asset Value per Share in a Performance Fee Share Class may impact upon the Performance Fee incurred by Shareholders in different ways because of the timing of subscriptions, redemptions and holdings. In addition, the ACD's Performance Fee will be based on unrealised as well as realised gains. There can be no assurance that such unrealised gains will, in fact, ever be realised or that Shareholders will experience identical returns.

(u) Net asset value and valuation of assets

The valuation of the Funds assets obtained for the purpose of calculating Net Asset Value may not be reflected in the prices at which such assets are sold. For details of the valuation of assets, please see Paragraph 3.1 (*Valuation of Fund Property*).

(v) Derivative risk

Where a Fund uses Derivatives, additional risk factors are contained in the Appendix of that Fund.

(w) Delegation risk

The Depositary is permitted to delegate and authorise its delegate to sub-delegate the safekeeping of the Scheme Property. As a result, a Fund may be adversely affected, amongst other things, by uncertainties in the applicable insolvency laws of the delegate or sub-delegate and protection of the Fund Property from distribution to creditors of the delegate or sub-delegate.

(x) Local, Regional and Global Events

Local, regional and global events, such as natural or environmental disasters, including earthquakes, fires, floods, hurricanes, tsunamis, and other severe weather-related phenomena; widespread disease, including pandemics and epidemics; and war, acts of terrorism, political and social unrest have been and can be highly disruptive to economies and markets, adversely impacting individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors affecting the value of the Funds' investments. Given the increasing interdependence among global economies and markets, adverse conditions in one country, market, or region are increasingly likely to adversely affect markets, issuers, and/or foreign exchange rates in other countries. These disruptions could prevent the Funds from executing advantageous investment decisions in a timely manner and could negatively impact the Funds' ability to achieve its investment objective. Any such event(s) could have a significant adverse impact on the value and risk profile of the Funds.

## 7.5 Profile of Typical Investor

Each Fund is marketable to all eligible investors provided they can meet the minimum age and subscription levels.

Each Fund may be suitable for investors who see collective investment schemes as a convenient way of participating in investment markets. They may be suitable for investors wishing to seek defined investment objectives.

Investors should also consider the following:

## **LIONTRUST UK EQUITY FUND**

Typically, investors should:

- ✓ wish to achieve a return in excess of the FTSE All-Share Total Return Index over any period of 5 years by investing mainly in shares of UK companies;
- ✓ have a lump sum to invest;
- ✓ be able to accept investment losses;
- ✓ plan to invest for five years or more in the knowledge that their return may suffer if they disinvest in the shorter-term and understand that the value of their investment may be subject to large changes in value, both up and down.

## **LIONTRUST UK FOCUS FUND**

Typically, investors should:

- ✓ wish to achieve a return in excess of the FTSE All-Share Total Return Index over any period of 5 years by investing in a focused number of mainly UK companies (maximum of 60);
- ✓ have a lump sum to invest;
- ✓ be able to accept investment losses;
- ✓ plan to invest for five years or more in the knowledge that their return may suffer if they disinvest in the shorter-term and understand that the value of their investment may be subject to large changes in value, both up and down.

## **LIONTRUST INSTITUTIONAL UK SMALL CAP FUND**

Typically, investors should:

- ✓ wish to achieve a return in excess of the Numis Smaller Companies plus AIM (ex Investment Companies) Total Return Index over any period of 5 years by investing mainly in shares of UK smaller companies;
- ✓ have a lump sum to invest;
- ✓ be able to accept investment losses;
- ✓ plan to invest for five years or more in the knowledge that their return may suffer if they disinvest in the shorter-term and understand that the value of their investment may be subject to large changes in value, both up and down.

## **LIONTRUST TORTOISE FUND**

Typically, investors should:

- ✓ wish to achieve a return in excess of SONIA over any period of 3 years, in all market conditions, with less volatility than the MSCI World Net Total Return Index by investing worldwide mainly in company shares;
- ✓ understand that the Fund will take both long and short positions in company shares and use derivatives to achieve short positions;
- ✓ understand that the Fund may at times be concentrated in certain industry or economic sectors;
- ✓ have a lump sum to invest;
- ✓ be able to accept investment losses;
- ✓ plan to invest for five years or more in the knowledge that their return may suffer if they disinvest in the shorter-term and understand that the value of their investment may be subject to large changes in value, both up and down.

## **LIONTRUST UK EQUITY INCOME FUND**

Typically, investors should:

- ✓ wish to achieve an income in excess of the FTSE All-Share Total Return Index and a total return (income and capital growth) in excess of the FTSE All-Share Total Return Index over any period of 5 years by investing mainly in shares of UK companies;
- ✓ have a lump sum to invest;
- ✓ be able to accept investment losses;
- ✓ plan to invest for five years or more in the knowledge that their return may suffer if they disinvest in the shorter-term and understand that the value of their investment may be subject to large changes in value, both up and down.

## **LIONTRUST GLOBAL EQUITY FUND**

Typically, investors should:

- ✓ wish to achieve a return in excess of the MSCI All Country World Net Total Return Index over any period of 5 years by investing mainly in shares of companies worldwide;
- ✓ have a lump sum to invest;

- ✓ be able to accept investment losses;
- ✓ plan to invest for five years or more in the knowledge that their return may suffer if they disinvest in the shorter-term and understand that the value of their investment may be subject to large changes in value, both up and down.

## **LIONTRUST GLOBAL FOCUS FUND**

Typically, investors should:

- ✓ wish to achieve a return in excess of the MSCI All Country World Net Total Return Index over any period of 5 years by investing in a focused number of companies worldwide (maximum of 60);
- ✓ have a lump sum to invest;
- ✓ be able to accept investment losses;
- ✓ plan to invest for five years or more in the knowledge that their return may suffer if they disinvest in the shorter-term and understand that the value of their investment may be subject to large changes in value, both up and down.

### **7.6 Best Execution**

The ACD expects the Investment Manager to act in the best interest of the Fund when executing decisions to deal on behalf of the Fund and requires the Investment Manager to maintain an order execution policy, in accordance with the Regulations, to ensure that all sufficient steps are taken to obtain the best possible result for the Fund.

### **7.7 Research Costs**

Any third party research received by the Investment Manager, for or on behalf of, the Company or a Fund will be paid for by the Investment Manager.

### **7.8 Telephone recording**

Please note that the ACD and the Investment Manager will take all reasonable steps to record telephone conversations, and keep a copy of electronic communications, giving instructions to deal in the Shares of any Fund or the management of the assets of any Fund. The ACD may also record calls for security, training and monitoring purposes and to confirm Shareholder's instructions and for any other regulatory reason. Recordings will be retained for a period of at least five years from the date of such recording or, where requested by a competent authority, for a period of seven years.

### **7.9 Voting Rights**

The ACD will exercise voting rights attaching to underlying Fund investments in accordance with its voting policy. A copy of the ACD's voting policy is available on request.

## 7.10 Historic Performance

### Liontrust UK Equity Fund

Share Class	Calendar year to 31 Dec 2018	Calendar year to 31 Dec 2019	Calendar year to 31 Dec 2020	Calendar year to 31 Dec 2021	Calendar year to 31 Dec 2022
Class X Accumulation	(9.8)%	14.3%	(6.9)%	18.1%	(9.7)%

---

Source: Liontrust.

### Liontrust UK Focus Fund

Share Class	Calendar year to 31 Dec 2018	Calendar year to 31 Dec 2019	Calendar year to 31 Dec 2020	Calendar year to 31 Dec 2021	Calendar year to 31 Dec 2022
Class X Accumulation	(5.9)%	19.0%	(4.1)%	14.5%	(20.6)%

---

Source: Liontrust.

### Liontrust Institutional UK Small Cap Fund

Share Class	Calendar year to 31 Dec 2018	Calendar year to 31 Dec 2019	Calendar year to 31 Dec 2020	Calendar year to 31 Dec 2021	Calendar year to 31 Dec 2022
Class A Accumulation	(21.7)%	19.0%	4.7%	21.8%	(27.3)%

---

Source: Liontrust

### Liontrust Tortoise Fund

Share Class	Calendar year to 31 Dec 2018	Calendar year to 31 Dec 2019	Calendar year to 31 Dec 2020	Calendar year to 31 Dec 2021	Calendar year to 31 Dec 2022
Class C Accumulation (Sterling)	(2.8)%	(6.0)%	15.0%	10.4%	21.5%

---



---

Source: Liontrust

The Fund's investment objective changed in November 2020 and therefore past performance before that date was achieved under circumstance which no longer apply.

**Liontrust UK Equity Income Fund**

<b>Share Class</b>	<b>Calendar year to 31 Dec 2018</b>	<b>Calendar year to 31 Dec 2019</b>	<b>Calendar year to 31 Dec 2020</b>	<b>Calendar year to 31 Dec 2021</b>	<b>Calendar year to 31 Dec 2022</b>
Class X Accumulation	(7.8)%	15.6%	(13.8)%	14.7%	(6.7)%

---

Source: Liontrust

## Liontrust Global Equity Fund

Share Class	Calendar year to 31 Dec 2018	Calendar year to 31 Dec 2019	Calendar year to 31 Dec 2020	Calendar year to 31 Dec 2021	Calendar year to 31 Dec 2022
Class X Accumulation (Sterling)	(3.7)%	22.3%	27.4%	12.8%	(11.5)%

---

Source: Liontrust for the Fund; MSCI Limited for the index.

Class B Accumulation Shares and Class X Accumulation Shares in this Fund were first issued on 30 June 2014.

## Liontrust Global Focus Fund

Share Class	Calendar year to 31 Dec 2018	Calendar year to 31 Dec 2019	Calendar year to 31 Dec 2020	Calendar year to 31 Dec 2021	Calendar year to 31 Dec 2022
Class X Accumulation (Sterling)	(4.1)%	19.0%	23.5%	8.0%	(5.6)%

---

Source: Liontrust

### Notes:

Past performance is not necessarily a guide to future returns. The value of any Shares may fall as well as rise and any income received from them may fluctuate. Consequently you may not receive back the amount originally invested.

The prices of all Shares are calculated on a single pricing basis.

For all Funds, performance is calculated to close of business on 31 December each year. If 31 December is not a Dealing Day, closing prices on the preceding Dealing Day will be used in calculating the 31 December NAVs per Share.

In the case of Income Shares it is assumed that distributions (dividends net of the standard rate of income tax) are re-invested in additional Shares at the price applicable on the accounting date.

### 7.11 Inspection of documents and supply of copies

The Instrument, any amending instrument and the most recent annual and half yearly reports may be inspected at the offices of the ACD. Copies of the following documents may be obtained from the ACD at [www.liontrust.co.uk](http://www.liontrust.co.uk) or by writing to Liontrust Fund Partners LLP, PO Box 373, Darlington DL1 9RQ (subject in some cases to payment of a fee in accordance with the Sourcebook);

- (a) the most recent annual and half yearly reports;
- (b) the most recent version of this Prospectus;
- (c) the Instrument of Incorporation (as amended); and
- (d) the material contracts referred to below.

### 7.12 Material contracts

The following contracts not being contracts entered into in the ordinary course of business, have been entered into by the Company and are material:

- (a) the ACD Agreement; and

(b) the Depositary Agreement.

### 7.13 Investment powers and safeguards

The assets of each Fund will be invested with the aim of achieving the investment objective and policy of that Fund as set out in the Appendices. They must be invested so as to comply with the investment and borrowing powers and restrictions set out in Chapter 5 of the Sourcebook, the Instrument and this Prospectus.

The investment powers and safeguards applicable to the Funds are set out in Part 2 (*Investment and borrowing powers*).

### 7.14 Notices to Shareholders

Any notice or document will be served on Shareholders, by post, at their respective addresses as shown in the Register.

### 7.15 Provision of Investment Advice

All information concerning the Company and about investing in Shares of the Company is available from the ACD at 2 Savoy Court, London, WC2R 0EZ.

The ACD is not authorised to give investment advice and persons requiring such advice should consult a professional adviser. All applications for Shares are made solely on the basis of the current prospectus of the Company, and Shareholders should ensure that they have the most up to date version.

### 7.16 Complaints

Complaints may be brought in writing to the Compliance Officer at Liontrust Fund Partners LLP – Po Box 373, Darlington, DL1 9RQ.

All complaints will be handled in accordance with the ACD's internal complaint handling procedures. A copy of the ACD's Guide to Making a Complaint is available on request.

**IN THE EVENT THAT AN UNSATISFACTORY RESPONSE IS PROVIDED, YOU CAN REFER YOUR COMPLAINT TO THE FINANCIAL OMBUDSMAN SERVICE AT: THE FINANCIAL OMBUDSMAN SERVICE, EXCHANGE TOWER, LONDON E14 9SR.** Information about the Financial Ombudsman can be found on its website at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk).

In the event of the ACD being unable to meet its liabilities to Shareholders, details about rights to compensation can be found at [www.fscs.org.uk](http://www.fscs.org.uk).

### 7.17 Benchmarks Regulation

For those Funds that may track their return against a benchmark index, or whose asset allocation is defined by reference to a benchmark index, or otherwise use a benchmark index to compute a performance fee, the ACD will ensure that the applicable benchmark administrators for the benchmark indices used by such Funds are included in the register maintained by the European Securities and Markets Authority ("ESMA") as required under the Benchmark Regulation (EU) 2016/1011.

The ACD is also required to produce and maintain robust written plans setting out the actions that it would take in the event that a benchmark (as defined by the EU Benchmark Regulations) materially changes or ceases to be provided. The ACD shall comply with this obligation. Further information on the plan is available on request.

#### 7.18 **Value Assessment**

In accordance with current Financial Conduct Authority rules, the ACD is required to carry out an annual assessment on whether the Company provides value to investors. The assessment of value looks at a number of criteria relating to investment performance, costs and quality of service and will determine whether each Fund offers value to investors compared with the market or whether any corrective action is required.

A report detailing the findings of the value assessment will be published on the ACD's website at [www.liontrust.co.uk](http://www.liontrust.co.uk).

## PART 2 INVESTMENT AND BORROWING POWERS

### 1. INTRODUCTION

This Part sets out in general terms the investment and borrowing powers of the Company.

The Company is a UK UCITS and all of its investment and borrowing powers as set out in this Part are compliant with Chapter 5 of the Sourcebook.

References in this Part to percentages are to percentages of the value of the Fund Property, unless otherwise stated.

### 2. GENERAL POWERS OF INVESTMENT IN TRANSFERABLE SECURITIES

The investment powers described in the following paragraphs are of general application to all ICVCs.

#### 2.1 What is a “transferable security”?

The Regulations define “transferable security” as:

- (a) including any investment covered by Rule 5.2.7 of the Sourcebook (broadly: shares; debentures; alternative debentures, government and public securities, such as gilts; warrants and certificates representing securities, such as depositary receipts); but
- (b) excluding any of the above:
  - (i) if title cannot be transferred at all; or
  - (ii) if consent (other than of the issuer) is required for title to be transferred; or
  - (iii) if the liability of the holder of such a security to contribute to the debts of the issuer is not limited to the issue price.

A transferable security will be an “**approved security**” for the purposes of the Regulations if it is admitted to Official Listing in any EEA Member State or the UK, or if it is dealt in on or under the rules of an “**eligible securities market**” (details of eligible markets relevant to the Company are set out in Paragraph 7 (*Eligible markets*) of Part 2).

#### 2.2 General provisions as to investment in transferable securities

Any of the Funds may invest in transferable securities subject to the following restrictions:

- (a) Non-approved securities limit

Not more than 10% in value of the Fund Property may consist of transferable securities which are not approved securities. However, subject to the other restrictions mentioned in paragraphs (b) to (f) below, there is generally no limit on the extent to which the Fund Property may be invested in investments which are approved securities.

(b) Warrants and nil and partly paid securities

Up to 100% in value of the Fund may consist of warrants (which may at times make the portfolio composition highly volatile), provided that warrants may only be held if it is reasonably foreseeable there will be no change to the Fund Property between the acquisition of the warrant and its exercise and the rights conferred by the proposed warrant and all other warrants forming part of the Fund Property at the time of the acquisition of the proposed warrant will be exercised and that the exercise of the rights conferred by the warrants will not contravene the Sourcebook.

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

A warrant which is an investment falling within article 80 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 and which is akin to an investment falling within article 79 of that Order may not be included in the Fund Property unless it is listed on an eligible securities market.

It is possible that more than 5% in value of the Fund will be invested in warrants, in which case the NAV of the Fund may, at times, be highly volatile.

(c) Limited right to hold nil paid or partly paid securities

A Fund may invest in nil paid or partly paid transferable securities only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Fund at the time when payment is required without contravening the Sourcebook.

(d) Concentration

The Fund Property may not include more than 10% of:

- (i) the non-voting share capital of a body corporate; or
- (ii) the debt securities issued by any single issuing body.

(e) Significant influence

The Company may only acquire transferable securities issued by a body corporate carrying rights to vote (whether or not on substantially all matters) at a general meeting of that body provided that the acquisition would not give the Company power significantly to influence the conduct of business of that body. The Company shall be taken to have power significantly to influence the conduct of business of that body if it can, by virtue of the transferable securities held by it, exercise or control the exercise of 20% or more of the voting rights in that body (disregarding for this purpose any temporary suspension of voting rights in respect of the securities of that body).

(f) Spread limits for transferable securities

Not more than 5% in value of the Fund Property may be invested in transferable securities (other than Government and other public securities ) issued by the same issuer. This limit can be increased to 10% in value of the Fund Property provided the total value of all holdings in excess of 5% does not exceed 40% of the Fund Property.

(g) Government and Public Securities

The following applies in respect of government and public securities which are a transferable security or an approved money market instrument (“**such securities**”) that is issued by:

- (a) the UK;
- (b) a local authority of the UK;
- (c) an EEA Member State;
- (d) a local authority of an EEA Member State;
- (e) a non-EEA Member State; or
- (f) a public international body to which the UK or one or more EEA Member States belong.

Where no more than 35% in value of the Fund Property 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.

The following applies to the Liontrust Tortoise Fund only:

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

- (a) 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;
- (b) no more than 30% in value of the Fund Property consists of such securities of any one issue; and
- (c) the Fund property includes such securities issued by that or another issuer, of at least six different issues.

In relation to such securities:

- (a) issue, issued and issuer include guarantee, guaranteed and guarantor; and
- (b) an issue differs from another if there is a difference as to the repayment date, rate of interest, guarantor or other material terms of the issue.

The issuers or guarantors in which more than 35% in value of the Fund Property may be invested are:

- (i) the Government of the United Kingdom (including the Scottish Administration, the Executive Committee of the Northern Ireland Assembly and the National Assembly of Wales;
- (ii) the Government of any EEA Member State, its local authorities, non-EEA Member State or public international bodies of which one or more EEA Member States are members or



such securities issued by Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland or the United States.

### **3. INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES**

#### **3.1 Units in collective investment schemes generally**

The Fund Property may consist of units in collective investment schemes which:

- (a) comply with the conditions necessary for them to enjoy the rights conferred by the UK UCITS Rules or, in the case of an EEA UCITS Scheme, the UCITS Directive; or
- (b) are recognised under the provision of s272, FSMA that is authorised by the supervisory authorities of Guernsey, Jersey or the Isle of Man (provided the requirements of COLL 5.2.13R are met); or
- (c) are authorised as a non-UCITS retail scheme; or
- (d) are authorised in an EEA State; or
- (e) are authorised by the competent authority of an OECD member country (other than a EEA State) which has:
  - (i) signed the IOSCO Multilateral Memorandum of Understanding; and
  - (ii) approved the scheme's management company, rules and depository/custody arrangements

provided that, for (b), (c), (d) or (e) to apply, the requirements of COLL 5.2.13AR must be met by that collective investment scheme.

No more than 30% in value of the Fund Property may consist of units in collective investment schemes of a type described in (b), (c) or (d).

#### **3.2 Units in collective investment schemes managed by the ACD or an associate**

In addition to the restrictions in (a) above, where the ACD proposes to acquire for the account of a Fund units in another collective investment scheme which it or an associate manages:

- (a) the Instrument must impose a duty on the ACD to pay into the Fund before the close of business on the fourth Business Day next after the agreement to buy units in that other collective investment scheme;
  - (i) the maximum permitted amount of any Initial Charge payable to the operator of that other collective investment scheme; and
  - (ii) if the ACD pays more for the units issued to him than the then prevailing creation price (in a case where that price could reasonably be known by him) the full amount of the difference; and
- (b) there must be no charge in respect of the investment in or the disposal of units in that other collective investment scheme.

#### 4. DERIVATIVES AND FORWARD TRANSACTIONS

- (a) **Derivative transactions may be used for the purposes of efficient portfolio management in any Fund and, where stated in the Appendix for that Fund, for the purpose of meeting its investment objectives as well.** In pursuing each Fund's objective, the ACD may, where permitted in the particulars for that Fund in the Appendices, make use of a variety of Derivative instruments in accordance with the Sourcebook.
- (b) A Fund may invest in Derivatives so long as:
- (i) it meets the criteria as set out in the Sourcebook and as discussed in (iv) below;
  - (ii) the transaction is economically appropriate for the Fund and any exposure is fully covered by cash or other property sufficient to meet any obligation to pay or deliver that could arise;
  - (iii) the exposure of the Fund to the underlying assets involved in the transaction do not exceed the limits as set out in the Sourcebook;
  - (iv) any investment in a transferable security or money-market instrument which embeds a Derivative, must also be in compliance with the relevant sections in the Sourcebook dealing with Derivatives, particularly in respect of the restrictions on exposure; and
  - (v) any investment in financial indices or OTC Derivatives meet the specific regulations set out in the Sourcebook dealing with these specific investments.
- (c) Except as set out in (f) below, there is no upper limit on the use of transactions in Derivatives or forward transaction for a Fund, but those transactions must meet the requirements of (d) and (e).
- (d) A transaction in a Derivative or forward transaction must:
- (i) (A) if an OTC Derivative, be in an approved Derivative; or  
(B) be in a future, an option or a CFD which must be entered into with a counterparty that is acceptable in accordance with the Sourcebook, must be on approved terms as to valuation and close out and must be capable of valuation; a CCP that is authorised in that capacity for the purposes of EMIR; a CCP that is recognised in that capacity in accordance with the process set out in article 25 of EMIR; or to the extent not already covered above, a CCP supervised in a jurisdiction that has implemented the relevant reforms on over-the-counter derivatives and is identified as having done so by the Financial Stability Board in its summary report on progress in implementation of G20 financial regulatory reforms dated 25 June 2019;
  - (ii) have the underlying asset consisting of any or all of the following to which the Fund is dedicated:
    - a) transferable securities;
    - b) permitted money market instruments;

- c) permitted deposits;
  - d) permitted derivatives;
  - e) permitted collective investment scheme units;
  - f) financial indices;
  - g) interest rates;
  - h) foreign exchange rates; and
  - i) currencies.
- (iii) be effected on or under the rules of an eligible derivatives market, which must not cause the Fund to diverge from its investment objective, must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more transferable securities, money market instruments, units in collective investment schemes, or Derivatives and must be with an approved counterparty.

Use of Derivatives must be supported by a risk management process maintained by the ACD which should take account of the investment objective and policy of the Fund. At the current time the ACD does not intend to use Derivatives either for efficient portfolio management or for the purpose of meeting the investment objectives of any Fund except where stated in the Appendix relating to a given Fund.

Global exposure within the Fund is a measure of the maximum potential loss to the Fund from the use of derivative instruments. This is calculated using the “commitment approach” which converts derivatives into the equivalent position in the underlying assets and thereby measures the incremental exposure provided by derivatives, after all appropriate netting or hedging positions have been removed.

- (e) A transaction in Derivatives or a forward transaction is to be entered into only if the exposure created by the transaction to which the scheme is or may be committed by another person, is suitably covered under (i) below.
- (i) Exposure is suitably covered if adequate cover from within the Fund Property is available to meet its total exposure, taking into account the initial outlay, the value of the underlying assets, any reasonably foreseeable market movement, counterparty risk, and the time available to liquidate any positions.
  - (ii) Cover used in respect of transaction in Derivatives or a forward transaction may not be used as cover in respect of another transaction in Derivatives or a forward transaction.
  - (iii) Fund Property which is the subject of a stock lending transaction is only available for cover if the ACD has taken reasonable care to determine that it is obtainable (by return or re-acquisition) in time to meet the obligation for which cover is required.
  - (iv) The exposure relating to Derivatives held in the Fund may not exceed the net value of that Fund.

- (f) The exposure to any one counterparty in an OTC Derivative transaction must not exceed 5% in value of the Fund Property. This limit is raised to 10% where the counterparty is an approved bank.
- (g) Where any Fund seeks collateral in connection with an OTC Derivative transaction that Fund will seek collateral in the form of cash or high quality liquid instruments which can reasonably be valued at nominal or face value without any discount and the Fund shall ensure that it does so in compliance with the ESMA guidelines on “ETFs and other UCITS issues”, in particular as such guidelines relate to efficient portfolio management techniques, OTC Derivative transactions and collateral management. Any cash collateral will either be held as cash on deposit or invested in high quality liquid instruments as described in the preceding sentence.

## 5. FURTHER GENERAL INVESTMENT AND BORROWING POWERS

The following paragraphs describe other general investment and borrowing powers applicable to ICVCs:

### 5.1 Stock lending

A stock lending transaction is one under which the Depositary sells and delivers securities to another party (either directly or through the agency of a broker) on terms that securities of the same kind and amount will be redelivered and reacquired by the Depositary for the account of the Company by a specified future date. At the time of delivery of the securities the Depositary receives from the counterparty assets as collateral to cover against the risk of the future redelivery not being completed, and the value of such collateral is adjusted on a regular basis to reflect the value of the securities transferred to the counterparty.

The ACD may request the Depositary to enter into stock lending transactions permitted under the Sourcebook and of a kind described in s263B Chargeable Gains Act 1992 (without extension by s263C). There is no limit on the value of the property of the Funds which may be the subject of stock lending transactions.

For each Fund the income received is split between the Fund and the Global Sub-Custodians (related parties to the Depositary) who will manage the Stock lending activity. The current split of the income received is that the Global Sub-Custodians will receive 30% and the Fund will receive the balance.

### 5.2 Borrowing powers

The Depositary may, in accordance with the Sourcebook and with the instructions of the ACD, borrow money from an eligible institution or an approved bank for the use of any Fund on the terms that the borrowing is repayable out of the Fund Property.

Borrowing includes, as well as borrowing in a conventional manner, any other arrangement designed to achieve a temporary injection of money into the Fund Property, in the expectation that the sum will be repaid (something that can be accomplished, for example by way of a combination of Derivatives which produces an effect similar to borrowing).

The aggregate value of all outstanding borrowings must not, on any Business Day, exceed 10% of the value of the Fund for which said borrowing was effected. This restriction does not apply to any “back-to-back” borrowing where currency is borrowed by the Company from an eligible institution and an amount in the Company's base currency, at least equal to the amount of the currency borrowed, is kept on deposit with the lender (or their agent or nominee). The ACD must ensure that no borrowing remains

outstanding for a period exceeding three months without the prior consent of the Depositary and in any case the borrowing must not cease to be on a temporary basis.

### 5.3 **Power to hold cash etc.**

The Company may hold cash or near cash (i.e. cash-type instruments and certain other arrangements which are treated by the Sourcebook as the equivalent of cash) for (i) the pursuit of the Company's investment objectives; (ii) the redemption of Shares; (iii) the efficient management of the Company; and/or (iv) other purposes which may reasonably be regarded as ancillary to the Company's objects. The ACD may vary the level of cash actually held within the Company in accordance with changes or anticipated changes in market conditions.

### 5.4 **Placing and underwriting exposure**

Subject to the Sourcebook, the Company may enter into agreements and undertakings in respect of underwriting and placing of transferable securities, provided that on any Business Day, the associated exposure of the Fund in relation to which said agreements have been entered into must:

- (a) be covered as if that exposure had been incurred in the context of a Derivative transaction (see above); and
- (b) if all possible obligations arising thereunder had immediately to be met in full, not involve the Fund in question in a breach of any investment limit in the Sourcebook.

## 6. **LISTING ARRANGEMENTS**

No Class of Shares in any Fund is listed or dealt with on any investment exchange.

## 7. **ELIGIBLE MARKETS**

- (a) all regulated markets (as defined in the glossary to the FCA Handbook) or markets established in the UK or an EEA State or in Australia, Canada, Hong Kong (but excluding Shanghai-Hong Kong Stock Connect), Japan, New Zealand, Switzerland, United States of America; which are regulated, operate regularly and are open to the public; or
- (b) each Fund may also deal through the securities markets indicated below:

Brazil	-	B3;
Chile	-	Santiago Stock Exchange; Electronic Stock Exchange;
Colombia	-	Colombian Securities Exchange;
India	-	BSE Ltd; National Stock Exchange of India Ltd;
Indonesia	-	Indonesia Stock Exchange;
Israel	-	Tel Aviv Stock Exchange;

Korea	-	Korea Exchange;
Malaysia	-	Bursa Malaysia;
Mexico	-	Mexican Stock Exchange;
Peru	-	Lima Stock Exchange;
Philippines	-	Philippine Stock Exchange;
Russia	-	Moscow Exchange;
Singapore	-	Singapore Exchange;
South Africa	-	JSE Limited;
Taiwan	-	Taiwan Stock Exchange;
Thailand	-	The Stock Exchange of Thailand;
Turkey	-	Borsa Istanbul.
Vietnam	-	Hanoi Stock Exchange

(c) An eligible derivatives market is any of the following markets:

Germany	-	EUREX Deutschland
Japan	-	Osaka Exchange
United Kingdom	-	ICE Futures Europe London Stock Exchange
United States of America	-	Cboe Options Exchange Chicago Mercantile Exchange

**APPENDIX 1**  
**LIONTRUST UK EQUITY FUND**

**1. CLASSIFICATION OF THE FUND**

UK UCITS

**2. PRN**

641884

**3. INVESTMENT OBJECTIVE**

To deliver a total return (the combination of income and capital growth) that at the end of any five year period is in excess of achieving a total return of the FTSE All-Share Total Return Index, after all costs and charges have been deducted. There is no guarantee that the objective will be achieved over any time period and capital is at risk.

**4. INVESTMENT POLICY**

The Fund will invest at least 80% of its scheme property by value, directly or indirectly, in the shares of UK companies. These are companies that are:

- i.) listed or traded in the UK, and
- ii.) domiciled or incorporated in the UK.

The Fund may also invest up to 20% of its scheme property by value in the shares of non-UK companies (which may include both companies in developed markets and companies in emerging markets), cash, deposits and money market instruments.

The Fund may invest in these asset classes directly and indirectly. It may invest indirectly through other transferable securities (such as depositary receipts) or collective investment schemes (open or closed ended) which may include other funds managed by the ACD, or Associates of the ACD or Investment Manager, or funds to which the Investment Manager, or its Associates, provides investment management services.

No more than 10% of the scheme property may be invested in other collective investment schemes.

The Fund does not have any restrictions on the industry sectors it can invest in.

**5. INVESTMENT STRATEGY**

The Fund is actively managed and does not have any particular style bias. The investment managers are flexible investors who will aim to outperform the market by investing in a combination of companies that are judged to be undervalued by the market. The characteristics of these companies could vary and may include growth companies, lowly valued out of favour companies and companies that are undertaking a restructuring perhaps within an industry undergoing significant change. The investment managers may also invest in companies where there is a catalyst for recovery such as management change or an improving business environment as well as seeking out the most attractive investments

that are exposed to specific themes (for example consolidating industries or demographics) that are identified as being long term areas for structural growth.

The investment managers typically take a long-term time horizon of 3-5 years when selecting investments.

**6. TARGET BENCHMARK**

FTSE All-Share Total Return Index.

**7. COMPARATOR BENCHMARK**

IA sector - UK All Companies.

**8. INFORMATION REGARDING BENCHMARKS**

The FTSE All-Share Total Return Index has been selected as the Fund's target benchmark as the Fund has the discretion to invest across the broadest spectrum of UK companies. The ACD believes that this is an appropriate target for the Fund given the investment objective and policy of the Fund as it is considered to be the broadest price performance measure for UK companies. The index is used as a target and the Fund is not constrained in how far its holdings can deviate from the weightings of the index.

Given that the Fund invests in UK companies the ACD believes it is appropriate for investors to compare the performance of the Fund versus the relevant IA sector which in this case is the IA UK All Companies sector.

**9. RISK FACTORS**

*Market Risk:* the investments of the Fund are subject to normal market fluctuations and the risk inherent in investment in equity securities and similar instruments and there can be no assurances that appreciation will occur.

*Equity Risk:* the value of equities may fall as well as rise and as a class of investment, equities are typically more volatile than other common investment types such as bonds or cash.

*Currency Risk:* the Fund invests in international securities which are denominated in foreign currencies whose fluctuations may increase the Fund's volatility and losses.

**10. TYPES OF SHARE IN ISSUE:**

Class B Accumulation Shares.

Class B Income Shares

Class X Accumulation Shares.

Class X Income Shares.

Class B Accumulation Shares and Class B Income Shares are only available for investors with the prior agreement of the Investment Manager (which it may give or withhold at its discretion). In respect of Shares acquired (whether by purchase, transfer or otherwise) on or after 6 January 2017 for the avoidance of doubt the prior agreement of the Investment Manager shall be in writing. Absence of the



prior written agreement of the Investment Manager shall not constitute a waiver of the requirement; any waiver must be in writing signed by the Investment Manager.

**11. BASE CURRENCY**

£ Sterling.

**12. DEALING DAY**

Every Business Day.

**13. DEALING DEADLINE**

For both subscriptions and redemptions, 12.00 noon (London Time) on the relevant Dealing Day.

**14. ANNUAL MANAGEMENT CHARGE**

Class B Accumulation Shares and Class B Income Shares in the Fund do not have any Annual Management Charge.

Class X Accumulation Shares and Class X Income Shares in the Fund have a Annual Management Charge of 0.65% per annum of the value of the Fund Property attributable to Class X Accumulation Shares and Class X Income Shares respectively.

The Annual Management Charge will accrue daily based on the previous day's NAV and is payable in arrears on the last Business Day of each month.

**15. ONGOING CHARGES FIGURE (“OCF”)**

The OCF refers to all fees regularly charged to the Fund and currently comprises only the Annual Management Charge.

The ACD's policy is that the fees included in the OCF shall be paid out of the income property of the Fund and that there shall be recourse to the capital property only to the extent that the income property is insufficient.

**16. VALUATION POINT**

The Fund Property is valued daily on Business Days at 12.00 noon (London time).

**17. MINIMUM INVESTMENT CRITERIA**

For all Classes of Shares in the Fund the minimum initial subscription is £100,000 and the minimum further subscription is £5,000.

These minima may be waived at the discretion of the ACD.

**18. ANNUAL INCOME DISTRIBUTION DATE**

28 February

19. **INTERIM INCOME DISTRIBUTION DATE**

31 August

**APPENDIX 2**  
**LIONTRUST UK FOCUS FUND**

**1. CLASSIFICATION OF THE FUND:**

UK UCITS

**2. PRN**

641887

**3. INVESTMENT OBJECTIVE**

To deliver a total return (the combination of income and capital growth) that at the end of any five year period is in excess of achieving a total return of the FTSE All-Share Total Return Index , after all costs and charges have been deducted. There is no guarantee that the objective will be achieved over any time period and capital is at risk.

**4. INVESTMENT POLICY**

The Fund will invest at least 80% of its scheme property by value, directly or indirectly, in the shares of UK companies. These are companies that are:

- i. listed or traded in the UK, and
- ii. domiciled or, incorporated in the UK.

The Fund will be focused and will have holdings in no more than 60 companies.

The Fund may also invest up to 20% of its scheme property by value in the shares of non-UK companies (which may include companies in emerging markets), cash, deposits and money market instruments.

The Fund may invest in these asset classes directly and indirectly. It may invest indirectly through transferable securities (such as depositary receipts) or collective investment schemes (open or closed ended) which may include other funds managed by the ACD, or Associates of the ACD or Investment Manager, or funds to which the Investment Manager, or its Associates, provides investment management services.

No more than 10% of the scheme property may be invested in other collective investment schemes.

The Fund does not have any restrictions on the industry sectors or the size of companies it can invest in.

**5. INVESTMENT STRATEGY**

The Fund is actively managed and does not have any particular style bias. The investment managers are flexible investors who will aim to outperform the market by investing in a combination of companies that are judged to be undervalued by the market. The characteristics of these companies could vary and may include growth companies, lowly valued out of favour companies and companies that are undertaking a restructuring perhaps within an industry undergoing significant change. The investment managers may also invest in companies where there is a catalyst for recovery such as management change or an improving business environment as well as seeking out the most attractive investments

that are exposed to specific themes (for example consolidating industries or demographics) that are identified as being long term areas for structural growth.

The investment managers typically take a long-term time horizon of 3-5 years when selecting investments.

#### 6. **TARGET BENCHMARK**

FTSE All-Share Total Return Index.

#### 7. **COMPARATOR BENCHMARK**

IA sector - UK All Companies.

#### 8. **INFORMATION REGARDING BENCHMARKS**

The FTSE All-Share Total Return Index has been selected as the Fund's target benchmark as the Fund has the discretion to invest across the broadest spectrum of UK companies. The ACD believes that this is an appropriate target for the Fund given the investment objective and policy of the Fund as it is considered to be the broadest price performance measure for UK companies. The index is used as a target and the Fund is not constrained in how far its holdings can deviate from the weightings of the index.

#### 9. **GIVEN THAT THE FUND INVESTS IN UK COMPANIES THE ACD BELIEVES IT IS APPROPRIATE FOR INVESTORS TO COMPARE THE PERFORMANCE OF THE FUND VERSUS THE RELEVANT IA SECTOR WHICH IN THIS CASE IS THE IA UK ALL COMPANIES SECTOR. RISK FACTORS**

*Market Risk:* the investments of the Fund are subject to normal market fluctuations and the risk inherent in investment in equity securities and similar instruments and there can be no assurances that appreciation will occur.

*Equity Risk:* the value of equities may fall as well as rise and as a class of investment, equities are typically more volatile than other common investment types such as bonds or cash.

*Currency Risk:* the Fund invests in international securities which are denominated in foreign currencies whose fluctuations may increase the Fund's volatility and losses.

*Concentration Risk:* the Fund may at certain times, hold relatively few investments which could lead to losses if it holds a large position in a particular investment that declines in value.

#### 10. **TYPES OF SHARE IN ISSUE**

Class B Accumulation Shares.

Class X Accumulation Shares.

Class X Income Shares.

Class B Accumulation Shares are only available for investors with the prior agreement of the Investment Manager (which it may give or withhold at its discretion). In respect of Shares acquired (whether by purchase, transfer or otherwise) on or after 6 January 2017 for the avoidance of doubt the prior agreement of the Investment Manager shall be in writing. Absence of the prior written agreement of the

Investment Manager shall not constitute a waiver of the requirement; any waiver must be in writing signed by the Investment Manager.)

**11. BASE CURRENCY**

£ Sterling.

**12. DEALING DAY**

Every Business Day.

**13. DEALING DEADLINE**

For both subscriptions and redemptions, 12.00 noon (London Time) on the relevant Dealing Day.

**14. ANNUAL MANAGEMENT CHARGE**

Class B Accumulation Shares in the Fund do not have a Annual Management Charge.

Class X Accumulation Shares and Class X Income Shares have a Annual Management Charge of 0.85% per annum of the value of the Fund Property attributable to Class X Accumulation Shares and Class X Income Shares respectively.

The Annual Management Charge accrues daily based on the previous day's NAV and is payable in arrears on the last Business Day of each month.

**15. ONGOING CHARGES FIGURE (“OCF”)**

The OCF refers to all fees regularly charged to the Fund and currently comprises only the Annual Management Charge.

The ACD's policy is that the fees included in the OCF shall be paid out of the income property of the Fund and that there shall be recourse to the capital property only to the extent that the income property is insufficient.

**16. VALUATION POINT**

The Fund Property is valued daily on Business Days at 12.00 noon (London time).

**17. MINIMUM INVESTMENT CRITERIA**

For all Classes of Shares in the Fund the minimum initial subscription is £100,000 and the minimum further subscription is £5,000.

These minima may be waived at the discretion of the ACD.

**18. FINAL INCOME DISTRIBUTION DATE**

28 February

19. **INTERIM INCOME DISTRIBUTION DATE**

31 August

## APPENDIX 3

### LIONTRUST INSTITUTIONAL UK SMALL CAP FUND (In the process of being terminated and not available for investment)

#### 1. CLASSIFICATION OF THE FUND

UK UCITS

#### 2. PRN

641886

#### 3. INVESTMENT OBJECTIVE

To deliver a total return (the combination of income and capital growth) that at the end of any five year period is in excess of achieving a total return of the Numis Smaller Companies plus AIM (ex Investment Companies) Total Return Index, after all costs and charges have been deducted. There is no guarantee that the objective will be achieved over any time period and capital is at risk.

#### 4. INVESTMENT POLICY

The Fund will invest at least 80% of its scheme property by value, directly or indirectly, in the shares of UK smaller companies. These are companies that are:

- i. listed or traded in the UK, and
- ii. domiciled or incorporated in the UK
- iii. and have a market capitalisation of less than £2bn.

The Fund may also invest up to 20% of its scheme property by value in the shares of UK companies with a market capitalisation greater than £2bn and in non-UK companies of any size, cash, deposits and money market instruments.

The Fund may invest in these asset classes directly and indirectly. It may invest indirectly through transferable securities (such as depositary receipts) or collective investment schemes (open or closed ended) which may include other funds managed by the ACD, or Associates of the ACD or Investment Manager, or funds to which the Investment Manager, or its Associates, provides investment management services.

No more than 10% of the scheme property may be invested in other collective investment schemes.

The Fund does not have any restrictions on the industry sectors it can invest in.

#### 5. INVESTMENT STRATEGY

The investment manager pursues a flexible stockpicking investment approach to identify companies judged to be undervalued by the market and, in their opinion, are quality growing companies. These companies will typically have favourable company-specific prospects where the outcomes are judged to be more within the management's control, than dependent on broader external macroeconomic factors. Investment ideas are generated by detailed fundamental research and analysis of companies. The investment manager's criteria include strength of management teams, secular trends, sustainable

business models with predictability, robust balance sheets, potential for improving margins and returns, and good cash generation.

#### **6. TARGET BENCHMARK**

Numis Smaller Companies plus Alternative Investment Market (AIM) excluding Investment Companies Total Return Index.

#### **7. INFORMATION REGARDING BENCHMARK**

Numis Smaller Companies plus Alternative Investment Market (AIM) excluding Investment Companies Total Return Index has been selected as the Fund's target benchmark as the Fund invests in a diversified portfolio of UK smaller companies. The ACD believes that this is an appropriate target for the Fund given the investment objective and policy of the Fund as it is an established benchmark for monitoring the performance of smaller UK companies. The index is used as a target, the Fund has the ability to invest outside of the index and is not restricted by the weightings of the index therefore the portfolio could look considerably different to the index at any point in time.

#### **8. RISK FACTORS**

*Market Risk:* the investments of the Fund are subject to normal market fluctuations and the risk inherent in investment in equity securities and similar instruments and there can be no assurances that appreciation will occur.

*Equity Risk:* the value of equities may fall as well as rise and as a class of investment, equities are typically more volatile than other common investment types such as bonds or cash.

*Liquidity Risk:* certain securities may be difficult or impossible to sell at the time and price that the seller would like. The Seller may have to lower the price, sell other securities instead or forego an investment opportunity, any of which could have a negative effect on fund management or performance.

#### **9. TYPES OF SHARE IN ISSUE**

Class A Accumulation Shares.

Class B Accumulation Shares.

Class B Accumulation Shares are only available for investors with the prior agreement of the Investment Manager (which it may give or withhold at its discretion). In respect of Shares acquired (whether by purchase, transfer or otherwise) on or after 6 January 2017 for the avoidance of doubt the prior agreement of the Investment Manager shall be in writing. Absence of the prior written agreement of the Investment Manager shall not constitute a waiver of the requirement; any waiver must be in writing signed by the Investment Manager.)

#### **10. BASE CURRENCY**

£ Sterling.

#### **11. DEALING DAY**

Every Business Day.



**12. DEALING DEADLINE**

For both subscriptions and redemptions, 12.00 noon (London Time) on the relevant Dealing Day.

**13. ANNUAL MANAGEMENT CHARGE**

Class A Accumulation Shares in the Fund have a Annual Management Charge of 1% per annum of the value of the Fund Property attributable to Class A Accumulation Shares.

Class B Accumulation Shares in the Fund do not have a Annual Management Charge.

The Annual Management Charge accrues daily based on the previous day's NAV and is payable in arrears on the last Business Day of each month.

**14. ONGOING CHARGES FIGURE (“OCF”)**

The OCF refers to all fees regularly charged to the Fund and currently comprises only the Annual Management Charge.

The ACD's policy is that the fees included in the OCF shall be paid out of the income property of the Fund and that there shall be recourse to the capital property only to the extent that the income property is insufficient.

**15. VALUATION POINT**

The Fund Property is valued daily on Business Days at 12.00 noon London time.

**16. MINIMUM INVESTMENT CRITERIA**

For all Classes of Shares in the Fund the minimum initial subscription is £100,000 and the minimum further subscription is £5,000.

These minima may be waived at the discretion of the ACD.

**17. FINAL INCOME DISTRIBUTION DATE**

28 February

**18. INTERIM INCOME DISTRIBUTION DATE**

31 August

**APPENDIX 4**  
**LIONTRUST TORTOISE FUND**

**1. CLASSIFICATION OF THE FUND**

UK UCITS

**2. PRN**

641890

**3. INVESTMENT OBJECTIVE**

To produce a return in excess of SONIA (Sterling Overnight Index Average) in all market conditions, over any three-year period after all costs and charges have been deducted and with less volatility than the MSCI World Net Total Return Index. There is no guarantee that a positive return will be achieved over any time period and capital is at risk.

**4. INVESTMENT POLICY**

The Fund aims to achieve its objective by investment in a portfolio of long equity positions and uses derivatives to take synthetic short equity positions. At least 70% by value of the aggregate of these long and short positions will be in companies listed in EEA Member States, Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland, United Kingdom or the United States of America. It may also invest in the shares of companies throughout the world (including emerging markets).

- The Fund will hold a maximum of 60 long positions, representing an overall net position of up to 100% of Net Asset Value (where “net position” means the position once synthetic short positions have been subtracted from long positions). The long positions will be achieved by direct purchases of securities.
- The maximum number of synthetic short positions is 60, which may represent up to 100% of the Fund’s Net Asset Value, and each synthetic short position will not exceed 10% of the Fund’s Net Asset Value. The synthetic short positions will ordinarily be achieved by the use of contracts for differences (CFDs) placed with approved counterparties, but other derivatives may also be used to achieve synthetic short positions. Where index derivatives are used for efficient portfolio management, those derivatives positions will not be counted towards the maximum of long positions nor the maximum of synthetic short positions.
- The Fund may also hold and invest up to 100% of its NAV in near cash assets, which include government and public securities.
- The total exposure (under the commitment approach) of the Fund will not exceed 200% of NAV and will be monitored on a daily basis to ensure that the total exposure does not exceed this stated maximum.

The Fund does not have any restrictions on the industry sectors or the economic sectors it can invest in. At times the portfolio may be concentrated.

The Fund may also hold and invest in cash, deposits, government and public securities and/or money market instruments where the Investment Manager considers that there are not sufficient suitable

investment opportunities; to facilitate the Fund's ability to meet redemption requests; and where the Fund has received subscriptions that are awaiting investment. The Fund may also hold and invest up to 100% of its NAV in cash, deposits, government and public securities and/or money market instruments to protect the value of the Fund and maintain liquidity at times in falling or volatile markets.

The Fund may invest in these asset classes directly or indirectly via other transferable securities and collective investment schemes. These may include other funds managed by the ACD, or Associates of the ACD or Investment Manager, or funds to which the Investment Manager, or its Associates, provides investment management services.

No more than 10% of the Fund Property may be invested in other collective investment schemes.

## 5. INVESTMENT STRATEGY

The Fund is actively managed. The investment manager uses a combination of macro analysis of the credit, industrial and consumer cycles and micro analysis of individual company's operational performance and valuation to make investment decisions. The investment manager aims to invest in long equity positions in companies they believe to be undervalued, where operational performance is improving and which are in the low end of their historical price range. The investment manager aims to take short positions in companies they believe to be overvalued, where operational performance is deteriorating, and which are in the high end of their historical price range. This strategy is designed to limit overall portfolio downside while offering medium term (which the investment manager defines as 3 years) appreciation.

In terms of portfolio construction the gross and net exposure are arrived at by a combination of both macro views in terms of likely direction and volatility of equity markets together with micro views on the relative attractiveness of long and short positions given current market pricing. Positions are sized according to risk. Risk is defined as the range of potential outcomes. Higher risk shares with a wider range of potential outcomes have smaller weightings and lower risk shares have higher weightings. The investment manager assesses risk by looking at the volatility of revenues and the amount of fixed costs which together drive profit volatility. They then consider the company's balance sheet and the scope for the valuation of the shares to change in the future.

## 6. USE OF DERIVATIVES

**The use of Derivatives for investment purposes** will result in the creation of financial leverage and any such leverage will be within the limits set down by the FCA as laid out within the Sourcebook. The use of Derivatives will be fully supported by a risk management process which enables it to measure, monitor and manage accurately the various risks associated with Derivatives and to ensure that the use of Derivatives continue to be commensurate with the overall investment objectives of the Fund. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

The following is a description of the types of financial derivative instruments which may be used by the Fund:

(a) CFDs

The Fund may enter into CFDs as a replacement for direct investment in transferable securities in order to avail of cost or liquidity advantages of Derivatives over transferable securities. CFDs are also utilised to obtain synthetic short exposures to particular issuers. CFDs allow a direct exposure to the market, a sector or an individual security. Unlike a forward contract, there is no final maturity, the position being closed out at the discretion of the position taker. CFDs are used to gain exposure to share price movements without buying the shares themselves. A CFD on a company's shares will specify the price of the shares when the contract was started. The contract is an agreement to pay out cash on the difference between the starting share price and when the contract is closed. In a long CFD contract, the counterparty agrees to pay the Fund the amount, if any, by which the notional amount of the CFD contract would have increased in value had it been invested in the underlying security or securities, plus any dividends that would have been received on those stocks. In a short CFD contract, the counterparty agrees to pay the Fund the amount, if any, by which the notional amount of the CFD contract would have decreased in value had it been invested in the underlying security or securities. The Fund must also pay the counterparty the value of any dividends that would have been received on those stocks. CFDs are OTC Derivatives and the counterparty will usually be an investment bank or broker.

(b) Futures

Futures are contracts to buy or sell a standard quantity of a specific asset (or, in some cases, receive or pay cash based on the performance of an underlying asset, instrument or index) at a pre-determined future date and at a price agreed through a transaction undertaken on an exchange. The commercial purpose of futures contracts can be to allow investors to hedge against market risk or gain exposure to the underlying market. Since these contracts are marked-to-market daily, investors can, by closing out their position, exit from their obligation to buy or sell the underlying assets prior to the contract's delivery date. Using futures to achieve a particular strategy instead of using the underlying or related security or index may result in lower transaction costs being incurred.

(c) Forwards

The Fund may buy and sell currencies on a spot and forward basis, subject to the limits and restrictions adopted by the FCA from time to time, to reduce the risks of adverse changes in exchange rates, as well as to enhance the return of the Fund by gaining an exposure to a particular foreign currency. In forward foreign exchange contracts, the contract holders are obligated to buy or sell from another counterparty a specified amount of one currency at a specified price with another currency on a specified future date. Forward contracts may be cash settled between the parties. This reduces the Fund's exposure to changes in the value of the currency it will deliver and increases its exposure to changes in the value of the currency it will receive for the duration of the contract. The effect on the value of the Fund is similar to selling securities denominated in one currency and purchasing securities denominated in another currency. A contract to sell currency would limit any potential gain, which might be realised if the value of the hedged currency increases. These contracts cannot be transferred but they can be closed out by entering in a reverse contract. Suitable hedging transactions may not be available in all circumstances and there can be no assurance that the Fund will engage in such transactions at any given time or from time to time. Also, such transactions may not be successful and may eliminate any chance for the Fund to benefit from favourable fluctuations in relevant foreign

currencies. The commercial purpose of a forward foreign exchange contract may include, but is not limited to, altering the currency exposure of securities held, hedging against exchange risks, increasing exposure to a currency, and shifting exposure to currency fluctuations from one currency to another and hedging classes denominated in a currency (other than the Base Currency) to the Base Currency. Currency forwards are transacted as OTC Derivatives.

(d) Options

There are two forms of options, put options and call options. Put options are contracts sold for a premium that gives one party (the buyer) the right, but not the obligation, to sell to the other party (the seller) of the contract, a specific quantity of a particular product or financial instrument at a specified price. Call options are similar contracts sold for a premium that gives the buyer the right, but not the obligation, to buy from the seller of the option. Options may also be cash settled. The Fund may be a seller or buyer of put and call options.

7. **TARGET BENCHMARK**

SONIA (STERLING OVERNIGHT INDEX AVERAGE)

8. **COMPARATOR BENCHMARK**

MSCI ALL COUNTRY WORLD NET TOTAL RETURN INDEX.

9. **INFORMATION REGARDING BENCHMARKS**

SONIA (Sterling Overnight Index Average) has been selected as the Fund's target benchmark as the Fund aims to achieve a return (the money made or lost on an investment) in excess of the risk free rate and SONIA represents the risk free rate for sterling markets. Please refer to the Fund's investment objective for details regarding how achievement of the target return benchmark is measured, and over what time periods. The Fund is not constrained by the benchmark. Further information on SONIA is available at [<https://www.bankofengland.co.uk/markets/sonia-benchmark>].

The Fund's volatility may be compared against that of the MSCI All Country World Net Total Return Index. The ACD believes that this is an appropriate comparator for volatility given the investment objective and policy of the Fund. The ACD considers that the comparator benchmark will assist investors in evaluating the Fund's volatility against global companies of all sizes. The Fund is not constrained by the comparator benchmark and can take positions that differ significantly from the comparator benchmark.

**Benchmark regulation:**

The target benchmark index is used for the purposes of determining any performance fee payable as set out under 'Performance Fee' below. The benchmark is provided by the Bank of England, which, as a Central Bank, is exempt from the need to be included as an administrator in the ESMA register of benchmark administrators.

10. **THE GENERAL RISK FACTORS SET OUT IN PARAGRAPH 7.4 (RISK FACTORS) OF PART 1 APPLY TO THE FUND, IN ADDITION TO THE FOLLOWING SPECIFIC RISK FACTORS.**

**AN INVESTMENT IN THE SHARES OF THE FUND IS SPECULATIVE AND INVOLVES A DEGREE OF RISK. ACCORDINGLY, PROSPECTIVE INVESTORS SHOULD CONSIDER THE FOLLOWING ADDITIONAL RISK**

**FACTORS. THESE RISK FACTORS MAY NOT BE A COMPLETE LIST OF ALL RISK FACTORS ASSOCIATED WITH AN INVESTMENT IN THE FUND.**

**10.1 Derivatives general risk**

Derivative Risk; the use of derivatives (complex instruments) by the Fund will result in the Fund being leveraged. This could increase volatility and reduce liquidity. Leverage occurs when the economic exposure created by the use of derivatives is greater than the amount invested, resulting in the Fund being exposed to a greater loss (or gain) than the original investment. The risk factors associated with using derivatives may cause the Fund not to achieve its intended objective. However their use is supported by a risk management process to ensure their use is aligned with the investment objectives of the Fund.

Different Derivative instruments (and the manner in which trades are implemented) involve levels of exposure to risk. Investors should be aware of the following points:

(a) Off-exchange transactions

While some off-exchange markets are highly liquid, transactions in off-exchange, or non-transferable, Derivatives may involve greater risk than investing in on-exchange Derivatives because there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an off-exchange transaction or to assess the exposure to risk. Bid and offer prices need not be quoted, and even where they are, they will be established by dealers in these instruments and, consequently, it may be difficult to establish what a fair price is.

(b) Clearing house protection

On many exchanges, the performance of a transaction by a broker (or the third party with whom they are dealing on the Fund's behalf) is "guaranteed" by the exchange or clearing house. However, this guarantee is unlikely in most circumstances to cover the Fund as the customer and may not protect the Fund if the broker or another party defaults on its obligations to the Fund. There is no clearing house for traditional options, nor normally for off-exchange instruments which are not traded under the rules of a recognised or designated investment exchange.

(c) Suspensions of trading

Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange trading is suspended or restricted. Placing a stop-loss order will not necessarily limit losses to the intended amounts, because market conditions may make it impossible to execute such an order at the stipulated price.

(d) Insolvency

The insolvency or default of a broker involved with the Fund's transactions may lead to positions being liquidated or closed out without the Fund's consent. In certain circumstances, the Fund may not get back the actual assets which it lodged as collateral and the Fund may have to accept any available payment in cash.

(e) Correlation risk

Forward contracts and currency options may be used to seek to hedge against fluctuations in the relative values of the Fund's portfolio positions as a result of changes in currency exchange rates and market interest rates. Hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the value of portfolio positions nor does it prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, therefore moderating the decline in the positions value. Such hedge transactions also limit the opportunity for gain if the value of the portfolio positions should increase. Moreover, it may not be possible for the Company to hedge against any exchange rate or interest rate fluctuation which is so generally anticipated that the Company is not able to enter into a hedging transaction at a price sufficient to protect the Company from the decline in value of the portfolio position anticipated as a result of such a fluctuation.

(f) Settlement and counterparty risk

Settlement risk occurs when a transaction is not completed as duly agreed between the parties. This may be due to an error or omission in the necessary settlement, clearing or registration processes or due to the lack of creditworthiness of one of the parties to the transaction.

Counterparty risk occurs when a party to a contract fails to honour and defaults on its obligations under it. Funds which are party to these risks can incur considerable losses.

## 10.2 Derivatives instruments specific risks

The Fund will transact a number of Derivative instruments as part of its investment strategy. These instruments will include, but are not restricted to: First to default baskets, over the counter options, exchange traded futures and options, forward rate agreements and currency options.

(a) Forwards

A forward is a contract between two parties agreeing that at a certain time in the future one party will deliver a pre-agreed quantity of some underlying asset (or its cash equivalent in the case of non-tradable underlyings) and the other party will pay a pre-agreed amount of money for it. This amount of money is called the forward price. Once the contract is signed, the two parties are legally bound by its conditions: the time of delivery, the quantity of the underlying and the forward price. Forward contracts are instruments traded over-the-counter. Performance of a forward contract may be strongly influenced by movements in foreign exchange rates because currency positions held by the Fund may not correspond with the securities positions held.

(b) Futures

Futures are standardised forwards which are traded on exchanges. Transactions in futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the Fund's position with cash. They carry a high degree of risk. The **“gearing”** or **“leverage”** often obtainable in futures trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small market movement can lead to a proportionately much larger movement in the value of the Fund's investment, and this can work against the Fund as well as for the Fund. Futures transactions have

a contingent liability, and investors should be aware of the implications of this, in particular the margining requirements.

(c) Options

There are many different types of options with different characteristics subject to different conditions:

(i) Buying options

Buying options involves less risk than writing options because, if the price of the underlying asset moves against the Fund, the Fund can simply allow the option to lapse. The maximum loss is limited to the premium, plus any commission or other transaction charges. However, if the Fund buys a call option on an asset contract and the Fund later exercises the option, the Fund will acquire the asset. This will expose the Fund to the risks of that particular asset.

(ii) Writing options

If the Fund writes an option, the risk involved is considerably greater than buying options. The Fund may be liable for margin to maintain its position and a loss may be sustained well in excess of any premium received. By writing an option, the Fund accepts a legal obligation to purchase or sell the underlying asset if the option is exercised against the Fund, however far the market price has moved away from the exercise price. Certain options markets operate on a margined basis under which buyers do not pay the full premium on their option at the time they purchase it. In this situation the Fund may subsequently be called upon to pay the margin on the option up to the level of its premium. If the Fund fails to do so as required, the Fund's position may be closed or liquidated in the same way as a futures position.

(d) CFDs

Futures and options contracts can also be referred to, as well as include, CFDs. These can be options and futures on any index, as well as currency and interest rate swaps. However, unlike other futures and options, these contracts can only be settled in cash. Investing in a CFD carries the same risks as investing in a future or option. Transactions in CFDs may also have a contingent liability and an investor should be aware of the implications of this as set out below.

(e) Contingent liability transactions

Contingent liability transactions which are margined require the Fund to make a series of payments against the purchase price, instead of paying the whole purchase price immediately. If the Fund trades in futures, CFDs or call options, the Fund may sustain a total loss of the margin it deposits with the broker to establish or maintain a position. If the market moves against the Fund, the Fund may be called upon to pay substantial additional margin at short notice to maintain the position. If the Fund fails to do so within the time required, its position may be liquidated at a loss and the Fund will be liable for any resulting deficit. Even if a transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when the contract was entered into. Contingent liability transactions



which are not traded on or under the rules of a recognised or designated investment exchange may expose you to substantially greater risks.

(f) Hedging

The Fund may utilise different financial instruments to seek to hedge against declines in the values of the Fund's positions as a result of market movements. Hedging against a decline in the value of the Fund's positions does not eliminate fluctuations in the values of the Fund's positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, therefore offsetting the decline in the Fund's positions' value. Such hedging transactions also limit the opportunity for gain if the value of the Fund's positions should increase. It may not be possible for the Fund to hedge against a change or event at a price sufficient to protect its assets from the decline in value of the Fund's positions anticipated as a result of such change. In addition, it may not be possible to hedge against certain changes or events at all, or the Investment Manager may choose not to hedge all or any of the Fund's exposure.

**BEFORE DETERMINING TO INVEST IN THE FUND, PROSPECTIVE INVESTORS SHOULD EVALUATE WHETHER THEY ACCEPT THE AFORESAID RISKS WHICH THEY WILL ASSUME BY BUYING SHARES OF THE FUND. THE FOREGOING LIST OF RISK FACTORS AND THOSE IN PARAGRAPH 7 (*RISK FACTORS*) OF PART 1 DOES NOT PURPORT TO BE A COMPLETE EXPLANATION OF THE RISKS INVOLVED IN THIS OFFERING.**

**PROSPECTIVE INVESTORS SHOULD READ THE ENTIRE PROSPECTUS AND FULLY EVALUATE ALL OTHER INFORMATION THAT THEY DEEM TO BE NECESSARY BEFORE DETERMINING TO INVEST IN THE FUND. AN INVESTMENT IN THE FUND MAY NOT BE APPROPRIATE FOR ALL INVESTORS.**

**11. TYPES OF SHARE IN ISSUE**

Class C Accumulation Shares (Sterling).

The currency exposure of the non-Base Currency Share Classes will not be hedged.

**12. BASE CURRENCY**

£ Sterling.

**13. DEALING DAY**

Every Business Day.

**14. DEALING DEADLINE**

For both subscriptions and redemptions, 12 noon (London Time) on the relevant Dealing Day.

**15. ANNUAL MANAGEMENT CHARGE**

Class C Accumulation Shares in the Fund are a Performance Fee Share Class and have (a) a Annual Management Charge of 1.0% per annum of the value of the Fund Property attributable to them and (b) a performance fee of 20% as described below.

The Annual Management Charge accrues daily based on the previous day's NAV and is payable in arrears on the last Business Day of each month.

**16. ONGOING CHARGES FIGURE (“OCF”)**

The OCF refers to all fees regularly charged to the Fund and currently comprises only the Annual Management Charge.

The ACD's policy is that the fees included in the OCF shall be paid out of the income property of the Fund and that there shall be recourse to the capital property only to the extent that the income property is insufficient.

**17. PERFORMANCE FEE**

The methodology for calculating the Performance Fee in respect of each Performance Fee Share Class is set out in Section 4.5 and 4.6 of the Prospectus and the following apply in relation to each Performance Fee Share Class in this Fund:

Performance Period	1 October to 30 September
Performance Fee Rate	20%
Performance Target	SONIA

A High Water Mark applies.

**18. VALUATION POINT**

Close of business in New York on the relevant Dealing Day.

**19. MINIMUM INVESTMENT CRITERIA**

For Class C Accumulation Shares the minimum initial subscription is £100,000 and the minimum further subscription is £5,000.

These minima may be waived at the discretion of the ACD.

**20. FINAL INCOME DISTRIBUTION DATE**

28 February

**21. INTERIM INCOME DISTRIBUTION DATE**

31 August

## APPENDIX 5

### LIONTRUST UK EQUITY INCOME FUND (In the process of being terminated and not available for investment)

#### 1. CLASSIFICATION OF THE FUND

UK UCITS

#### 2. PRN

641889

#### 3. INVESTMENT OBJECTIVE

To produce, after all costs and charges have been deducted,

- an income in excess of the yield on the FTSE All-Share Total Return Index over any period of five years;

and

- a total return (income and capital growth) in excess of the return on FTSE All-Share Total Return Index over any period of five years.

THERE IS NO GUARANTEE THAT THE OBJECTIVE WILL BE ACHIEVED OVER ANY TIME PERIOD AND CAPITAL IS AT RISK.

#### 4. INVESTMENT POLICY

The Fund will invest at least 80% of its scheme property by value, directly or indirectly, in the shares of UK companies.

These are companies that are:

- i. listed or traded in the UK, and
- ii. domiciled or incorporated in the UK.

The Fund may also invest up to 20% of its scheme property by value in the shares of non-UK companies, cash, deposits and money market instruments.

The Fund may invest in these asset classes directly and indirectly. It may invest indirectly through transferable securities (such as depositary receipts) or collective investment schemes (open or closed ended) which may include other funds managed by the ACD, or Associates of the ACD or Investment Manager, or funds to which the Investment Manager, or its Associates, provides investment management services.

No more than 10% of the scheme property may be invested in other collective investment schemes.

The Fund does not have any restrictions on the industry sectors or the size of companies it can invest in.

## 5. INVESTMENT STRATEGY

The Fund is actively managed. The investment managers take a long-term (which the investment manager defines as at least 5 years) outlook when selecting companies. Each new investment in the Fund is subject to three tests:

1. Does cash flow have the potential to improve?
2. Can the balance sheet support both income and business investment?
3. Is the company undervalued relative to our assessment of its potential?

The investment manager analyses the company valuation, cash flow, profit and loss and balance sheet on both a historic and prospective basis and will invest in companies that, in their opinion, are undervalued (relative to their industry peers, history or prospects), have a strong balance sheet and where their cash flow is expected to improve (either the amount or the quality).

## 6. TARGET BENCHMARK

FTSE All-Share Total Return Index.

## 7. COMPARATOR BENCHMARK

IA sector - UK Equity Income.

## 8. INFORMATION REGARDING BENCHMARKS

The FTSE All-Share Total Return Index has been selected as the Fund's target benchmark as the Fund has the discretion to invest across the broadest spectrum of UK companies. The ACD believes that this is an appropriate target for the Fund given the investment objective and policy of the Fund as it is considered to be the broadest price performance measure for UK companies. The index is used as a target and the Fund is not constrained in how far its holdings can deviate from the weightings of the index.

**GIVEN THAT THE FUND INVESTS IN UK COMPANIES THE ACD BELIEVES IT IS APPROPRIATE FOR INVESTORS TO COMPARE THE PERFORMANCE OF THE FUND VERSUS THE RELEVANT IA SECTOR WHICH IN THIS CASE IS THE IA UK EQUITY INCOME SECTOR.**

## 9. RISK FACTORS

*Market Risk:* the investments of the Fund are subject to normal market fluctuations and the risk inherent in investment in equity securities and similar instruments and there can be no assurances that appreciation will occur.

*Equity Risk:* the value of equities may fall as well as rise and as a class of investment, equities are typically more volatile than other common investment types such as bonds or cash.

*Currency Risk:* the Fund invests in international securities which are denominated in foreign currencies whose fluctuations may increase the Fund's volatility and losses.

*Concentration Risk:* the Fund may at certain times, hold relatively few investments which could lead to losses if it holds a large position in a particular investment that declines in value.

**10. TYPES OF SHARE IN ISSUE**

Class X Accumulation Shares.

Class X Income Shares.

**11. BASE CURRENCY**

£ Sterling.

**12. DEALING DAY**

Every Business Day.

**13. DEALING DEADLINE**

In respect of subscriptions and redemptions, 12.00 noon (London Time) on the relevant Dealing Day.

**14. ANNUAL MANAGEMENT CHARGE**

Class X Accumulation Shares and Class X Income Shares in the Fund have a Annual Management Charge of 0.65% per annum of the value of the Fund Property attributable to Class X Accumulation Shares and Class X Income Shares respectively.

The Annual Management Charge accrues daily based on the previous day's NAV and is payable in arrears on the last Business Day of each month.

**15. ONGOING CHARGES FIGURE (“OCF”)**

The OCF refers to all fees regularly charged to the Fund and currently comprises only the Annual Management Charge.

The ACD's policy is that the fees included in the OCF shall be paid out of the capital property of the Fund.

**16. VALUATION POINT**

12.00 noon (London time) on the relevant Dealing Day.

**17. MINIMUM INVESTMENT CRITERIA**

For all Classes of Shares in the Fund the minimum initial subscription is £100,000 and the minimum further subscription is currently £5,000.

These minima may be waived at the discretion of the ACD.

**18. FINAL INCOME DISTRIBUTION DATE**

28 February

19. **INTERIM INCOME DISTRIBUTION DATE**

31 August

**APPENDIX 6**  
**LIONTRUST GLOBAL EQUITY FUND**

**1. CLASSIFICATION OF THE FUND**

UK UCITS

**2. PRN**

641892

**3. INVESTMENT OBJECTIVE**

To deliver a total return (the combination of income and capital growth) that at the end of any five year period is in excess of achieving a total return of the MSCI All Country World Net Total Return Index , after all costs and charges have been deducted. There is no guarantee that the objective will be achieved over any time period and capital is at risk.

**4. INVESTMENT POLICY**

The Fund will invest at least 80% of its scheme property by value, directly or indirectly, in the shares of companies throughout the world including emerging markets.

The Fund may also invest up to 20% of its scheme property by value in, cash, deposits and money market instruments

The Fund may invest in these asset classes directly and indirectly. It may invest indirectly through transferable securities (such as depositary receipts or collective investment schemes (open or closed ended) which may include other funds managed by the ACD, or Associates of the ACD or Investment Manager, or funds to which the Investment Manager, or its Associates, provides investment management services.

No more than 10% of the scheme property may be invested in other collective investment schemes.

The Fund does not have any restrictions on the countries, industry sectors or the size of companies it can invest in.

**5. INVESTMENT STRATEGY**

The Fund is actively managed by a team of individual investment managers each of whom has responsibility for managing a portion of the Fund. The Fund does not have any particular style bias. The investment managers are flexible investors who will aim to outperform the market by investing in a combination of companies that are judged to be undervalued by the market. The characteristics of these companies could vary and may include companies with good prospects for growth, a competitive advantage or management alignment with shareholder outcomes. The investment managers may also look for companies where there is a catalyst for recovery such as management change or an improving business environment. This multi-manager structure allows individual accountability as well as harnessing teamwork, together with providing natural diversification of manager risk.

**6. TARGET BENCHMARK**

MSCI All Country World Net Total Return Index.

## 7. **COMPARATOR BENCHMARK**

IA sector - Global.

## 8. **INFORMATION REGARDING BENCHMARKS**

The MSCI All Country World Net Total Return Index has been selected as the Funds target benchmark as the Fund has the discretion to invest across the broadest spectrum of global companies. The ACD believes that this is an appropriate target for the Fund given the investment objective and policy of the Fund as it is a broad price performance measure for Global companies of all sizes. The index is used as a target and the Fund is not constrained in how far its holdings can deviate from the weightings of the index.

## 9. **GIVEN THAT THE FUND INVESTS IN GLOBAL COMPANIES THE ACD BELIEVES IT IS APPROPRIATE FOR INVESTORS TO COMPARE THE PERFORMANCE OF THE FUND VERSUS THE RELEVANT IA SECTOR WHICH IN THIS CASE IS THE IA GLOBAL SECTOR.RISK FACTORS**

*Market Risk:* the investments of the Fund are subject to normal market fluctuations and the risk inherent in investment in equity securities and similar instruments and there can be no assurances that appreciation will occur.

*Equity Risk:* the value of equities may fall as well as rise and as a class of investment, equities are typically more volatile than other common investment types such as bonds or cash.

*Currency Risk:* the Fund invests in international securities which are denominated in foreign currencies whose fluctuations may increase the Fund's volatility and losses.

## 10. **TYPES OF SHARE IN ISSUE:**

Class B Accumulation Shares (Sterling).

Class X Accumulation Shares (Sterling).

Class B Accumulation Shares (Sterling) are only available for investors with the prior agreement of the Investment Manager (which it may give or withhold at its discretion). In respect of Shares acquired (whether by purchase, transfer or otherwise) on or after 6 January 2017 for the avoidance of doubt the prior agreement of the Investment Manager shall be in writing. Absence of the prior written agreement of the Investment Manager shall not constitute a waiver of the requirement; any waiver must be in writing signed by the Investment Manager.)

The currency exposure of the non-Base Currency Share Classes will not be hedged.

## 11. **BASE CURRENCY**

US Dollars.

## 12. **DEALING DAY**

Every Business Day.



**13. DEALING DEADLINE**

For both subscriptions and redemptions, 12.00 noon (London Time) on the relevant Dealing Day.

**14. ANNUAL MANAGEMENT CHARGE**

Class B Accumulation Shares (Sterling) in the Fund do not have any Annual Management Charge.

Class X Accumulation Shares (Sterling) in the Fund have a Annual Management Charge of 0.65% per annum of the value of the Fund Property attributable to Class X Accumulation Shares (Sterling)

The Annual Management Charge will accrue daily based on the previous day's NAV and is payable in arrears on the last Business Day of each month.

**15. ONGOING CHARGES FIGURE (“OCF”)**

The OCF refers to all fees regularly charged to the Fund and currently comprises only the Annual Management Charge.

The ACD's policy is that the fees included in the OCF shall be paid out of the income property of the Fund and that there shall be recourse to the capital property only to the extent that the income property is insufficient.

**16. VALUATION POINT**

12.00 noon (London time) on the relevant Dealing Day.

**17. MINIMUM INVESTMENT CRITERIA**

For Sterling Classes of Shares in the Fund the minimum initial subscription is £100,000 and the minimum further subscription is £5,000.

These minima may be waived at the discretion of the ACD.

**18. ANNUAL INCOME DISTRIBUTION DATE**

28 February.

**19. INTERIM INCOME DISTRIBUTION**

31 August.

**APPENDIX 7**  
**LIONTRUST GLOBAL FOCUS FUND**

**1. CLASSIFICATION OF THE FUND:**

UK UCITS

**2. PRN**

641893

**3. INVESTMENT OBJECTIVE**

To deliver a total return (the combination of income and capital growth) that at the end of any five year period is in excess of achieving a total return of the MSCI All Country World Net Total Return Index, after all costs and charges have been deducted. There is no guarantee that the objective will be achieved over any time period and capital is at risk.

**4. INVESTMENT POLICY**

The Fund will invest at least 80% of its scheme property by value, directly or indirectly, in the shares of companies throughout the world (including emerging markets). The Fund will be focused and will have holdings in no more than 60 companies.

The Fund may also invest up to 20% of its scheme property by value in, cash, deposits and money market instruments.

The Fund may invest in these asset classes directly and indirectly. It may invest indirectly through transferable securities (such as depositary receipts) or collective investment schemes (open or closed ended) which may include other funds managed by the ACD, or Associates of the ACD or Investment Manager, or funds to which the Investment Manager, or its Associates, provides investment management services.

No more than 10% of the scheme property may be invested in other collective investment schemes.

The Fund does not have any restrictions on the countries, industry sectors or the size of companies it can invest in.

**5. INVESTMENT STRATEGY**

The Fund is actively managed by a team of individual investment managers each of whom has responsibility for managing a portion of the Fund. The Fund does not have any particular style biases but instead uses flexible Investment Managers who will aim to outperform the market by investing in a combination of companies that are judged to be undervalued by the market. The characteristics of these companies could vary and may include companies with good prospects for growth, a competitive advantage or management alignment with shareholder outcomes. The investment managers may also look for companies where there is a catalyst for recovery such as management change or an improving business environment. This multi-manager structure allows individual accountability as well as harnessing teamwork, together with providing natural diversification of manager risk.

**6. TARGET BENCHMARK**

MSCI All Country World Net Total Return Index.

**7. COMPARATOR BENCHMARK**

IA sector - Global.

**8. INFORMATION REGARDING BENCHMARKS**

The MSCI All Country World Net Total Return Index has been selected as the Fund's target benchmark as the Fund has the discretion to invest across the broadest spectrum of global companies. The ACD believes that this is an appropriate target for the Fund given the investment objective and policy of the Fund as it is a broad price performance measure for Global companies of all sizes. The index is used as a target and the Fund is not constrained in how far its holdings can deviate from the weightings of the index.

**9. GIVEN THAT THE FUND INVESTS IN GLOBAL COMPANIES THE ACD BELIEVES IT IS APPROPRIATE FOR INVESTORS TO COMPARE THE PERFORMANCE OF THE FUND VERSUS THE RELEVANT IA SECTOR WHICH IN THIS CASE IS THE IA GLOBAL SECTOR. RISK FACTORS**

*Market Risk:* the investments of the Fund are subject to normal market fluctuations and the risk inherent in investment in equity securities and similar instruments and there can be no assurances that appreciation will occur.

*Equity Risk:* the value of equities may fall as well as rise and as a class of investment, equities are typically more volatile than other common investment types such as bonds or cash.

*Currency Risk:* the Fund invests in international securities which are denominated in foreign currencies whose fluctuations may increase the Fund's volatility and losses.

*Concentration Risk:* the Fund may at certain times, hold relatively few investments. This could therefore lead to losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected.

**10. TYPES OF SHARE IN ISSUE**

Class X Accumulation Shares (Sterling).

The currency exposure of the non-Base Currency Share Classes will not be hedged.

**11. BASE CURRENCY**

US Dollars.

**12. DEALING DAY**

Every Business Day.

**13. DEALING DEADLINE**

For both subscriptions and redemptions, 12.00 noon (London Time) on the relevant Dealing Day.

**14. ANNUAL MANAGEMENT CHARGE**

Class X Accumulation Shares (Sterling) have a Annual Management Charge of 0.85% per annum of the value of the Fund Property attributable to Class X Accumulation Shares (Sterling)

The Annual Management Charge accrues daily based on the previous day's NAV and is payable in arrears on the last Business Day of each month.

**15. ONGOING CHARGES FIGURE (“OCF”)**

The OCF refers to all fees regularly charged to the Fund and currently comprises only the Annual Management Charge.

The ACD's policy is that the fees included in the OCF shall be paid out of the income property of the Fund and that there shall be recourse to the capital property only to the extent that the income property is insufficient.

**16. VALUATION POINT**

12.00 noon (London time) on the relevant Dealing Day.

**17. MINIMUM INVESTMENT CRITERIA**

For Sterling Classes of Shares in the Fund the minimum initial subscription is £100,000 and the minimum further subscription is £5,000.

These minima may be waived at the discretion of the ACD.

**18. FINAL INCOME DISTRIBUTION DATE**

28 February.

**19. INTERIM INCOME DISTRIBUTION DATE**

31 August.

**APPENDIX 8**  
**LIST OF SUB-CUSTODIANS**

<b>Country/Market</b>	<b>Subcustodian</b>	<b>Address</b>
<b>Argentina</b>	The Branch of Citibank, N.A. in the Republic of, Argentina	Ciudad de Buenos Aires
<b>Australia</b>	Citigroup Pty Limited	Melbourne
<b>Australia</b>	The Hongkong and Shanghai Banking Corporation Limited	Hong Kong
<b>Austria</b>	UniCredit Bank Austria AG	Vienna
<b>Bahrain</b>	HSBC Bank Middle East Limited	Kingdom of Bahrain
<b>Bangladesh</b>	The Hongkong and Shanghai Banking Corporation Limited	Hong Kong
<b>Belgium</b>	The Bank of New York Mellon SA/NV	Brussels
<b>Bermuda</b>	HSBC Bank Bermuda Limited	Hamilton
<b>Botswana</b>	Stanbic Bank Botswana Limited	Gaborone
<b>Brazil</b>	Citibank N.A., Brazil	Sao Paulo
<b>Brazil</b>	Itaú Unibanco S.A.	Sao Paulo
<b>Bulgaria</b>	Citibank Europe plc, Bulgaria Branch	Sofia
<b>Canada</b>	CIBC Mellon Trust Company (CIBC Mellon)	Toronto
<b>Cayman Islands</b>	The Bank of New York Mellon	New York
<b>Channel Islands</b>	The Bank of New York Mellon	New York
<b>Chile</b>	Banco Santander	Santiago
<b>China</b>	HSBC Bank (China) Company Limited	Shanghai
<b>Colombia</b>	Cititrust Colombia S.A. Sociedad Fiduciaria	Bogota
<b>Costa Rica</b>	Banco Nacional de Costa Rica	San José
<b>Croatia</b>	Privredna banka Zagreb d.d.	Zagreb
<b>Cyprus</b>	Citibank Europe Plc, Greece Branch	Athens
<b>Czech Republic</b>	Citibank Europe plc, organizacni slozka	Prague
<b>Denmark</b>	Skandinaviska Enskilda Banken AB (Publ)	Stockholm
<b>Egypt</b>	HSBC Bank Egypt S.A.E.	Cairo
<b>Estonia</b>	SEB Pank AS	Tallinn
<b>Euromarket</b>	Clearstream Banking S.A.	Luxembourg
<b>Euromarket</b>	Euroclear Bank SA/NV	Brussels
<b>Finland</b>	Skandinaviska Enskilda Banken AB (Publ)	Stockholm
<b>France</b>	BNP Paribas Securities Services S.C.A.	Pantin

<b>France</b>	The Bank of New York Mellon SA/NV	Brussels
<b>Germany</b>	The Bank of New York Mellon SA/NV	Frankfurt
<b>Ghana</b>	Stanbic Bank Ghana Limited	Accra
<b>Greece</b>	Citibank Europe Plc, Greece Branch	Athens
<b>Hong Kong</b>	Citibank N.A. Hong Kong	Hong Kong
<b>Hong Kong</b>	Deutsche Bank AG	Hong Kong
<b>Hong Kong</b>	The Hongkong and Shanghai Banking Corporation Limited	Hong Kong
<b>Hungary</b>	Citibank Europe plc. Hungarian Branch Office	Budapest
<b>Iceland</b>	Landsbankinn hf.	Reykjavik
<b>India</b>	Deutsche Bank AG	Mumbai
<b>India</b>	The Hongkong and Shanghai Banking Corporation Limited	Hong Kong
<b>Indonesia</b>	Deutsche Bank AG	Jakarta
<b>Ireland</b>	The Bank of New York Mellon	New York
<b>Israel</b>	Bank Hapoalim B.M.	Tel Aviv
<b>Italy</b>	The Bank of New York Mellon SA/NV	Brussels
<b>Japan</b>	Mizuho Bank, Ltd.	Tokyo
<b>Japan</b>	MUFG Bank, Ltd.	Tokyo
<b>Jordan</b>	Standard Chartered Bank, Jordan Branch	Amman
<b>Kazakhstan</b>	Citibank Kazakhstan Joint-Stock Company	Almaty
<b>Kenya</b>	Stanbic Bank Kenya Limited	Nairobi
<b>Kuwait</b>	HSBC Bank Middle East Limited, Kuwait	Safat
<b>Latvia</b>	AS SEB banka	Kekavas novads
<b>Lithuania</b>	AB SEB bankas	Vilnius
<b>Luxembourg</b>	Euroclear Bank SA/NV	Brussels
<b>Malawi</b>	Standard Bank PLC	Lilongwe
<b>Malaysia</b>	Standard Chartered Bank Malaysia Berhad (SCB)	Kuala Lumpur
<b>Malta</b>	The Bank of New York Mellon SA/NV	Frankfurt
<b>Mauritius</b>	The Hongkong and Shanghai Banking Corporation Limited	Ebene
<b>Mexico</b>	Banco Nacional de México S.A. Integrante del Grupo Financiero Banamex	Ciudad de Mexico
<b>Mexico</b>	Banco S3 CACEIS Mexico, S.A., Institución de Banca Múltiple	Ciudad de Mexico
<b>Morocco</b>	Citibank Maghreb S.A.	Casablanca
<b>Namibia</b>	Standard Bank Namibia Limited	Kleine Kuppe, Windhoek

<b>Netherlands</b>	The Bank of New York Mellon SA/NV	Brussels
<b>New Zealand</b>	The Hongkong and Shanghai Banking Corporation Limited	Auckland
<b>Nigeria</b>	Stanbic IBTC Bank Plc.	Lagos
<b>Norway</b>	Skandinaviska Enskilda Banken AB (Publ)	Stockholm
<b>Oman</b>	HSBC Bank Oman S.A.O.G.	Al Khuwair
<b>Pakistan</b>	Deutsche Bank AG	Karachi
<b>Panama</b>	Citibank N.A., Panama Branch	Panama City
<b>Peru</b>	Citibank del Peru S.A.	Lima
<b>Philippines</b>	Standard Chartered Bank, Philippines Branch	Makati City
<b>Poland</b>	Bank Polska Kasa Opieki S.A.	Warszawa
<b>Portugal</b>	Citibank Europe Plc	Dublin
<b>Qatar</b>	Qatar National Bank	Doha
<b>Qatar</b>	The Hongkong and Shanghai Banking Corporation Limited	Hong Kong
<b>Romania</b>	Citibank Europe plc Dublin, Romania Branch	Bucharest
<b>Russia</b>	AO Citibank	Moscow
<b>Russia</b>	PJSC ROSBANK	Moscow
<b>Saudi Arabia</b>	HSBC Saudi Arabia	Riyadh
<b>Serbia</b>	UniCredit Bank Serbia JSC	Belgrade
<b>Singapore</b>	DBS Bank Ltd	Singapore
<b>Singapore</b>	Standard Chartered Bank (Singapore) Limited	Singapore
<b>Slovak Republic</b>	Citibank Europe plc, pobočka zahraničnej banky	Bratislava
<b>Slovenia</b>	UniCredit Banka Slovenija d.d.	Ljubljana
<b>South Africa</b>	Standard Chartered Bank, Johannesburg Branch	Sandton
<b>South Africa</b>	The Standard Bank of South Africa Limited	Johannesburg
<b>South Korea</b>	Deutsche Bank AG	Seoul
<b>South Korea</b>	The Hongkong and Shanghai Banking Corporation Limited, Seoul Branch	Seoul
<b>Spain</b>	Banco Bilbao Vizcaya Argentaria, S.A.	Bilbao
<b>Spain</b>	CACEIS Bank Spain, S.A.U.	Madrid
<b>Sri Lanka</b>	The Hongkong and Shanghai Banking Corporation Limited	Hong Kong
<b>Sweden</b>	Skandinaviska Enskilda Banken AB (Publ)	Stockholm
<b>Switzerland</b>	Credit Suisse (Switzerland) Ltd.	Zurich



<b>Switzerland</b>	UBS Switzerland AG	Zurich
<b>Taiwan</b>	HSBC Bank (Taiwan) Limited	Taipei City
<b>Tanzania</b>	Stanbic Bank Tanzania Limited	Dar es Salaam
<b>Thailand</b>	The Hongkong and Shanghai Banking Corporation Limited	Bangkok
<b>Tunisia</b>	Union Internationale de Banques	Tunis
<b>Turkey</b>	Deutsche Bank A.S.	Istanbul
<b>U.A.E.</b>	HSBC Bank Middle East Limited (HBME)	Dubai
<b>U.K.</b>	Depository and Clearing Centre (DCC) Deutsche Bank AG, London Branch	London
<b>U.K.</b>	The Bank of New York Mellon	New York
<b>U.S.A.</b>	The Bank of New York Mellon	New York
<b>U.S.A. Precious Metals</b>	HSBC Bank, USA, N.A.	New York
<b>Uganda</b>	Stanbic Bank Uganda Limited	Kampala
<b>Ukraine</b>	JSC "Citibank" Full name Joint Stock Company "Citibank"	Kiev
<b>Uruguay</b>	Banco Itaú Uruguay S.A.	Montevideo
<b>Vietnam</b>	HSBC Bank (Vietnam) Ltd	Ho Chi Minh City
<b>WAEMU</b>	Société Générale Côte d'Ivoire	Abidjan
<b>Zambia</b>	Stanbic Bank Zambia Limited	Lusaka
<b>Zimbabwe</b>	Stanbic Bank Zimbabwe Limited	Harare

Note: Benin, Burkina-Faso, Guinea Bissau, Ivory Coast, Mali, Niger, Senegal and Togo are members of the West African Economic and Monetary Union (WAEMU).

**APPENDIX 9**  
**LIST OF OTHER AUTHORISED COLLECTIVE INVESTMENT SCHEMES**  
**OPERATED BY THE ACD**

The ACD acts as Authorised Corporate Director of the following schemes:

	Liontrust Investment Funds ICVC Liontrust Investment Funds IV Liontrust Investment Funds I Liontrust Investment Funds II Liontrust Sustainable Future ICVC Liontrust Balanced Fund Liontrust Multi Asset Global Solutions ICVC Liontrust Multi Asset Investments ICVC Liontrust Multi Asset Investments ICVC II Liontrust European Dynamic Fund Liontrust Special Situations Fund Liontrust UK Growth Fund Liontrust UK Micro Cap Fund Liontrust UK Smaller Companies Fund
--	---