

# **LIONTRUST SUSTAINABLE FUTURE ICVC**

An Investment Company with Variable Capital  
Registered in England and Wales under Registered Number IC89, FCA Product Reference ("PRN"):  
194029

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## **PROSPECTUS**

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**This Prospectus is dated, and is valid as at 1 February 2022**

Prepared in accordance with the Open Ended Investment Companies Regulations 2001  
and the Collective Investment Scheme Sourcebook

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## INTRODUCTION

**THIS DOCUMENT IS IMPORTANT: IF YOU ARE IN ANY DOUBT AS TO THE MEANING OF ANY INFORMATION IN THIS PROSPECTUS YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER.**

This is the Prospectus of Liontrust Sustainable Future ICVC (the **Company**) valid as at the date on page 1. This Prospectus has been prepared by Liontrust Fund Partners LLP (**LFP**) in accordance with the rules contained in the Financial Conduct Authority's Collective Investment Schemes Sourcebook (**COLL Sourcebook**).

The Company is incorporated in England and Wales as an investment company with variable capital under registered number IC 89. It is a UCITS scheme as defined in the COLL Sourcebook.

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

### Reliance

LFP, the Authorised Corporate Director of the Company (**ACD**), 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 in this document is in accordance with the facts, does not contain any untrue or misleading statement and does not omit anything likely to affect the import of such information or any matters required by the Financial Conduct Authority's Collective Investment Schemes Sourcebook to be included in it. LFP accepts responsibility accordingly. This document has been approved by LFP for the purpose of section 21 of the Financial Services and Markets Act 2000.

No person has been authorised by the Company to give any information or to make any representations in connection with the offering of Shares other than those contained in the Prospectus and, if given or made, such information or representations must not be relied on as having been made by the Company. 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 matters stated in this Prospectus or the affairs of the Company have remained unchanged since the date of this Prospectus.

**This Prospectus is based on information, law and practice as at the date of this Prospectus. This Prospectus will be updated pursuant to the requirements of the Financial Conduct Authority and will cease to have any effect on the publication by the Company of a subsequent Prospectus. Potential investors should check with the ACD that this is the most recently published Prospectus. A copy of the most recently published Prospectus may also be found on the ACD's website at [www.liontrust.co.uk](http://www.liontrust.co.uk). Neither the Company nor the ACD will be bound by or accepts any liability either in respect of any application for Shares made on the basis of this Prospectus or in respect of any reliance on this Prospectus once it has been superseded.**

**Intending potential investors should not treat the contents of this document as advice relating to investment, legal, taxation 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 Company's Instrument of Incorporation are binding on each of its Shareholders (who are taken to have notice of them). Copies of this Prospectus have been sent to the Financial Conduct Authority and The Bank of New York Mellon (International) Limited, the Depositary.

### **Restrictions on Distribution**

The distribution of this document and the offering or sale of Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company or LFP that would permit an offer of Shares or possession or distribution of this document in any jurisdiction where action for that purpose is required, other than in the United Kingdom. This document does not constitute an offer of or an invitation to purchase or subscribe for any Shares by anyone in any jurisdiction in which such offer or invitation is not authorised or to any person to whom it is unlawful to make such offer or invitation. Persons into whose possession this document comes are required by the Company and LFP to inform themselves about and to observe any such restrictions.

Distribution of this Prospectus in certain jurisdictions will require that this Prospectus be translated into the official languages of these jurisdictions. Where such translation is required, the translated version of this Prospectus shall only contain the same information and shall only have the same meaning as in this Prospectus.

## DEFINITIONS

Words and expressions defined in the FCA Handbook shall have the same meaning when used in this Prospectus unless the context otherwise requires. In addition, the following terms have the following meaning:

**ACD** means the authorised corporate director of the Company, Liontrust Fund Partners LLP;

**Accumulation Shares** means Shares (of whatever Class) issued from time to time in respect of a Fund and in respect of which income allocated thereto is credited periodically to capital pursuant to the COLL Sourcebook and the Instrument of Incorporation;

**Act** means the Financial Services and Markets Act 2000 or any amendment, substitution or re-enactment;

**Administrator** means the Bank of New York Mellon (International) Limited, or such other entity as is appointed to act as administrator to the Company from time to time;

**Approved Bank** means in relation to a bank account opened by the *Company*:

- (a) if the account is opened at a branch in the United Kingdom;
  - (i) the Bank of England; or
  - (ii) the central bank of a member state of the OECD; or
  - (iii) a bank or a building society which offers, unrestrictedly, banking services; or
  - (iv) a bank which is supervised by the central bank or other banking regulator of a member state of the OECD; or
- (b) if the account is opened elsewhere:
  - (i) a bank in (a); or
  - (ii) a credit institution established in an EEA State other than in the United Kingdom and duly authorised by the relevant Home State Regulator; or
  - (iii) a bank which is regulated in the Isle of Man or the Channel Islands; or
- (c) a bank supervised by the South African Reserve Bank;

and, for the purposes of the COLL Sourcebook, any person falling within (a) to (c) above.

**Associate** is as defined in the glossary to the FCA Handbook;

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

**Class** or **Classes** means, in relation to Shares, (according to the context) all the Shares relating to a single Fund or a particular class or classes of Share relating to a single Fund;

**COLL** refers to the relevant chapter or rule in the COLL Sourcebook;

**COLL Sourcebook** means the New Collective Investment Schemes Sourcebook issued by the FCA as part of the FCA Handbook, as amended or re-issued from time to time, which shall, for the avoidance of doubt, not include the guidance or evidential requirements it contains;

**Commercial Settlement System** means a system commercially available to firms that are members or participants, a purpose of which is to facilitate the settlement of transactions using money and/or assets held in one or more settlement accounts. An example of a Commercial Settlement System which may be used by the ACD is Clearstream;

**Company** means Liontrust Sustainable Future ICVC;

**Dealing Day** means any business day in the United Kingdom, excluding public and bank holidays, and any other day at the ACD's discretion;

**Depository** means The Bank of New York Mellon (International) Limited;

**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, as defined in the glossary to the FCA Handbook;

**Eligible Institution** has the same meaning as in the glossary to the FCA Handbook (certain authorised financial institutions);

**FCA** means the Financial Conduct Authority of 2 Endeavour Square, London E20 1JN or any successor or replacement regulator;

**FCA Handbook** or **FCA Rules** means the FCA Handbook of Rules and Guidance made by the FCA pursuant to the Act, as amended or re-issued from time to time;

**Fund** means a sub-fund of the Company;

**ICVC** means investment company with variable capital;

**Income Shares** means Shares (of whatever Class) issued from time to time in respect of a Fund and in respect of which income allocated thereto is distributed periodically to the holders thereof pursuant to the COLL Sourcebook and the Instrument of Incorporation;

**Instrument of Incorporation** means the instrument of incorporation of the Company as amended from time to time registered by the Company in accordance with the OEIC Regulations and COLL;

**Investment Adviser** means Liontrust Investment Partners LLP;

**Investment grade** means Fixed income securities issued by a company with a high rating from a recognised credit rating agency. An investment grade is a rating that signifies a bond that presents a relatively low risk of default;

**larger denomination share** has the meaning given in the OEIC Regulations;

**Net Asset Value** or **NAV** means the value of the scheme property of the Company or of any Fund (as the context requires) less the liabilities of the Company or that Fund (as the context requires) as calculated in accordance with the Instrument of Incorporation;

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

**Register** means the register of Shareholders of the Company;

**Registrar** means the Bank of New York Mellon (International) Limited, or such other entity as is appointed to act as registrar to the Company from time to time;

**Regulations** means the OEIC Regulations and the COLL Sourcebook;

**scheme property** means the property of the Company or any Fund (as the context may require);

**SDRT** means stamp duty reserve tax;

**Share** or **Shares** means a share or shares in the Company (including, as the context may require, smaller denomination shares);

**Shareholder** means a holder of registered Shares;

**smaller denomination share** is one thousandth of a larger denomination share;

**Sub-investment grade** means Fixed income securities issued by a company with a low rating from a recognised credit rating agency. They are considered to be at higher risk from default than those issued by companies with higher credit ratings.

**switch** means the exchange of Shares in a Class or a Fund for Shares in another Class within the same Fund or for Shares of the same or another Class within a different Fund;

**UCITS Directive** means the Council Directive of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (No 2009/65/EC), as amended or re-enacted from time to time;

**Valuation Point** means the point, whether on a periodic basis or for a particular valuation, at which the ACD carries out a valuation of the scheme property for the Company or any Fund (as the context may require) for the purpose of determining the price at which Shares of a Class in any Fund may be issued, cancelled or redeemed; and

**VAT** means value added tax.

References to times in this Prospectus are to local times in London unless otherwise stated.

## COMPANY DETAILS

### General

Liontrust Sustainable Future ICVC was authorised by the Financial Services Authority (the predecessor of the FCA) on 29 January 2001 and is now authorised and regulated by the Financial Conduct Authority.

**Head Office:** 2 Savoy Court, London WC2R 0EZ

**Address for Service:** The Head Office is the address in the United Kingdom for service on the Company of notices or other documents required or authorised to be served on the Company.

**Base Currency:** The base currency of the Company and Funds is Pounds Sterling.

### **Share Capital:**

Maximum: £100,000,000,000

Minimum: £100

Shares in the Company and Funds have no par value. The share capital of the Company will at all times equal the sum of the Net Asset Values of each of the Funds.

Shareholders are not liable for the debts of the Company or of any Fund.



## DIRECTORY

<b>The Company and Head Office:</b>	<b>Liontrust Sustainable Future ICVC</b> 2 Savoy Court, London, WC2R 0EZ
<b>Authorised Corporate Director:</b>	<b>Liontrust Fund Partners LLP</b> 2 Savoy Court London WC2R 0EZ
<b>Administrator and Registrar:</b>	<b>The Bank of New York Mellon (International) Limited</b> 1 Canada Square London E14 5AL
<b>Investment Adviser:</b>	<b>Liontrust Investment Partners LLP</b> 2 Savoy Court London WC2R 0EZ
<b>Depository:</b>	<b>The Bank of New York Mellon (International) Limited</b>  1 Canada Square London E14 5AL
<b>Auditors:</b>	<b>KPMG</b> 11 <sup>th</sup> Floor, 15 Canada Square, Canary Wharf, London E14 5GL
<b>Legal Adviser:</b>	<b>Macfarlanes LLP,</b> 20 Cursitor Street, London, EC4A 1LT

## THE CONSTITUTION OF THE FUNDS

### Umbrella Company

The Company is authorised by the FCA to operate as a “UCITS Scheme” for the purposes of the COLL Sourcebook and as an “umbrella” company for the purposes of the OEIC Regulations, which means that the Company issues Shares linked to different Funds.

Each Fund is invested in accordance with the investment objective and investment policy applicable to that Fund and as if it were a separate “UCITS Scheme” for the purposes of the COLL Sourcebook. For investment purposes the assets of each Fund will be treated as separate from those of every other Fund.

### Funds

The Funds set out below are those which have been established as at the date of this Prospectus:

<b>Fund Name</b>	<b>Typical investor profile</b>
Liontrust Sustainable Future Managed Growth Fund	The Fund meets social and environmental standards and is suitable for investors who aim for growth from their investment. Investors should be able to invest for five years or more and should understand the risks and the investment objective and policy of the Fund.
Liontrust Sustainable Future Cautious Managed Fund	The Fund meets social and environmental standards and is suitable for investors who aim for growth and income from their investment. Investors should be able to invest for five years or more and should understand the risks and the investment objective and policy of the Fund.
Liontrust Sustainable Future Corporate Bond Fund	The Fund meets social and environmental standards and is suitable for investors who want to receive an income from their investment. Investors should be able to invest for five years or more and should understand the risks and the investment objective and policy of the Fund.
Liontrust Sustainable Future Defensive Managed Fund	The Fund meets social and environmental standards and is suitable for investors who aim for income and some growth from their investment. Investors should be able to invest for five years or more and should understand the risks and the investment objective and policy of the Fund.
Liontrust Sustainable Future European Growth Fund	The Fund meets social and environmental standards and is suitable for investors who aim for growth from their investment. Investors should be able to invest for five years or more and should understand the risks and the investment objective and policy of the Fund.

Liontrust Sustainable Future Global Growth Fund	The Fund meets social and environmental standards and is suitable for investors who aim for growth from their investment. Investors should be able to invest for five years or more and should understand the risks and the investment objective and policy of the Fund.
Liontrust Sustainable Future Managed Fund	The Fund meets social and environmental standards and is suitable for investors who aim for a mix of income and growth from their investment. Investors should be able to invest for five years or more and should understand the risks and the investment objective and policy of the Fund.
Liontrust UK Ethical Fund	The Fund is suitable for investors who aim for growth from their investment. Investors should be able to invest for five years or more and should understand the risks and the investment objective and policy of the Fund.
Liontrust Sustainable Future UK Growth Fund	The Fund meets social and environmental standards and is suitable for investors who aim for growth from their investment. Investors should be able to invest for five years or more and should understand the risks and the investment objective and policy of the Fund.

**Note:** the ACD generally considers 'long term' to be five years or more.

The Funds are suitable for the following investor types: Retail, Professional and Eligible Counterparty. Some share classes may only be available to certain types of investors; i.e. Retail investors may not be able to access certain classes. The Funds are compatible for Investors with a Basic Knowledge, i.e. investors with no financial industry experience with a basic knowledge of financial instruments, as well as more informed and advanced investors.

The Funds are not suitable for investors who can bear no loss of capital, the capital is not guaranteed. Each Fund has a Key Investor Information Document which provides details of the Fund's risk exposure and Synthetic Risk and Reward Indicator.

Details of these Funds, including their investment objectives and policies, can be found in Appendix I.

### **Additional Funds**

Further additional Funds may be established in the future by the ACD from time to time with the approval of the FCA and the agreement of the Depositary.

### **Allocation of Assets and Liabilities**

Each Fund comprises a specific portfolio of assets and liabilities, which are attributable to the Class or Classes of Shares issued in respect of that Fund. So far as the Shareholders are concerned each Fund is treated as a separate entity and its assets invested for its exclusive benefit.

The Funds are segregated portfolios of assets and, accordingly, the assets of a Fund belong exclusively to that Fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the Company, or any other Fund, and shall not be available for any such purpose. While the provisions of the OEIC Regulations provide for segregated liability between sub-funds, the concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known how those foreign courts will react to regulations 11A and 11B of the OEIC Regulations.

Each Fund will therefore be charged with the liabilities, expenses, costs and charges of the Company attributable to that Fund and, within a Fund, charges will be allocated between Classes in accordance with the terms of issue of Shares of those Classes.

Any expenses specific to a Class will be allocated to that Class and otherwise shall be allocated between Classes by the ACD in a manner which is fair to Shareholders generally. They will normally be allocated to all Classes pro rata to the value of the net assets of the relevant Classes.

Any assets, liabilities, expenses, costs or charges not attributable to a particular Fund may be allocated by the ACD in a manner which is fair to the Shareholders generally. They will normally be allocated to all Funds pro rata to the value of the net assets of the relevant Funds.

## **Use of benchmarks**

In 2019, the FCA introduced rules requiring ACDs to:

- explain why they use particular benchmarks or, if they do not use benchmarks, to explain how investors should assess the performance of the fund; and
- ensure that, where an ACD uses benchmarks, the benchmarks must be referenced consistently across the fund's documents.

The FCA set out three benchmark categories relating to their rules. These are:

1. A 'constraint benchmark' an index or similar factor that fund managers use to limit or constrain how they construct a fund's portfolio;
2. A 'target benchmark' an index or similar factor that is part of a target a fund manager has set for a fund's performance to match or exceed, which includes anything used for performance fee calculation; and
3. A 'comparator benchmark' an index or similar factor against which a fund manager invites investors to compare a fund's performance.

Liontrust has identified benchmarks for all of its funds, which can be found below and the majority of which fall into the "comparator" category as defined above by the FCA.

Liontrust has chosen two broad types of benchmarks by which investors can measure or compare our funds against. These are:

1. An 'Index benchmark' an index produced by a recognised third party that is a good approximation of where a Fund is likely to invest, or is well recognised by investors as a proxy for the asset class / sector;

2. A 'Fund Sector benchmark' the aggregated performance and characteristics of a group of funds with similar objectives and constraints. The group of funds within a Fund Sector are mostly based on similarity of assets, such as equities and fixed income, and may also have a geographic or size focus. The Investment Association (the "IA") has grouped Funds available for sale in the UK into 30 different sectors. The IA sectors were developed to allow investors to find and compare funds, for instance to look at performance and fund charges; and

Here are some other useful definitions:

'Total Return' The total return on a portfolio of investments takes into account not only the capital appreciation on the portfolio, but also the income received on the portfolio. The income typically consists of interest, dividends, and securities lending fees. It is a performance measure that reflects the actual rate of return of a fund over a given evaluation period.

'Yield' The yield of a fund is calculated as the sum of all distributions in an accounting period divided by the unit price at the start of said period. The distributions are paid out of the income received by the Fund over the accounting period (typically interest, dividends, and securities lending fees) after the deduction of relevant taxes including withholding taxes. The yield of an index is calculated as the sum of all income paid out from the constituents of the index over the period after the deduction of relevant taxes including withholding taxes divided by the index value at the start of said period.

## SHARES

The Company may issue several Classes of Share in respect of each Fund. The Classes available for subscription are outlined in the table below. Classes 3, 7, M and Z are intended for institutional investors and are available only to such persons as the ACD may determine at its sole discretion. These Share Classes are distinguished on the basis of criteria for minimum subscription, minimum holding and annual management charge. The details of subscription and holding criteria are:

<i>Class 2 and Class 6:</i>	<p>Minimum aggregate subscription across all Funds £500,000 and minimum holding in any one Fund £25,000</p> <p>Minimum additional subscription £25,000</p>
<i>Class 3, Class , Class 7, and Class Z</i>	<p>Minimum initial subscription £500,000,000 and minimum holding £450,000,000</p> <p>Minimum additional subscription £500,000</p> <p><b>Please note:</b></p> <ul style="list-style-type: none"> <li>• <b>The following Share Classes are not currently available to investors but may be made available in future:</b></li> <li>• <b>Class 7 Accumulation Shares in the Liontrust Sustainable Future Corporate Bond Fund.</b></li> </ul>
<i>Class M</i>	<p>Available only on Liontrust Sustainable Future UK Growth Fund. Minimum initial subscription £50,000,000 and minimum holding £40,000,000</p> <p>Minimum additional subscription £500,000</p>

The ACD has the discretion to apply lower minima than those listed above.

The details of annual management charges are to be found in the 'Fees and Expenses' section of this Prospectus.

As a result of differences in annual management charges for the different Share Classes, monies may be deducted from Classes of the same Fund in unequal proportions. In these circumstances the proportionate interests of the Classes within a Fund will be adjusted accordingly (for an explanation of proportionate interests please refer to the 'Income and Accumulation Shares' section below).

Either Income Shares or Accumulation Shares are available within each Class.

Details of the types of Shares presently available in each Fund, can be found in Appendix I.

Further Classes of Share may be established from time to time by the ACD with the approval of the FCA and the agreement of the Depositary. On the introduction of any new Fund or Class, either a revised Prospectus or a supplemental Prospectus will be prepared setting out the relevant details of each Fund or Class.

## **Income and Accumulation Shares**

Funds or Classes may consist only of Income Shares, only of Accumulation Shares or both.

Holders of Income Shares will receive distributions. Each allocation of income made in respect of any Fund at a time when more than one Class is in issue in respect of that Fund will be done by reference to the relevant Shareholders' proportionate interests in the scheme property of the Fund in question. Shareholders can choose to have their distribution of income paid direct to their bank or building society current account.

Holders of Accumulation Shares do not receive payments of income. Any income arising in respect of an accumulation Share is automatically accumulated and is reflected in the price of each Accumulation Share. No initial charge is levied on this accumulation. Tax vouchers for both Income and Accumulation Shares will be issued in respect of distributions made and tax accounted for.

Where both Income and Accumulation Shares are in existence in relation to a Fund, the relevant Shareholders' proportionate interests in the scheme property of the Fund represented by each Accumulation Share increases as income is accumulated. Further, in these circumstances, the income of the Fund is allocated between Income Shares and Accumulation Shares according to the relevant Shareholders' proportionate interests in the scheme property of the Fund represented by the Accumulation Shares and Income Shares in existence at the end of the relevant accounting period.

## **Currency Denomination of Shares**

Shares may be denominated in any currency. Currently only Shares denominated in Sterling are available.

## DEALING IN SHARES

Shares may normally be bought from and sold to the ACD by telephone between 9.00 a.m. and 5.00 p.m. on any Dealing Day (or at other times at the ACD's discretion).

In its dealings in Shares the ACD may act as principal. The ACD shall not be liable to account to the Depositary or the Shareholders for any profits or benefits it makes or receives that are made or derived from or in connection with any dealings in the Shares as principal.

All dealing will be forward to the prices calculated at the next Valuation Point. The Price per Share at which Shares are bought from and sold to the ACD is calculated as described in the 'Valuation' section of this Prospectus.

Any initial charge, redemption charge, switching charge and SDRT provision is payable, as appropriate, in addition to the Price. Details of the charges applicable to any Class of Shares are provided in the 'Fees and Expenses' section of this Prospectus.

All dealing shall take place in English and all deals in Shares are governed by English law.

### Pricing

Shares are "single priced". This means that subject to any initial charge, any switching charge, any redemption charge, any SDRT provision and/or dilution adjustment (see the 'Dilution Adjustment' section of this Prospectus), the price of a Share for both buying and selling purposes will be the same and determined by reference to a particular Valuation Point. The price of a Share is calculated at or about the Valuation Point on each Dealing Day (to at least three significant figures) by:

- (i) taking the value of the scheme property attributable to the relevant Class and therefore all Shares (of the relevant Class) in issue (on the basis of the units of entitlement in the Scheme Property of the Company attributable to that Class at the most recent valuation of the Company); and
- (ii) dividing the result by the number of Shares of the relevant Class in issue immediately before the valuation concerned.

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

The most recent price of Shares will be published daily on the ACD's website, [www.liontrust.co.uk](http://www.liontrust.co.uk). Share prices may also be obtained by contacting the ACD at following number 0844 892 0349. For reasons beyond the control of the ACD, a published price may not necessarily be the current price.

### Buying Shares

Shares can be bought either by sending or faxing a completed application form to Liontrust Fund Partners LLP at PO Box 373, Darlington, DL1 9RQ, fax number 020 7964 2562 or by telephoning 0344 892 0349 or by electronic means acceptable to the ACD. In accordance with HM Revenue & Customs requirements, investors wishing to purchase gross Shares must complete, where necessary, a Declaration of Eligibility and



Undertaking, which may be obtained from the Administrator using the above contact details.

Subject to its obligations under COLL, 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 Shares have been issued will not be returned to the applicant. Instead, smaller denomination Shares will be issued in such circumstances. A smaller denomination Share is equivalent to one thousandth of a larger denomination Share.

Remittances should be in pounds Sterling. Other currencies will only be acceptable at the ACD's discretion.

A contract note giving details of the Shares purchased and the price used will be issued by the end of the business day following the later of receipt of the application to purchase Shares or the Valuation Point by reference to which the purchase price is determined, together with, where appropriate, a notice of the applicant's right to cancel.

Settlement proceeds for a purchase are due from a client within four working days of a deal being dealt.

Share certificates will not be issued in respect of Shares. Ownership of Shares will be evidenced by an entry on the Company's Register of Shareholders. Statements in respect of periodic distribution on Shares will show the number of Shares held by the recipient. Individual statements of a Shareholder's (or, when Shares are jointly held, the first-named holder's) Shares will also be issued at any time on request by the registered holder.

The minimum subscription, holding and redemption requirements in relation to each Share Class are set out in the 'Shares' section of this Prospectus. However, the ACD may, by special arrangement and at its discretion, agree on an individual basis a lower amount in relation to the minimum transaction sizes.

### **Issue of Shares in Exchange for 'In Specie' Assets**

The ACD may arrange for the Company to issue Shares in exchange for assets other than money, but will only do so where the Depositary is satisfied that the acquisition by the Company of those assets in exchange for the Shares concerned is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders.

The ACD will ensure that the beneficial interest in the assets is transferred to the Company with effect from the issue of the Shares.

The ACD will not issue any Shares in any Fund in exchange for assets the holding of which would be inconsistent with the investment objective of that Fund.

### **Selling Shares**

Every Shareholder has the right to require that the Company redeem his Shares on any Dealing Day unless the value of Shares which a Shareholder wishes to redeem will mean that the Shareholder will hold Shares with a value less than the required minimum, in which case the Shareholder may be required to redeem his entire holding.

Requests to redeem Shares may be made either by sending or faxing a completed instruction to Liontrust Fund Partners LLP at PO Box 373, Darlington, DL1 9RQ, fax number 020 7964 2562 or by telephoning 0344 892 0349 or by electronic means acceptable to the ACD.

A contract note giving details of the number and price of Shares sold will be sent to the selling Shareholder (the first-named, in the case of joint Shareholders) together (if sufficient written instructions have not already been given) with a form of renunciation for completion and execution by the Shareholder (and, in the case of a joint holding, by all the joint holders) no later than the end of the business day following the later of the request to redeem Shares or the Valuation Point by reference to which the redemption price is determined.

Cheques in satisfaction of the redemption monies will be issued within four business days, of the later of (a) receipt by the ACD of the form of renunciation (or other sufficient written instructions) duly signed by all the relevant Shareholders and completed as to the appropriate number of Shares, together with any other appropriate evidence of title, and (b) the Valuation Point following receipt by the ACD of the request to redeem.

### **'In Specie' Redemptions**

If a Shareholder requests the redemption or cancellation of Shares the ACD may, where it considers the deal to be substantial in relation to the total size of the Fund concerned, arrange that in place of payment of the price of the Shares in cash, the Company cancels the Shares and transfers Scheme Property or, if required by the Shareholder, the net proceeds of sale of relevant Scheme Property, to the Shareholder.

Before the proceeds of the cancellation of Shares become payable, the ACD must give written notice to the Shareholder that the Scheme Property or the proceeds of sale of Scheme Property will be transferred to that Shareholder.

The ACD will select the Scheme Property to be transferred in consultation with the Depositary. They must ensure that the selection is made with a view to achieving no more advantage or disadvantage to the Shareholder requesting the cancellation or redemption than to the continuing Shareholders.

### **Switching**

A Shareholder in a Fund may, subject to meeting the relevant Share Class investment criteria, at any time switch all or some of his Shares in a Class or a Fund (**Original Shares**) for Shares in another Class within the same Fund or for Shares of the same or another Class within a different Fund (**New Shares**). The number of New Shares issued will be determined by reference to the respective prices of New Shares and Original Shares at the Valuation Point applicable at the time the Original Shares are repurchased and the New Shares are issued.

Switching may be made either by sending or faxing a completed instruction to Liontrust Fund Partners LLP at PO Box 373, Darlington, DL1 9RQ, fax number 020 7964 2562 or by telephoning 0344 892 0349 or by electronic means acceptable to the ACD. The relevant Shareholder may be required to complete a switching form (which, in the case of joint Shareholders must be signed by all the joint holders). Switching forms may be obtained from the ACD. In accordance with HM Revenue & Customs requirements, investors wishing to purchase gross Shares must complete, where necessary, a

Declaration of Eligibility and Undertaking, which may be obtained from the Administrator using the above contact details.

Unless otherwise stated in the 'Fees and Expenses' section of this Prospectus, in respect of a Fund, there is no charge on any Switch of Shares and no initial charge is payable in respect of the issue of New Shares as part of a Switch.

If the switch would result in the Shareholder holding a number of Original Shares or New Shares of a value which is less than the minimum holding in the Fund concerned, the ACD may, if it thinks fit, convert the whole of the applicant's holding of Original Shares to New Shares or refuse to effect any switch of the Original Shares. No switch will be made during any period when the right of Shareholders to require the redemption of their Shares is suspended. Any proposed switch will also be subject to any eligibility requirements which may exist in relation to any class of Shares. The general provisions on procedures relating to redemption will apply equally to a switch. A duly completed switching form must be received by the ACD before the Valuation Point on a Dealing Day in the Fund or Funds concerned to be dealt with at the prices at those Valuation Points on that Dealing Day, or at such other date as may be approved by the ACD. Switching requests received after a Valuation Point will be held over until the next day which is a Dealing Day in the relevant Fund or Funds.

The ACD may adjust the number of New Shares to be issued to reflect the imposition of any switching charge together with any other charges or levies in respect of the issue or sale of the New Shares or repurchase or cancellation of the Original Shares as may be permitted pursuant to COLL.

The ACD may also carry out a compulsory conversion of some or all of the Shares of one Class into another Class where it reasonably believes it is in the best interests of Shareholders (for example, to merge two existing classes). The ACD will give Shareholders 60 days' prior written notice as required before any compulsory Conversion is carried out.

Please note that a switch of Shares in one Fund for Shares in any other Fund is treated as a redemption and sale and will, for persons subject to United Kingdom taxation, be treated as a realisation for the purposes of capital gains taxation or corporation tax on capital gains. An exchange of Shares for Shares of a different Class in the same Fund will, for persons subject to UK taxation, generally not be treated as a realisation for the purposes of capital gains taxation or corporation tax on capital gains provided certain conditions are satisfied.

A Shareholder who switches Shares in one Fund for Shares in any other Fund will not be given a right by law to withdraw from or cancel the transaction.

### **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.

See the 'Income Allocations' section of this Prospectus for details of how the ACD treats unclaimed distribution payments.

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.

## **Dealing Charges**

### *Initial Charge:*

The ACD may impose a charge on the purchase of Shares by an investor. Further details can be found in the 'Fees and Expenses' section of this Prospectus.

### *Redemption Charge:*

The ACD reserves the right to impose a redemption charge on the value of the Shares redeemed. No such charge is currently being imposed in the redemption of any class of Shares.

### *Switching Fee:*

On the switching of Shares of a Fund for Shares in another Fund the ACD has the power under the Instrument of Incorporation to charge a switching fee. There is currently no switching charge on any Switch of Shares and no initial charge is payable in respect of the issue of New Shares as part of a Switch.

## **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' 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 'Fees 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 having a value of 3 per cent. or more of the relevant Fund's NAV 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 2021, a dilution adjustment was made on the following occasions at the following average rate:

Fund	Offer Basis		Bid Basis	
	Number of occasions	Average rate	Number of occasions	Average rate
Liontrust Sustainable Future Managed Growth Fund	N/A	N/A	N/A	N/A
Liontrust Sustainable Future Cautious Managed Fund	N/A	N/A	N/A	N/A
Liontrust Sustainable Future Corporate Bond Fund	1	0.35%	2	0.28%
Liontrust Sustainable Future Defensive Managed Fund	N/A	N/A	N/A	N/A
Liontrust Sustainable Future European Growth Fund	N/A	N/A	N/A	N/A
Liontrust Sustainable Future Global Growth Fund	1	0.13%	N/A	N/A
Liontrust Sustainable Future Managed Fund	N/A	N/A	N/A	N/A
Liontrust UK Ethical Fund	N/A	N/A	N/A	N/A
Liontrust Sustainable Future UK Growth Fund	N/A	N/A	1	0.24%

## Transfers

Shareholders are entitled to transfer their Shares to another person or body in accordance with the provisions of the Instrument of Incorporation. All transfers must be in writing in the form of an instrument of transfer approved by the ACD. Completed instruments of transfer must be returned to the ACD. The ACD may refuse to register a transfer unless an SDRT provision has been paid.

No transfer is permitted where any party would be left with a holding of Shares having a lesser aggregate value than the minimum Shareholding requirement for the Class or Classes concerned.

## Compulsory Transfer and Redemption

Shares in the Company may not be acquired or held by any person in circumstances (**relevant circumstances**):

- (i) which constitute a breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or
- (ii) which would (or would if other Shares were acquired or held in the circumstances) result in the Company incurring any liability to taxation or suffering any other pecuniary disadvantage or other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory).

In this connection, the ACD has a discretion to reject any application for the purchase, sale or switching of Shares.

If it comes to the notice of the ACD that any Shares (**affected Shares**) have been acquired or are being held directly or beneficially in any relevant circumstances or by virtue of which the Shareholder or Shareholders in question is/are not qualified to hold such Shares or if it reasonably believes this to be the case, the ACD may give notice to the holder(s) of the affected Shares requiring the transfer of such Shares to a person who is qualified or entitled to own them or that a request in writing be given for the redemption or cancellation of such Shares in accordance with the COLL Sourcebook.

If any person upon whom such a notice is served does not within thirty days after the date of such notice transfer their affected Shares to a person qualified to own them or establish to the satisfaction of the ACD (whose judgement shall be final and binding) that he and any person on whose behalf he holds the affected Shares are qualified and entitled to own them, he shall be deemed upon the expiration of the thirty day period to have given a request in writing for the redemption or cancellation (at the discretion of the ACD) of all the affected Shares pursuant to the COLL Sourcebook.

A person who becomes aware that he has acquired or holds affected Shares in any of these relevant circumstances, or by virtue of which he is not qualified to hold such affected Shares, must immediately, unless he has already received a notice as set out above, either transfer all their affected Shares to a person qualified to own them or give a request in writing for the redemption of all their affected Shares pursuant to the COLL Sourcebook.

### **Redemptions in kind**

If a Shareholder requests the redemption or cancellation of Shares the ACD may, where it considers the deal to be substantial in relation to the total size of the Fund concerned, arrange that in place of payment of the price of the Shares in cash, the Company cancels the Shares and transfers Scheme Property or, if required by the Shareholder, the net proceeds of sale of relevant Scheme Property, to the Shareholder.

Before the proceeds of the cancellation of Shares become payable, the ACD must give written notice to the Shareholder that the Scheme Property or the proceeds of sale of Scheme Property will be transferred to that Shareholder.

The ACD will select the Scheme Property to be transferred in consultation with the Depositary. They must ensure that the selection is made with a view to achieving no more advantage or disadvantage to the Shareholder requesting the cancellation or redemption than to the continuing Shareholders.



## **Applications in kind**

The ACD may arrange for the Company to issue Shares in exchange for assets other than money, but will only do so where the Depositary is satisfied that the acquisition by the Company of those assets in exchange for the Shares concerned is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders.

The ACD will ensure that the beneficial interest in the assets is transferred to the Company with effect from the issue of the Shares.

The ACD will not issue any Shares in any Fund in exchange for assets the holding of which would be inconsistent with the investment objective of that Fund.

## **Market timing**

The ACD may refuse to accept a subscription or a switch from another Fund if it has reasonable grounds, relating to the circumstances of the Shareholder concerned, for refusing to accept a subscription or a switch from them. In particular, the ACD may exercise this discretion if it believes the Shareholder has been or intends to engage in market timing activities. The ACD does not condone or engage in market timing activities.

## **Money Laundering**

Under legislation to prevent money laundering in the United Kingdom, persons conducting investment business are responsible for compliance with money laundering regulations. Investors may be asked to provide proof of identity when buying, acquiring, redeeming or switching Shares, and, in certain circumstances, it may be necessary for the ACD to re-verify an investor's identity and obtain any missing or additional information for this purpose. Until satisfactory proof of identity is provided, the ACD reserves the right to refuse to issue Shares, to register a transfer of Shares, to pay the proceeds of sale of Shares, or to switch Shares. The ACD will not be liable for any share price movements occurring during delays while money laundering checks are carried out. The ACD may use an external agency to verify your identity for anti-money laundering purposes.

## **Suspension of Dealings in Shares**

The ACD may, with the agreement of the Depositary, or must if the Depositary so requires, in accordance with the provisions of COLL, suspend the issue, cancellation, sale and redemption of Shares if the ACD or the Depositary is of the opinion that due to exceptional circumstances there is good and sufficient reason to do so having regard to the interests of Shareholders or potential Shareholders.

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

## **Deferred Redemption of Shares**

If requested redemptions of Shares on a particular Dealing Day exceed 10% of a Fund's value, redemptions of Shares of that Fund may be deferred to the next Valuation Point. Any such deferral would only be undertaken in such manner as to ensure consistent treatment of all Shareholders who had sought to redeem Shares at the Valuation Point at which redemptions were deferred, and so that all deals relating to the earlier Valuation Point were completed before those relating to a later Valuation Point were considered. The intention of the deferred redemption power is to reduce the impact of dilution on the

Scheme Property. In times of high levels of redemption, deferred redemption provisions would enable the ACD to protect the interests of continuing Shareholders by allowing it to match the sale of property of a Fund to the level of redemptions of Shares in that Fund.

### **Restrictions Applying to US Persons**

The Shares have not been and will not be registered under the United States Securities Act of 1933 as amended (**Securities Act**) and, subject to certain exceptions, may not be offered or sold in the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia (**United States of America**) or offered or sold to US Persons (as defined below).

The Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended. The ACD has not been and will not be registered under the United States Investment Advisers Act of 1940.

**US Person** means:

- (a) a citizen or resident of the United States of America;
- (b) a partnership, limited liability company, corporation or similar entity organised or incorporated under the laws of the United States of America, or an entity taxed as such or required to file a tax return as such under the United States federal income tax laws;
- (c) any estate or trust the executor, administrator or trustee of which is a US Person unless, in the case of trusts of which any professional fiduciary acting as trustee is a US Person, a trustee who is not a US Person has sole or shared investment discretion with respect to trust assets and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person;
- (d) any estate or trust whose income from sources outside the United States of America is includable in gross income for purposes of computing United States income tax payable by it;
- (e) any agency or branch of a foreign entity located in the United States of America;
- (f) any discretionary or non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary located within or outside the United States of America for the benefit or account of a US Person;
- (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the United States of America, except that any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US Person by a dealer or other professional fiduciary organised, incorporated or (if an individual) resident in the United States of America shall not be deemed a US Person;
- (h) any firm, corporation or other entity, regardless of citizenship, domicile, situs or residence if, under the income tax laws of the United States of America from time to time in effect, any portion of the income thereof would be taxable to a US Person even if not distributed other than as a passive foreign investment company;

- (i) any partnership, corporation or other entity if (i) organised or incorporated under the laws of any foreign jurisdiction and (ii) owned or formed by a US Person or Persons principally for the purpose of investing in securities not registered under the Securities Act (including but not limited to Shares of the Company);
- (j) any employee benefit plan unless such employee benefit plan is established and administered in accordance with the laws of a country other than the United States of America and the customary practices and documentation of such country and is maintained primarily for the benefit of persons substantially all of whom are non-resident aliens with respect to the United States of America; or
- (k) any other person or entity whose ownership of Shares or solicitation for ownership of Shares the ACD through its officers or Directors shall determine may violate any securities law of the United States of America or any state or other jurisdiction thereof.

Except that “US Person” shall not include any eligible investor or any person or entity, notwithstanding the fact that such person or entity may come within any of the categories referred to above, as to whom the ACD or the Company shall determine that ownership of Shares or solicitation for ownership of Shares shall not violate any securities law of the United States of America or any state or other jurisdiction thereof.

All US residents and citizens should note the requirements of the Foreign Account Tax Compliance Act (**FATCA**). Please refer to the ‘Taxation’ section of this Prospectus.

### **Data Protection Notice**

The ACD is a Data Controller and Data Processor within the meaning of the Data Protection Acts and undertakes to hold, process and be responsible for the destruction of personal information provided by investors in confidence and in accordance with the Data Protection Acts.

By signing the application form, prospective investors consent to the recording of telephone calls made to and received from investors by the ACD, its delegates, its duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes.

Prospective investors should note that by completing the Application Form they are providing information to the ACD which may constitute personal data within the meaning of data protection legislation in the UK. This data will be used for the purposes of client identification and the subscription process, administration, transfer agency, statistical analysis, market research and to comply with any applicable legal or regulatory requirements, disclosure to the ACD (its delegates and agents) and, if an applicant’s consent is given, for direct marketing purposes.

Data may be disclosed and / or transferred to third parties including:

- (a) regulatory bodies, tax authorities; and
- (b) delegates, advisers and service providers of the ACD and their or the ACD’s duly authorised agents and any of their respective related, associated or affiliated companies wherever located (including to countries outside the EEA which may not have the same

data protection laws as in the UK) for the purposes specified. For the avoidance of doubt, each service provider to the ACD (including the Investment Adviser, its delegates and its or their duly authorised agents and any of their respective related, associated or affiliated companies) may exchange the personal data, or information about the investors in the Funds, which is held by it with another service provider to the ACD.

Personal data will be obtained, held, used, disclosed and processed for any one or more of the purposes set out in the application form.

Investors have a right to obtain a copy of their personal data kept by the ACD and the right to rectify any inaccuracies in personal data held by the Company. As of 25 May 2018 being the date the General Data Protection Regulation (EU 2016/679) comes into effect, investors will also have a right to be forgotten and a right to restrict or object to processing in a number of circumstances. In certain limited circumstances a right to data portability may apply. Where investors give consent to the processing of personal data, this consent may be withdrawn at any time.

## VALUATION

The price of a Share in the Company is calculated by reference to the Net Asset Value (or the relevant proportion of the Net Asset Value) of the Fund to which it relates. Each Fund will have a regular Valuation Point of 12 noon and a deal cut-off point at 11.59 a.m. on each Dealing Day. The ACD may create an additional Valuation Point for any Fund at any time.

The value of the scheme property of the Company or sub-fund (as the case may be) shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions.

1. All the scheme property (including receivables) is to be included, subject to the following provisions.
2. Property which is not cash (or other assets dealt with in paragraphs 3 and 4 below) shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:
  - (a) units or shares in a collective investment scheme:
    - (i) if a single price for buying and selling units or shares is quoted, at that price; or
    - (ii) if separate buying and selling prices are quoted, at the average of the two prices provided the buying price has been reduced by any initial charge included therein and the selling price has been increased by any exit or redemption charge attributable thereto; or
    - (iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a value which, in the opinion of the ACD, is fair and reasonable;
  - (b) exchange-traded derivative contracts:
    - (i) if a single price for buying and selling the exchange-traded derivative contract is quoted, at that price; or
    - (ii) if separate buying and selling prices are quoted, at the average of the two prices;
  - (c) over-the-counter derivative contracts shall be valued in accordance with the method of valuation as shall have been agreed between the ACD and the Depositary;
  - (d) any other investment:
    - (i) if a single price for buying and selling the security is quoted, at that price; or
    - (ii) if separate buying and selling prices are quoted, at the average of the two prices; or

- (iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if the most recent price available does not reflect the ACD's best estimate of the value, at a value which, in the opinion of the ACD, is fair and reasonable; and
  - (e) property other than that described in (a), (b), (c) and (d) above: at a value which, in the opinion of the ACD, represents a fair and reasonable mid-market price.
- 3. Cash and amounts held in current, deposit and margin accounts and in other time-related deposits shall be valued at their nominal values.
- 4. In determining the value of the scheme property, all instructions given to issue or cancel shares shall be assumed (unless the contrary is shown) to have been carried out and any cash payment made or received and all consequential action required by the Regulations or this Instrument of Incorporation shall be assumed (unless the contrary has been shown) to have been taken.
- 5. Subject to paragraphs 6 and 7 below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the ACD, their omission shall not materially affect the final net asset amount.
- 6. Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph 5.
- 7. All agreements are to be included under paragraph 5 which are, or ought reasonably to have been, known to the person valuing the property assuming that all other persons in the ACD's employment take all reasonable steps to inform it immediately of the making of any agreement.
- 8. An estimated amount for anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the property of the Scheme; on realised capital gains in respect of previously completed and current accounting periods; and on income where liabilities have accrued) including (as applicable and without limitation) capital gains tax, income tax, corporation tax, value added tax, stamp duty and stamp duty reserve tax shall be deducted.
- 9. An estimated amount for any liabilities payable out of the scheme property and any tax thereon treating periodic items as accruing from day to day shall be deducted.
- 10. The principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings shall be deducted.
- 11. The total amount of any cost relating to the authorisation and incorporation of the Company and of its initial offer or issue of Shares shall be deducted.
- 12. An estimated amount for accrued claims for tax of whatever nature which may be recoverable shall be added.

13. Any other credits or amounts due to be paid into the scheme property shall be added.
14. A sum representing any interest or any income accrued due or deemed to have accrued but not received and any stamp duty reserve tax provision anticipated to be received shall be added.
15. Currencies or values in currencies other than the base currency or (as the case may be) the designated currency of a sub-fund shall be converted at the relevant valuation point at a rate of exchange that is not likely to result in any material prejudice to the interests of shareholders or potential shareholders.
16. Any assets, liabilities, expenses, costs or charges not attributable to one Fund only, and allocated in accordance with the FCA Rules, may be reallocated by the ACD provided that such reallocation shall be done in a manner which is fair to the Shareholders of the Company generally.
17. Property which is a contingent liability transaction shall be treated as follows:
  - (a) in respect of a written option (and the premium for the writing of which has become part of the scheme property), the amount of the net valuation of premium receivable shall be deducted;
  - (b) an off exchange future shall be valued at the net value of closing out in accordance with a valuation method agreed between the ACD and the Depositary; and
  - (c) any other form of contingent liability transaction shall be valued at the net value of margin on closing out (whether as a positive or negative value).

### **Fair Value Pricing**

The ACD may, in its absolute discretion and in circumstances where:

- (a) it believes that no reliable price for the property in question exists; or
- (b) such price, if it does exist, does not reflect the ACD's best estimate of the value of such property,

value the scheme property or any part of scheme property at a price which, in its opinion, reflects a fair and reasonable price for that property (***fair value pricing***).

The ACD is permitted to use fair value pricing in specific circumstances and pursuant to processes and methodologies that it must have notified to the Depositary. Examples of the circumstances in which the ACD might consider using fair value pricing where a Fund's Valuation Point is set during the time when markets in which its portfolio is invested are closed for trading include:

- (a) market movements above a pre-set trigger level in other correlated open markets;
- (b) war, natural disaster, terrorism;
- (c) government actions or political instability;

- (d) currency realignment or devaluation;
- (e) changes in interest rates;
- (f) corporate activity;
- (g) credit default or distress; or
- (h) litigation.

Even if a Fund's Valuation Point is set during the time other markets are open for trading, other scenarios might include:

- (a) failure of a pricing provider;
- (b) closure or failure of a market;
- (c) volatile or "fast" markets;
- (d) markets closed over national holidays;
- (e) stale or unreliable prices; or
- (f) listings suspensions or de-listings.



## INCOME AND DISTRIBUTIONS

### Accounting periods

The annual accounting period of the Company and each Fund ends each year on 31 January (the accounting reference date) and the interim accounting period ends each year on 31 July.

### Income Allocations

Allocations of income are made in respect of the income available for allocation in each accounting period. Unless otherwise stated in Appendix I in respect of a Fund, each Fund will have an annual income allocation date of 31 March and an interim income allocation date of 30 September. Distributions of income for all Funds are paid on or before that Fund's annual income allocation date and interim income allocation date(s) in each year.

Allocation of income to holders of any accumulation Shares that may be issued will be transferred to the capital property of the relevant Fund at the end of the income allocation period and be reflected in the value of the relevant Shares on the first Dealing Day following the end of that income allocation period.

The amount available for allocation in an accounting period is calculated by:

- (a) taking the aggregate of the income received or receivable for the account of the relevant Fund for that period;
- (b) deducting the fees, charges and expenses of the Fund paid or payable out of income for that accounting period; and
- (c) making such adjustments as the ACD considers appropriate (and after consulting the Auditor as appropriate) in relation to tax and certain other issues such as income equalisation, income unlikely to be received within 12 months following the relevant income allocation date, income which should not be accounted for on an accrual basis because of lack of information as to how it accrues, transfers between the income and capital account and amortisation.

Where a Fund has more than one Class of Shares in issue, allocations of income are made in accordance with the proportionate interests of the Classes within the Fund, subject to the making of such adjustments as may be required to reflect differences in the fees, charges and/or expenses of the Fund which are attributable to different Classes of Shares.

If a distribution remains unclaimed for a period of six years after it has become due, it will be forfeited and will revert to the Company.

Notwithstanding the above, income on debt securities, such as bonds and other fixed interest securities, is accounted for on an effective yield basis. The effective yield basis treats any projected capital gain or loss on a debt security (when compared to its maturity of par value) as income and this, together with any future expected income streams on the debt security, is written off over the life of that security and discounted back to its present value and included in the calculation of income for accounting purposes.

## **Income equalisation**

The following provisions shall apply in respect of Shares in issue in respect of each of the Funds.

An allocation of income (whether annual, interim or otherwise) to be made in respect of each Share to which this clause applies issued by the Company or sold by the ACD during the accounting period in respect of which that income allocation is made shall be of the same amount as the allocation to be made in respect of the other Shares in the same Class in issue in respect of the same Fund but shall include a capital sum (***income equalisation***) representing the ACD's best estimate of the amount of income included in the price of that Share.

The amount of income equalisation shall be either: the actual amount of income included in the issue price of that Share; or an amount arrived at by taking the aggregate of the amounts of income included in the price in respect of Shares of that Class issued or sold in the annual or interim accounting period in question and dividing that aggregate amount by the number of such Shares and applying the resultant average to each of the Shares in question.

## RISKS

The following are important warnings and potential investors should consider the following risk factors before investing in the Company.

Please note that the Funds are marketable to all retail investors.

### General

There are inherent risks in investment markets. Security prices are subject to market fluctuations and can move irrationally and be unpredictably affected by many and various factors including political and economic events and rumours. There can be no assurance that any appreciation in value of investments will occur. The value of investments and the income derived from them may go down as well as up and investors may receive less than the original amount invested.

There is no guarantee that the investment objectives of any Fund will be achieved. **It is important to note that past performance is not a guide to future returns or growth.** Shares should be viewed as a medium to long term investment.

Investors will need to decide whether or not an investment vehicle of this nature is appropriate for their requirements.

### Inflation

Inflation will reduce the purchasing power of your money when your investment is redeemed.

### Taxation

Tax regulations and concessions are not guaranteed and can change at any time. The levels of tax benefits and liabilities arising from an investment in the Company will depend upon individual circumstances and may change in the future. There is no guarantee that any Fund which is currently eligible for ISAs will remain so eligible in the future or that the tax advantages of ISAs will be maintained.

### SDRT Provision

Certain investment transactions can result in the payment of stamp duty reserve tax. When such payment results in the diminution in value of the Shares, an additional charge may be levied in addition to the price of the Shares when issued or deducted when sold.

### Suspension of Dealings

In certain circumstances the right to redeem Shares may be suspended (see 'Suspension of Dealings in Shares' section of this Prospectus).

### Charges to Capital

Where the investment objective of a Fund is to prioritise the generation of income over capital growth, or in circumstances where they have equal priority, all or part of the ACD's fee may be charged against capital instead of against income. This may limit capital growth.

## **Effect of Initial Charge**

Where appropriate, the ACD's initial charge is deducted from the investment at the outset. Hence investors, having paid an initial charge, who redeem their Shares in the short term may not (even in the absence of a fall in the value of the relevant investments) realise the original amount invested.

## **Liabilities of the Company**

Under the OEIC Regulations, each Fund is a segregated portfolio of assets and those assets can only be used to meet the liabilities of, or claims against, that Fund. Whilst the provisions of the OEIC Regulations provide for segregated liability between Funds, the concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known whether a foreign court would give effect to the segregated liability and cross-investment provisions contained in the OEIC Regulations. Therefore, it is not possible to be certain that the assets of a Fund will always be completely insulated from the liabilities of another Fund of the Company in every circumstance.

## **Aggregation of Orders**

In managing the Funds, the ACD may combine orders for the Funds with those of other clients. This procedure may operate on some occasions to the disadvantage of the Funds and on others to the advantage of the Funds.

## **Market Timing**

A Fund may be subject to market timing activities which may include frequent purchases and sales of Shares with a view to profiting from anticipated changes in market prices between Valuation Points (often stemming from quantitative analysis) or arbitraging on the basis of market price changes subsequent to those used in a Fund's valuation. Such market timing activities are disruptive to fund management, may lead to additional dealing charges which cause losses/dilution to a Fund and may be detrimental to performance and to the interests of long term Shareholders. Whilst the ACD will seek to detect and deter market timing activity, it may be unable to detect such activity if it occurs within deals in a nominee or other omnibus account.

## **Manager Risk**

There is a risk that a Fund will not achieve its performance objectives or not produce returns that compare favourably against its peers. The performance of a Fund will depend significantly upon the ability of the relevant investment manager to select profitable investments and, to the extent a Fund is invested in collective investment schemes, the ability of investment managers of such schemes to do likewise.

## **Currency Exchange Rates**

Investments for some Funds will be made in assets denominated in various currencies and exchange rate movements may affect the value of an investment favourably or unfavourably, separately from the gains or losses otherwise made by such investments.

## **Concentration Risk**

Funds which invest in a narrow range of stocks or in specialised sectors may be more volatile than more broadly diversified Funds which may result in frequent rises and falls in the Funds' share price.

## **Market Risk**

External factors can cause an entire asset class to decline in value. Prices and values of all shares or all bonds could decline at the same time.

## **Equities**

Funds investing in equities, or in collective investment schemes which invest in equities, tend to be more volatile than Funds investing in bonds or in collective investment schemes which invest in bonds, but may also offer greater potential for growth. The value of such underlying investments may fluctuate quite dramatically in response to activities and results of individual companies, as well as in connection with general market and economic conditions.

## **Unlisted Risks**

Subject to the COLL Rules, a Fund may invest up to and including 10% of the Scheme Property of a Fund in transferable securities which are not approved securities (essentially transferable securities which are admitted to official listing in an EEA state or traded on or under the rules of an eligible securities market). Such securities and instruments are generally not publicly traded, may be unregistered for securities law purposes and may only be able to be resold in privately negotiated transactions with a limited number of purchasers. The difficulties and delays associated with such transactions could result in a Fund's inability to realise a favourable price upon disposal of such securities, and at times might make disposition of such securities and instruments impossible. To the extent a Fund invests in securities and instruments the terms of which are privately negotiated, the terms of such securities and instruments may contain restrictions regarding resale and transfer. In addition, certain listed securities and instruments, particularly securities and instruments of smaller capitalized or less seasoned issuers, may from time to time lack an active secondary market and may be subject to more abrupt or erratic price movements than securities of larger, more established companies or stock market averages in general. In the absence of an active secondary market the Fund's ability to purchase or sell such securities at a fair price may be impaired or delayed.

## **Investment in Smaller Companies**

Smaller companies' securities may be less liquid than the securities of larger companies as a result of inadequate trading volume or restrictions on trading. Smaller companies may possess greater potential for growth, but can also involve greater risks, such as limited product lines and markets, and financial or managerial resources. Trading in such securities may be subject to more abrupt price movements and greater fluctuations in available liquidity than trading in the securities of larger companies.

## **Emerging Markets**

Investment in emerging markets may involve a higher risk than that inherent in more developed markets.

Where Funds invest in some overseas markets these investments may carry risk associated with failed or delayed settlement of market transactions and with the registration and custody of securities.

Companies in emerging markets may not be subject:

- (a) to accounting, auditing and financial reporting standards, practices and disclosure requirements comparable to those applicable to companies in major markets;
- (b) to the same level of government supervision and regulation of stock exchanges as countries with more advanced securities markets.

Accordingly, certain emerging markets may not afford the same level of investor protection as would apply in more developed jurisdictions.

Restrictions on foreign investment in emerging markets may preclude investment in certain securities by certain Funds and, as a result, limit investment opportunities for the Funds. Substantial government involvement in, and influence on, the economy may affect the value of securities in certain emerging markets.

Lack of liquidity and efficiency in certain of the stock markets or foreign exchange markets in certain emerging markets may mean that from time to time the ACD may experience more difficulty in purchasing or selling holdings of securities than it would in a more developed market.

Investors should consider whether or not investment in such Funds is either suitable for or should constitute a substantial part of an investor's portfolio.

## **Investment in Collective Investment Schemes**

The Funds can invest in a wide range of asset classes, including collective investment schemes which may themselves invest in a range of other assets. These underlying assets are likely to vary from time to time but each category of asset (which may include, but shall not be limited to, private equity, hedge funds or property) has individual risks associated with them. The Funds and the ACD may not have any control over the activities of any collective investment scheme or company invested in by the Funds. Managers of collective investment schemes and companies in which a Fund may invest may take undesirable tax positions, employ excessive leverage, or otherwise manage the collective investment schemes or be managed in a manner not anticipated by the ACD. In valuing the Funds, the ACD is reliant on the unit price of such collective investment schemes being delivered by third parties to the ACD by a cut-off point to enable the ACD to include that unit price in the Funds' valuation. In the event that such unit price for a particular day is not delivered to the ACD by that cut-off point, the ACD will (unless its fair value pricing policy requires otherwise) use the most recent unit price that has been delivered to it. That unit price may not accurately reflect the most up to date valuation of the underlying collective investment scheme, and consequently the Funds' valuation may not accurately reflect the most up to date valuation of the underlying collective investment scheme.

## **Interest Rate Risk**

Some of a Fund's financial instruments may be interest bearing. As such, such Fund will be exposed to interest rate risk due to fluctuations in the prevailing market rates.

## **Corporate Bonds**

Corporate bonds are subject to credit, liquidity, duration and interest rate risks. Adverse changes in the financial position of an issuer of corporate bonds or in general economic conditions may impair the ability of the issuer to make payments of principal and interest or may cause the liquidation or insolvency of an issuer. There can be no assurance as to the levels of default and/or recoveries that may be experienced with respect to corporate bonds. Debt instruments held by the Company will be affected by general changes in interest rates that will, in turn, result in increases and decreases in the market value of those instruments. When interest rates decline, the value of the Company's investments in fixed rate debt obligations can be expected to rise and, when interest rates rise or are expected to rise, the value of those instruments can be expected to decline.

## **Sub-Investment Grade Securities**

Where a Fund invests in sub-investment grade securities, shareholders should be aware that such securities carry a higher risk of default than investment-grade securities. The value of their investment will fall should an issuer default or receive a reduced credit rating. Income payments may also be adversely affected.

## **Derivatives – general**

Because of the low margin deposits normally required in trading derivative instruments, a high degree of leverage is typical for trading in such instruments. As a result, the values of these investments may fluctuate significantly and this may lead to greater volatility in the price of a Fund. By holding these types of investments there is a risk of capital depreciation in relation to certain Fund assets but also the potential for capital appreciation of such assets. Investment in derivative transactions may result in losses in excess of the amount invested.

There is no guarantee that the performance of financial derivative instruments will result in a positive effect for a Fund and its investors. The use of financial derivative instruments may result in losses for investors.

There is no guarantee that a Fund will achieve the objective for which it enters into a transaction for the purposes of efficient portfolio management. For example, where a derivative is used for hedging purposes, there is a risk that the derivative may not be as highly correlated as expected with the position which is being hedged and the derivative may have liquidity characteristics which differ from the position which is being hedged. This may result in losses for investors.

## **Particular Risks of Exchange Traded Derivative Transactions**

Each securities exchange or derivatives market typically has the right to suspend or limit trading in all securities or derivatives which it lists. Such a suspension would render it impossible for a Fund to liquidate positions and, accordingly, expose a Fund to losses and delays in its ability to redeem Shares.

## **Particular Risks of Over-the-Counter Derivative Transactions**

A Fund may hold derivatives in OTC markets. The fair value of these derivatives will take into account their tendency to have limited liquidity and possibly higher price volatility.

In general, there is less governmental regulation and supervision of transactions in the OTC markets (in which currencies, forward, spot and option contracts, swaps and certain options on currencies are generally traded) than of transactions entered into on organised exchanges. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, may not be available in connection with OTC transactions.

The Company may use one or more separate counterparties to undertake derivative transactions on behalf of a Fund and may be required to pledge collateral, paid from within the assets of the Fund, to secure such contracts. There may be a risk that a counterparty will wholly or partially fail to honour their contractual obligations under the arrangement. If a counterparty defaults in respect of its obligations to a Fund, the Fund may suffer losses as a result. The ACD assesses the creditworthiness of counterparties as part of the risk management process and will ordinarily hold collateral to mitigate this.

Where a Fund holds collateral of the counterparty, the counterparty will forfeit its collateral if it defaults on a transaction with the Fund and has liabilities to the Fund which the collateral may be applied to satisfy. However, in particular where the collateral is in the form of securities, there is a risk that the collateral will realise insufficient cash to settle the counterparty's obligations to the Fund. This may result in losses for investors.

Regardless of the measures a Fund may seek to implement to reduce counterparty credit risk there can be no assurance that a counterparty will not default or that a Fund will not sustain losses as result.

From time to time, the counterparties with which a Fund effects transactions might cease making markets or quoting prices in certain of the instruments. In such instances, the Fund might be unable to enter into a desired transaction in currencies or swaps or to enter into an offsetting transaction with respect to an open position, which might adversely affect its performance.

### **Liquidity Risk**

The absence of adequate liquidity which restricts investment opportunities is known as liquidity risk. When trading derivatives; market demand can impact the ability to acquire or liquidate assets, particularly where positions and contracts entered into are complex and bespoke. Counterparty liquidity can be reduced by lower credit ratings or large cash outflows and margin calls can increase a Fund's liquidity risk. Liquidity risk tends to compound other risks. If a Fund has a position in an illiquid asset, its limited ability to liquidate that position at short notice will compound its market risk.

### **Credit Default Swaps**

A Fund may hold credit default swaps through OTC markets. The fair and reasonable value of these swaps will take into account the potential for limited liquidity. In addition, a Fund holding credit default swaps will be exposed to counterparty risk with whom the transactions are made and will bear the risk of settlement default with those counterparties.



## **Use of Benchmarks**

Investors should be aware that where a comparator benchmark has been used that this has been selected in line with regulatory obligations and that the Fund will not track the performance (or the yield) of the benchmark selected. In most cases and unless specified otherwise the fund manager will not manage the Fund's portfolio in line with the comparator benchmark. The fund manager will have full freedom to deviate from the Fund benchmark as long as the Fund is managed within the parameters and restrictions of its objective and policy.

## **MANAGEMENT AND ADMINISTRATION**

### **Authorised Corporate Director**

The authorised corporate director is Liontrust Fund Partners LLP, whose registered office is at 2 Savoy Court, London, WC2R 0EZ. Liontrust Fund Partners LLP is a limited liability partnership incorporated in England & Wales. It is an indirect subsidiary of Liontrust Asset Management PLC, a public company limited by shares, incorporated in England and Wales.

The ACD is responsible for managing and administering the affairs of the Company in compliance with COLL.

Details of those other open-ended investment companies of which the ACD acts as authorised corporate director are set out in Appendix V.

The Company may by ordinary resolution remove the ACD before the expiry of its period of office, notwithstanding any provisions in the Instrument of Incorporation or in any agreement between the Company and the ACD, but the removal will not take effect until the FCA has approved the ACD's removal and a new ACD approved by the FCA has been appointed.

The Members of the ACD are as follows:

- I Chimes
- S R L Corbett
- S J J Hildrey
- J S Ions
- M F Kearney
- M A Keogh
- A C Morrison
- C Prince
- Liontrust Investment Funds Limited
- Liontrust Asset Management Plc

The members of the ACD are not engaged in any significant business activity which is not connected with the business of the ACD or any of its associates.

Liontrust Fund Partners LLP also produces, distributes and approves marketing material for the Funds.

## Terms of Appointment

The ACD provides its services to the Company under the terms of a service agreement (**ACD Agreement**). The ACD Agreement provides that the appointment of the ACD may be terminated upon 12 months' written notice by either the ACD or the Company (provided that the effective date of such notice must not be before the third anniversary of the commencement date of the ACD Agreement), although in certain circumstances the agreement may be terminated forthwith by notice in writing by the ACD to the Company or by the Company to the ACD. Termination cannot take effect until the FCA has approved the change of ACD.

The ACD is entitled to its pro rata fees and expenses to the date of termination and any additional expenses necessarily incurred in settling or realising any outstanding obligations. The ACD Agreement provides indemnities to the ACD 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.

Under the ACD Agreement the ACD is entitled to delegate all of its functions to third parties, including without limitation, its investment management, administration and registrar functions. In accordance with COLL, the ACD may terminate these arrangements at any time with immediate effect where it is in the interests of the Shareholders to do so.

The ACD is under no obligation to account to the Depositary or the Shareholders for any profit it makes on the issue or re-issue of Shares or cancellation of Shares which it has redeemed. The fees to which the ACD is entitled are set out in the 'Fees and Expenses' section of this Prospectus.

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

### *The ACD's Remuneration Policy*

In accordance with the FCA Rules, the ACD is required to establish and apply a remuneration policy for certain categories of staff whose activities have a material impact on the risk profile of the ACD or the UCITS that it manages ("Code Staff").

Liontrust Asset Management Plc, the ultimate holding company of the ACD has set up a Remuneration Committee to oversee the application of the Group's remuneration policies. Remuneration for all Code Staff in the Group is approved by the Remuneration Committee.

The Remuneration Policy document is reviewed annually.

## The Remuneration Policy:

- (i) Is consistent with and promotes sound and effective risk management;
- (ii) Does not encourage risk taking that exceeds the level of tolerated risk of the relevant UCITS managed by the ACD;
- (iii) Encourages behaviour that delivers results which are aligned to the interests of the UCITS managed by the ACD;
- (iv) Aligns the interests of Code Staff with the long-term interests of the ACD, the funds it manages and its investors;
- (v) Recognises that remuneration should be competitive and reflect both financial and personal performance. Accordingly, remuneration for Code Staff is made up of fixed pay (salary and benefits, including pension) and variable (performance-related) pay;
- (vi) Recognises that fixed and variable components should be appropriately balanced and that the variable component should be flexible enough so that in some circumstances no variable component may be paid at all. Variable pay is made up of:
  - a. short-term awards typically based on short-term financial and strategic measures for the area of the business in which the member of Code Staff works; and
  - b. long-term incentives, typically in the form of share plans, which are based on the performance of the ACD or the relevant UCITS managed by the ACD over a longer period;
  - c. Requires that a sizeable proportion of variable pay is subject to deferral;
- (vii) Takes into account that unvested variable pay may, in certain circumstances, be reduced.

In respect of the delegation of investment management functions to the Investment Adviser, the ACD will ensure that the Investment Adviser applies in a proportionate manner the remuneration rules as detailed in the UCITS Directive as amended or, alternatively, are subject to equally effective remuneration policies under their home authorisation.

Up-to-date details of the Remuneration Policy are available at [www.liontrust.co.uk](http://www.liontrust.co.uk). A paper copy of that information will be made available free of charge from the ACD upon request.

## **The Depositary**

The Bank of New York Mellon (International) Limited is the Depositary of the Company and, for the avoidance of doubt, acts as the global custodian to the Company.

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 address is at One Canada Square, London, E14 5AL.

The principal business activity of the Depositary is the provision of custodial, banking and related financial services. The Depositary is authorised by the Prudential Regulation Authority and is dual-regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

## **Terms of Appointment**

The ACD is required to enter into a written contract with the Depositary to evidence its appointment. The Depositary was appointed under an agreement dated 1 September 2018 (the “Depositary Agreement”), 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 UCITS Directive.

## **Duties of the Depositary**

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

## **Delegation of Safekeeping Functions**

The Depositary acts as global custodian and may delegate safekeeping to one or more global sub-custodians (such delegation may include the powers of sub-delegation). The Depositary has delegated safekeeping of the assets of the Company to The Bank of New York Mellon SA/NV and The Bank of New York Mellon (the “Global Sub-Custodians”).

The Global Sub-Custodians may sub-delegate safekeeping of assets in certain markets in which the Company may invest to various sub-delegates. A list of the sub-delegates is given below in Appendix VII. Investors should note that, except in the event of material changes requiring a prompt update of this Prospectus, the list of sub-delegates is updated only at each Prospectus review.

## **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 Article 2(11) of Directive 2013/34/EU or international accounting standards adopted in accordance with Regulation (EC) No. 1606/2002.

#### *Company, ACD and shareholders*

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

A Group Link where the ACD has delegated certain administrative functions to The Bank of New York Mellon (International) Limited 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 Link 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 the Company and its shareholders.

To the extent that a Link exists between the Depositary and any shareholders in the Company, the Depositary shall take all reasonable steps to avoid conflicts of interests arising from such Link, and ensure that its functions comply with Article 23 of the UCITS V Regulations as applicable.

#### **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 Manager 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 interests exist as a result of the delegation arrangements relating to safekeeping outlined above:

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

The Depositary shall ensure that policies and procedures are in place to identify all conflicts of interests arising from such Group Link 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 the Company 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.

## **The Investment Adviser**

The Investment Adviser to the Funds is Liontrust Investment Partners LLP (“LIP”), which is authorised and regulated by the FCA. LIP is an indirect subsidiary of Liontrust Asset Management PLC. There is an Investment Management Agreement between the ACD and LIP dated 1 January 2018.

The Investment Adviser has full discretionary powers both to advise and manage the relevant Funds on behalf of the ACD. The Investment Adviser is not paid commission but is paid fees by the ACD, which are laid out in the Investment Management Agreement between the respective companies.

The appointment of the Investment Adviser as investment adviser 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. The Investment Management Agreement contains indemnities from the Company in favour of the Investment Adviser and provides limitations on the Investment Adviser’s liability to the Company.

The Investment Adviser acts as Investment Adviser of and/or Investment Adviser to other funds or clients or may act as Investment Adviser of and/or Investment Adviser to other funds or clients in the future any of which may be competing with the Company in the same markets.

## **The Administrator and Registrar**

The ACD has appointed The Bank of New York Mellon (International) Limited to provide administration services to the ACD and act as registrar to the Company.

## **Terms of Appointment**

The Administrator was appointed by an agreement between the ACD and the Administrator (***Administration Agreement***). The Administration Agreement may be terminated on twelve months’ written notice by the Administrator or the ACD. The principal activity of the Administrator is the provision of administration services.

## **The Auditor**

The auditor to the Company is KPMG of 11th Floor, 15 Canada Square, Canary Wharf, London, E14 5GL.

## **Legal Advisers**

The Company is advised by Macfarlanes LLP, 20 Cursitor Street, London, EC4A 1LT .



## FEES AND EXPENSES

### Payments to the ACD

#### *Annual Management Charge*

The ACD is entitled under its agreement with the Company to charge a management fee in respect of each Fund, calculated by reference to an annual percentage rate based on the Net Asset Value of the Fund, in payment for carrying out its duties and responsibilities. The current rate of management fee payable in respect of each Class and Fund is set out below (subject to a maximum of two per cent per annum). The fee will accrue daily and is payable monthly in arrears within seven days of the last business day of each month. The fee is calculated by reference to the value of the Funds on the previous business day except for the first accrual, which is calculated by reference to the first Valuation Point of the Funds. This fee is generally referred to as the annual management charge.

Where the investment objective of a Fund is to treat the generation of income as a higher priority than capital growth or the generation of income and capital growth have equal priority, all or part of the ACD's management fee and expenses may be charged against capital instead of against income. This will only be done with the approval of the Depositary. This treatment of the ACD's fee will increase the amount of income available for distribution to Shareholders in the Fund concerned, but may constrain capital growth. At the present time, the ACD's fees and expenses are charged against income in respect of all the Funds except for Liontrust Sustainable Future Cautious Managed Fund and Liontrust Sustainable Future Defensive Managed Fund where the ACD's fees and expenses are charged against capital.

If a Class's expenses in any period exceed the income attributable to it, the ACD may take that excess from the capital property attributable to that Class.

The ACD may not introduce a new category of remuneration for its services or increase the current rate or amount of its remuneration payable out of the scheme property of the Company or the initial charge unless:

- (a) the ACD has given 60 days' notice in writing of the introduction or increase and the date of its commencement to all Shareholders; and
- (b) has revised and made available the Prospectus to reflect the introduction or new rate and the date of its commencement.

If the ACD considers that any new category or increase in its remuneration or charges would constitute a "fundamental change" (as defined in the COLL Sourcebook), the ACD would require the prior approval of an extraordinary resolution of Shareholders.

#### *Initial Charge*

The ACD is permitted to make a charge, called an "initial charge", upon a sale of Shares. The current initial charges for each Class and Fund are set out below.

#### *Administration Fees*

Ordinary operating expenses incurred by the Company and/or Funds may be paid out of the Scheme Property of the relevant Fund(s). To protect the shareholders from fluctuations in these expenses, the ACD has agreed to meet these operating expenses

and to be reimbursed out of the Scheme Property of the relevant Funds at a flat rate per annum of the net asset value of the relevant Class (“**Administration Fees**”), the current amount of these Administration Fees is set out below.

These rates have been determined based on historic costs and assume that the assets of a Fund do not exceed £500 million (see table below for discount to be applied where the assets of a Fund do exceed £500 million). The Administration Fees will be reviewed annually. The ACD may amend the Administration Fee applicable to a Class at any time at its discretion in accordance with the FCA Rules. In the event that the ACD exercises this discretion, Shareholders will be notified in accordance with the FCA Rules relating to notifications of that nature and this Prospectus will be updated accordingly.

The Administration Fee shall accrue daily based on the prior day net asset value of each Class and shall be paid monthly to the ACD out of the property of each Class on or as soon as is practicable after the last business day of the relevant calendar month. The Administration Fee will be calculated taking account of any applicable discount as set out below, based on the net asset value of the Fund on the last business day of the previous month. In order to pass on any savings which may be made through economies of scale by any Funds which have significant levels of assets, the following discounts will be applied to the Administration Fee of all Funds:

<b>Net asset value</b>	<b>Discount to be applied to the Administration Fee (per annum):</b>
Below £500 million	0.000%
£500 million to £1 billion	0.010%
£1 billion to £2 billion	0.020%
£2 billion to £3 billion	0.030%
£3 billion to £4 billion	0.040%
£4 billion to £5 billion	0.050%
Over £5 billion	0.060%

The above discounts will not apply in circumstances that the Administration Fees after the applicable discount would be below 0.06%. For example, if the Administration Fees for a Fund before any volume discount is 0.12% then the lowest it can go with the application of a volume discount is 0.06%. If the Administration Fees for a Fund before any volume discount is 0.05% then the volume discounts will not apply as the Administration Fee is already below 0.06%.

Where an applicable threshold level of net asset value is achieved by a Fund on the last business day of any month, the relevant above discount will apply to that Fund in relation to the following month.

Where the investment objective of a Fund is to provide income combined with capital growth, some or all of the Administration Fees may be taken from the capital of the Fund. This treatment of the Administration Fee will increase distributable income by the amount charged and the capital of the Fund will decrease by the same amount. Accordingly capital growth may be constrained or the capital eroded.

At the present time, the Administration Fees are charged against income in respect of all the Funds except for Liontrust Sustainable Future Cautious Managed Fund and Liontrust Sustainable Future Defensive Managed Fund where the fees are charged against capital.

The ACD will use the Administration Fees to pay for the following fees relating to the operation and administration of the Funds:

- a. the fees, expenses and disbursements payable to each service provider (being the Depositary, Administrator and Registrar);
- b. fees and expenses in respect of the publication and circulation of details of Share prices;
- c. expenses incurred in distributing and dispatching income and other payments to Shareholders;
- d. the fees, expenses and disbursements of the auditors and tax, legal and other professional advisers of the Company;
- e. the costs of convening and holding Shareholder meetings (including meetings of Shareholders in any particular Fund, or any particular Class within a Fund) and of producing associated documentation;
- f. costs incurred in taking out and maintaining any insurance policy in relation to the Company and/or its Directors;
- g. fees and expenses incurred in company secretarial duties, including the cost of minute books and other documentation required to be maintained by the Company;
- h. any costs incurred as a result of printing and distributing reports, accounts, Prospectuses (other than simplified prospectuses), or (subject to the COLL Sourcebook) promotional material in respect of the Company and of any marketing activities undertaken by the ACD in relation to the Company; publishing prices periodic updates of any Prospectus; amending the Instrument of Incorporation and any other such administrative expenses;
- i. fees of the FCA under Schedule 1 Part III of the Financial Services and Markets Act 2000 and the corresponding periodic fees of any regulatory authority in the country or territory outside the United Kingdom in which Shares are or may lawfully be marketed;
- j. safe custody charges and transaction charges;
- k. royalty fees incurred for the use of stock exchange index names;
- l. directors' remuneration in the event that the Company has directors in addition to the ACD;
- m. any costs associated with the admission of Shares to listings on any stock exchange and with the maintenance of that listing (including, for the avoidance of doubt, the fees levied by the exchange in questions as a condition of the admission to listing of the shares and the periodic renewal of that listing), any offer of Shares, including the preparation and printing of any prospectus and the creation, conversion and cancellation of shares associated with such prospectus;

- n. costs and expenses incurred in respect of monitoring the use of derivatives by the Funds; and
- o. VAT or any similar tax is payable in respect of the above.

In some periods, the Administration Fees may be less than the costs actually incurred. In these circumstances, the ACD will pay the difference from its own resources. Conversely, in some periods the Administration Fees may be more than the costs actually incurred. In these circumstances, the ACD will retain the difference, including any cost savings. None of the Company, Fund, the Depositary, the ACD, the Investment Adviser or any of their associates, nor the auditors, are liable to account to the Shareholders of any Fund for any profits or benefits it makes or receives that are derived from or in connection with dealings in the units of such Fund, any transaction in such Fund's property or the supply of services to such Fund.

The Administration Fees are not currently subject to VAT, but in the event of Value Added Tax (or any equivalent tax) being imposed this may be levied against the property of the Fund.

### Table of charges

The current initial and annual management charges for each Class in the Funds are:

<b>Class 2</b>		
<b>Fund Name</b>	<b>Initial %</b>	<b>Annual %</b>
Liontrust Sustainable Future Managed Growth Fund	0.00	0.75
Liontrust Sustainable Future Cautious Managed Fund	0.00	0.75
Liontrust Sustainable Future Corporate Bond Fund	0.00	0.50
Liontrust Sustainable Future Defensive Managed Fund	0.00	0.75
Liontrust Sustainable Future European Growth Fund	0.00	0.75
Liontrust Sustainable Future Global Growth Fund	0.00	0.75
Liontrust Sustainable Future Managed Fund	0.00	0.75

Liontrust UK Ethical Fund	0.00	0.70
Liontrust Sustainable Future UK Growth Fund	0.00	0.75

<b>Class 3</b>		
<b>Fund Name</b>	<b>Initial %</b>	<b>Annual %</b>
Liontrust Sustainable Future Managed Growth Fund	0.00	0.40
Liontrust Sustainable Future Cautious Managed Fund	0.00	0.40
Liontrust Sustainable Future Corporate Bond Fund	0.00	0.30
Liontrust Sustainable Future Defensive Managed Fund	0.00	0.40
Liontrust Sustainable Future European Growth Fund	0.00	0.40
Liontrust Sustainable Future Global Growth Fund	0.00	0.40
Liontrust Sustainable Future Managed Fund	0.00	0.40
Liontrust UK Ethical Fund	0.00	0.35
Liontrust Sustainable Future UK Growth Fund	0.00	0.40

<b>Class 6</b>		
<b>Fund Name</b>	<b>Initial %</b>	<b>Annual %</b>
Liontrust Sustainable Future Corporate Bond Fund	0.00	0.50
Liontrust Sustainable Future Managed Fund	0.00	0.75

Liontrust Sustainable Future European Growth Fund	0.00	0.75
Liontrust Sustainable Future UK Growth Fund	0.00	0.75

<b>Class 7</b>		
<b>Fund Name</b>	<b>Initial %</b>	<b>Annual %</b>
Liontrust Sustainable Future Corporate Bond Fund*	0.00	0.30
Liontrust Sustainable Future Managed Fund	0.00	0.40

<b>Class Z*</b>		
<b>Fund Name</b>	<b>Initial %</b>	<b>Annual %</b>
Liontrust Sustainable Future Cautious Managed Fund	0.00	0.00
Liontrust Sustainable Future Defensive Managed Fund	0.00	0.00
Liontrust Sustainable Future Global Growth Fund	0.00	0.00

\* This Share Class requires an agreement to be in place between the ACD and the Shareholder prior to any initial investment.

<b>Class M</b>		
<b>Fund Name</b>	<b>Initial %</b>	<b>Annual %</b>
Liontrust Sustainable Future UK Growth Fund	0.00	0.60

The current Administration Fees for each Class in the Funds are:

Fund	Share Class 2	Share Class 3	Share Class 6	Share Class 7	Share Class M	Share Class Z

Liontrust Sustainable Future Managed Growth Fund	0.13%	0.05%	N/A	N/A	N/A	N/A
Liontrust Sustainable Future Cautious Managed Fund	0.13%	0.13%	N/A	N/A	N/A	N/A
Liontrust Sustainable Future Corporate Bond Fund	0.08%	0.05%	0.08%	N/A	N/A	N/A
Liontrust Sustainable Future Defensive Managed Fund	0.13%	0.13%	N/A	N/A	N/A	N/A
Liontrust Sustainable Future European Growth Fund	0.13%	0.05%	0.13%	N/A	N/A	N/A
Liontrust Sustainable Future Global Growth Fund	0.13%	0.05%	N/A	N/A	N/A	0.15%
Liontrust Sustainable Future Managed Fund	0.13%	0.05%	0.13%	0.05%	N/A	N/A
Liontrust UK Ethical Fund	0.10%	0.05%	N/A	N/A	N/A	N/A
Liontrust Sustainable Future UK Growth Fund	0.10%	0.05%	0.10%	N/A	0.10%	N/A

### **Switching Fee**

The ACD does not currently charge a Switching Fee. Details are set out in the 'Dealing Charges' section of this Prospectus.

## ***Redemption Charge***

The ACD is entitled to make a charge, referred to as a redemption charge. There is no current intention to make such a charge on the redemption of any class of shares.

## ***VAT***

VAT is payable on these charges or expenses where appropriate.

## **Other Expenses**

In addition to the annual management charge, performance fee (if applicable) and Administration Fee, the following expenses may also be payable by the Company out of its capital or income at the discretion of the ACD:

- (c)
- (d) taxation and duties payable by the Company, including without limitation in respect of the scheme property or the issue or redemption of Shares;
- (e) interest on and charges incurred in effecting, negotiating or varying the terms of, or terminating borrowings;
- (f) any amount payable by the Company under any indemnity provisions contained in the Instrument of Incorporation or any agreement with any functionary of the Company;
- (g) fees and expenses incurred in acquiring, disposing of and registering investments (including brokers' commissions, any issue or transfer taxes or stamp duty or SDRT chargeable);
- (h) royalty fees incurred for the use of stock exchange index names;
- (i) any liabilities on amalgamation or reconstruction of the Company or any Fund or which arise after transfer of property to the Company in consideration for the issue of shares in accordance with the COLL Sourcebook;
- (j) the fees and expenses incurred in any offer of Shares and the creation, conversion and cancellation of Shares establishing any new Class and/or Fund;
- (k) any payments otherwise due by virtue of the COLL Sourcebook;
- (l) VAT or any similar tax is payable in respect of the above.

## **Allocation of Fees and Expenses between capital and income**

Fees and expenses are allocated between capital and income in accordance with the Regulations and the Statement of Recommended Practice regarding the Financial Statements of Authorised Open-Ended Investment Companies issued by the Investment Management Association for the time being in force.

### **Derivatives income and expenses**

Any income generated by transactions in derivatives (reduced by any applicable direct or indirect operational costs and fees arising from such transactions) will be payable to the



relevant Fund. Indirect operational costs arising from transactions in derivatives are not charged to the Funds. Neither the ACD nor the Depositary receives any fees (distinct from their normal management and depositary fees) in respect of derivative transactions.

### **Research policy**

Up to date information on the Investment Adviser's research policy and budget for each fund and any proposed changes (including increases) to the budget will be available on Liontrust's website ([www.liontrust.co.uk](http://www.liontrust.co.uk)).

### **Allocation of Fees and Expenses between Classes and Funds**

All the above fees and expenses (other than those borne by the ACD) will be charged to the relevant Fund. However, where an expense is not considered to be attributable to any one Fund, the ACD will allocate that expense in a manner which is fair to Shareholders generally. This will usually mean that expenses will be allocated across all Funds in proportion to the value of each Fund's net assets.

Fees and expenses specific to a Class will be allocated to that Class. They will otherwise be allocated in a manner which is fair to Shareholders generally and will normally be allocated to all Classes in proportion to the value of each Class's net assets.

The ACD's annual management charge and Administration Fees will be attributed to the Class of the Fund in respect of which it is imposed.

## **INSTRUMENT OF INCORPORATION**

The Instrument of Incorporation of the Company (which is available for inspection at the ACD's offices at 2 Savoy Court, London WC2R 0EZ), contains provisions to the following effect:

### **Object**

The object of the Company is to invest the scheme property in transferable securities, money-market instruments, units in collective investment schemes, deposits and derivatives and forward transactions in accordance with the COLL Sourcebook with the aim of spreading investment risk and giving its Shareholders the benefit of the results of the management of that property.

### **Shares and Share Classes**

The Company may from time to time issue Shares of different Classes in respect of a Fund and the Directors may by resolution from time to time create additional Classes in respect of a Fund (whether or not falling within one of the Classes in existence on incorporation).

The ACD may by a resolution from time to time create additional Funds with such investment objectives and such restrictions as to investment or otherwise, and denominated in such currencies, as the Directors from time to time determine.

The special rights attaching to a Class are not (unless otherwise expressly provided by the conditions of issue of such Shares) deemed to be varied by:

- (a) the creation, allotment or issue of further Shares of any Class ranking *pari passu* with them;
- (b) the switch of Shares of any Class into Shares of another Class (whether or not the Classes are in different Funds);
- (c) the creation, allotment, issue or redemption of Shares of another Class within the same Fund, provided that the interests of that other Class in the Fund represent fairly the financial contributions and benefits of Shareholders of that Class;
- (d) the creation, allotment, issue or redemption of Shares of another Fund;
- (e) the exercise by the Directors of their powers to re-allocate assets, liabilities, expenses, costs or charges attributable to one Fund or to terminate a Fund; or
- (f) the passing of any resolution at a meeting of another Fund which does not relate to the Fund in which the Class is interested.

### **Transfer of Shares**

All transfers of registered Shares must be effected by transfer in writing in any usual or common form or in any other form as may be approved by the Directors.

No instrument of transfer may be given in respect of more than one Class.

In the case of a transfer to joint holders, the number of joint holders to whom a Share is to be transferred may not exceed four.

No transfer may result in either the transferor or the transferee holding fewer Shares of the Class concerned or Shares having a lesser aggregate value than any number or value as is stated in the Prospectus as the minimum which may be held.

### **Number of Directors**

Unless otherwise determined by an extraordinary resolution of shareholders, the number of Directors shall not at any time exceed one.

### **Removal of ACD**

The Company may by ordinary resolution remove the ACD before the expiration of its period of office, notwithstanding anything in the Instrument of Incorporation or in any agreement between the Company and the ACD, but the removal will not take effect until the FCA has approved it and a new ACD approved by the FCA has been appointed.

### **Amendments and Priority**

- (a) The Instrument of Incorporation may be amended by resolution of the ACD to the extent permitted by the COLL Sourcebook.
- (b) In the event of any conflict arising between any provision of the Instrument of Incorporation and the Regulations, the Regulations will prevail.

### **Indemnity**

The Instrument of Incorporation contains provisions indemnifying every Director, other officer and the auditors against liability in certain circumstances otherwise than in respect of negligence, default, breach of duty or breach of trust, and indemnifying the Company's depositary against liability in certain circumstances otherwise than in respect of failure to exercise due care and diligence.

## **MEETINGS AND VOTING RIGHTS**

### **General Meetings**

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

### **Requisitions of Meetings**

The ACD may requisition a general meeting of Shareholders at any time.

Shareholders may also requisition a general meeting. A requisition by Shareholders must state the objects of the meeting, be dated, be signed by Shareholders who, at the date of the requisition, are registered as the holders of Shares representing not less than one-tenth in value of all Shares then in issue and the requisition must be deposited at the head office of the Company. A general meeting must then be convened for a date no later than eight weeks after receipt of such requisition.

### **Notice and Quorum**

Shareholders will receive at least 14 days' written notice of a Shareholders' meeting inclusive of the date on which the notice is served and the day of the meeting. The quorum for a meeting is two Shareholders present in person or by proxy. The quorum for an adjourned meeting is one Shareholder present in person or by proxy.

Notices of meetings and adjourned meetings will be sent to Shareholders at their registered addresses.

### **Voting Rights**

Generally, Shareholders are entitled to receive notice of a meeting and to vote at a meeting if they were holders of Shares in the Company on the date seven days before the notice is sent out. This will not, however, include those who are known to the ACD not to be holders at the date of the meeting.

At a meeting of Shareholders, on a show of hands every Shareholder who (being an individual) is present in person or (being a corporation) is present by its representative properly authorised in that regard is entitled to one vote.

On a poll vote, a Shareholder may vote either in person or by proxy. The voting rights attaching to each Share in such a case are such proportion of the voting rights attached to all the Shares in issue as the price of the Shares bears to the aggregate price(s) of all the Shares in issue at the date seven days before the notice of meeting is sent out.

An instrument appointing a proxy may be in any usual or common form, or any form approved by the ACD. The person appointed to act as a proxy need not be a Shareholder.

A Shareholder entitled to more than one vote need not, if they vote, use all their votes or cast all the votes they use in the same way.

The ACD is entitled to attend any meeting but, except in relation to third party Shares, may not vote or be counted in the quorum for a meeting and any Shares it holds are treated as not being in issue for the purposes of the meeting. An Associate of the ACD is entitled to attend any meeting of the Company and may be counted in the quorum, but

may not vote except in relation to third party Shares. For these purposes third party Shares are any Shares which the ACD or Associate holds on behalf of or jointly with a person who, if the registered Shareholder, would be entitled to vote and from whom the ACD or Associate has received voting instructions.

Subject to the COLL Sourcebook, in the case of an equality of, or an absence of, votes cast, the chairman of the meeting is entitled to a casting vote.

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

The Company's Instrument of Incorporation and the COLL Sourcebook empower Shareholders in general meeting to approve or require various steps (generally also subject to FCA approval).

These matters include:

- removal of the ACD;
- changes to some of the matters contained in the Instrument of Incorporation and this Prospectus;
- the amalgamation or reconstruction of the Company.

In accordance with the shareholder notification procedures set out in the COLL Sourcebook, other provisions may be changed by the ACD without the approval of Shareholders in general meeting.

There are circumstances, however, in which amendments to the Instrument of Incorporation or this Prospectus will require an extraordinary resolution which needs 75 per cent of the votes cast at the meeting to be in favour if the resolution is to be passed, for example, changes to the investment objectives of a Fund.

### **Proceedings at General Meetings**

- (a) The duly authorised representative of the Depositary will preside as chairman at general meetings. If the representative is not present or declines to take the chair, the Shareholders present may choose one of their number to be chairman.
- (b) The chairman of any quorate meeting may with the consent of the meeting adjourn the meeting from time to time (or without date) and from place to place, and if he is directed by the meeting to adjourn he must do so. No business can be transacted at an adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.
- (c) Shareholders have rights under the COLL Sourcebook to demand a poll. In addition, a poll may be demanded by the chairman of the meeting or by the ACD on any resolution put to the vote of a general meeting.
- (d) Unless a poll is required, a declaration by the chairman that a resolution has been carried unanimously, or by a particular majority, or lost, and an entry to that effect in the record of proceedings will be taken without proof, as conclusive evidence of that fact. If a poll is required, it will be taken in such manner (including the use of ballot papers or electronic or computer voting system) as the chairman may direct.

## **Corporations Acting by Representatives**

- (e) Any corporation which is a Shareholder may by resolution of its directors or other governing body and in respect of any Share or Shares of which it is the holder authorise such individual as it thinks fit to act as its representative at any general meeting of the Shareholders or of any Class or Fund meeting. The individual so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise in respect of such Share or Shares if it were an individual Shareholder and such corporation shall be deemed to be present in person if an individual so authorised is present.

## **Class and Fund Meetings**

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

## **Variation of Class Rights**

The rights attached to a Class or Fund may only be varied with the sanction of a resolution passed at a meeting of Shareholders of that Class or Fund by a 75 per cent majority of those votes validly cast for and against such resolution.

## TAXATION

### General and Disclaimer

The information below is a general guide based on current UK taxation legislation and HM Revenue & Customs practice, both of which are subject to change. It is not intended to be exhaustive and does not constitute legal or tax advice. There may be other tax considerations which may be relevant to prospective investors. It summarises the tax position of the Company (and each Fund) and of UK tax resident investors who are the beneficial owners of Shares that are held as investments. It does not apply to Shareholders who are subject to a special tax regime such as dealers in securities, life insurance companies, pension schemes, UK investment trust companies and UK authorised investment funds.

Prospective investors should consult their own professional advisers for specific advice in connection with the implications of subscribing for, purchasing, holding, converting, switching or disposing of Shares under the laws of any jurisdiction in which they are subject to tax.

### The Company

Each Fund will be treated as a separate entity for UK tax purposes. A Fund is liable to UK corporation tax at the basic rate of income tax (currently 20 per cent) on its net income, excluding dividends received from UK companies **(including that part of a dividend distribution from another UK authorised investment fund that relates to dividend income)** and most non-UK companies subject to certain conditions being satisfied. However, a Fund may elect to tax dividend income from certain jurisdictions in order to maximise its post-tax return. **Where a Fund holds an investment in another UK authorised investment fund or an offshore fund that invests primarily in cash, debt securities and similar interest yielding assets, any amounts that are accounted for as income by the Fund (including any dividends paid by such funds) will be treated as taxable interest income of the Fund.** Allowable expenses of management (and interest distributions payable by certain funds) are deducted from the taxable income of a Fund to arrive at its net income.

Special tax rules apply to a Fund which has more than 60 per cent by market value of its investments in interest yielding assets such as debt securities, money placed at interest, building society shares, certain derivative contracts and alternative finance arrangements ("a Bond Fund"). A Bond Fund is entitled to distribute its income as yearly interest. The income that is distributed by a Bond Fund as interest is generally deductible from its taxable income with the effect that a Bond Fund generally has no corporation tax liability.

Income and gains attributable to overseas investments may be subject to tax in the relevant overseas jurisdiction at varying rates. The Company may be entitled to offset some or all of any foreign tax suffered on its overseas income against its liability to UK corporation tax.

Stamp duty and other transfer taxes, including financial transaction taxes, may be incurred on the purchase, sale, transfer or any other financial transaction involving investments located in the UK or outside the UK. Certain EU member states have implemented financial transaction tax regimes. A number of EU member states have proposed introducing a wider financial transaction tax in the future.

The Company does not pay UK corporation tax on any capital gains arising from the disposal of investments and is not taxable on capital profits, gains or losses arising in respect of creditor loan relationships or derivative contracts. However, a gain accruing in respect of the disposal of an investment in a non-reporting offshore fund could be taxed as income rather than being treated as an exempt capital gain

## **Shareholders**

Shareholders may potentially suffer tax both on any income they receive from their Shares and on any profit they realise on disposing of their Shares.

### **Income equalisation**

In respect of the first distribution of income after an acquisition of Shares, part of the distribution may include an amount of income equalisation. This amount is not taxable as income. It represents a return of part of the original cost of the Shares and should be deducted from the allowable cost of those Shares for capital gains tax purposes.

### **Accumulation and income Shares**

Where income is allocated to a Shareholder by a Fund on a specified income allocation date, this is treated as a taxable distribution including where the income is retained by the Fund in the case of Accumulation Shares.

### **Distributions**

Liontrust Sustainable Future Corporate Bond Fund pays interest distributions. The other Funds will pay dividend distributions. The tax treatment of these is detailed below.

### **ISA (Individual Savings Account) Shareholders**

It is possible to invest in Shares via an existing or new ISA. There are limits as to the amount that can be invested into an ISA in a tax year.

#### ***Distributions***

A distribution from Shares held via an ISA is not taxable. Shareholders holding Shares through an ISA are entitled to receive interest distributions without deduction of UK income tax.

#### ***Profit on disposal of Shares***

Any profit arising from the disposal of Shares held via an ISA is not taxable.

### **Other UK Resident Individual Shareholders**

#### ***Distributions***

(a) Interest Distributions



Interest distributions paid on or after 6 April 2017 are no longer subject to a deduction of UK income tax. Consequently, where the gross interest distributions of an individual exceeds their personal savings allowance and any unused personal allowance, they will be liable to pay income tax at their marginal rates (currently 20 per cent for basic rate taxpayers, 40 per cent for higher rate taxpayers and 45 per cent for additional rate taxpayers) on the excess amount.

The personal savings allowance (introduced from 6 April 2016) exempts the first £1,000 of savings income from tax in the hands of a UK resident individual who is a basic rate taxpayer. The exempt amount is reduced to £500 for higher rate taxpayers and additional rate taxpayers do not receive a personal savings allowance. To the extent that any interest distribution falls within this allowance, the individual will be able to reclaim any income tax deducted from that distribution.

#### (b) Dividend distributions

No tax is deducted from dividend distributions. From 6 April 2018, the first £2,000 of dividend income received by a UK resident individual is exempt from tax. Dividend income in excess of that exempt amount is taxable at the following dividend tax rates:

- 7.5% if the dividend income falls within the basic rate income tax band;
- 32.5% if the dividend income falls within the higher rate income tax band;  
and
- 38.1% if the dividend income falls within the additional rate income tax band.

#### ***Profit on disposal of Shares***

A profit arising on the disposal of Shares held in the Company is subject to capital gains tax. However, if the total gains realised from all sources by an individual Shareholder in a tax year, after deducting allowable losses, are less than the annual capital gains exemption, there is no tax to pay.

If a Shareholder exchanges their Shares for Shares in a different Fund, capital gains tax may be payable on any profit calculated by reference to the market value of the Shares at the date of the exchange. Capital gains tax will generally not be payable if Shares are exchanged for Shares of a different Class in the same Fund.

The capital gain in respect of a disposal of Shares is the value of the Shares at the time of disposal less the total of the following:

- the cost of acquiring the shares, less any equalisation received as detailed in the section headed Income equalisation; and
- in the case of accumulation shares only, all reinvested distributions during the period shares have been held.

#### **UK Resident Corporate Shareholders**

##### ***Distributions***

#### (a) Interest distributions

Interest distributions are subject to corporation tax. Any income tax withheld from an interest distribution can be reclaimed or offset against the Shareholder's liability to corporation tax.

#### (b) Dividend distributions

Dividend distributions have to be split into that part which relates to dividend income of a Fund and that part which relates to other income of a Fund (including, if applicable, "taxable foreign dividends"). The tax voucher will show the ratio between the part of the distribution that relates to dividend income and the part that relates to other income. The part relating to dividend income of a Fund is not taxable unless the distribution is paid in respect of a Fund to which section 490 of the Corporation Tax Act 2009 applies. The part relating to the other income of a Fund is treated as if it were an annual payment in the hands of the Shareholder and is subject to corporation tax. This part of the income is deemed to be received after deduction of income tax at the basic rate, currently 20 per cent ("deemed tax deducted"). Such Shareholders will be subject to corporation tax on the grossed up amount of the annual payment with the deemed tax deducted able to be reclaimed or offset against the Shareholder's liability to corporation tax.

A Fund may receive income net of foreign tax and may offset this foreign tax against its UK corporation tax liability. In these circumstances, a corresponding element of the part of the dividend distribution that relates to other income and the related deemed tax deducted will be treated respectively as foreign income received and foreign tax paid by the corporate Shareholder. The foreign tax paid can be used to reduce the Shareholder's liability to corporation tax on the foreign income.

#### ***Fluctuation in value of Shares in a Fund which does not satisfy the qualifying investments test***

In any case where a Fund does not satisfy the qualifying investments test (broadly where over 60 per cent of the value of its investments comprise interest yielding or economically similar assets) at any point during the accounting period of a corporate Shareholder, that Shareholder must treat the Shareholding in the Fund (including any distributions) as a loan relationship for UK corporation tax purposes. Movements in the fair value of the Shares are subject to UK corporation tax irrespective of whether a disposal has occurred. Accordingly, a corporate investor in such a Fund may, depending on its circumstances, incur a charge to corporation tax on an unrealised increase in the value of its holding (or, likewise, obtain relief for an unrealised reduction in the value of its holding).

Certain types of corporate investor (e.g. life insurance companies) are subject to special tax rules which may take precedence over the general rules summarised above.

#### ***Profit on disposal of Shares***

Any profit arising on the disposal of Shares in a Fund which does not satisfy the qualifying investments test (see the comments above) is subject to corporation tax under the rules for the taxation of loan relationships.

Any profit arising on the disposal of Shares in a Fund which satisfies the qualifying investments test is subject to corporation tax on chargeable gains. The chargeable gain arising in respect of a disposal of such Shares is the value of the shares at the time of disposal less the total of the following:

- the cost of acquiring the shares less any equalisation received as detailed in the section headed Income equalisation;
- in the case of accumulation shares only, all reinvested distributions during the period shares have been held; and
- an indexation allowance, based on increases in the Retail Price Index during the period that the Shares have been held. The indexation allowance cannot be used to either create or increase a capital loss.

As with UK resident individual Shareholders, a tax charge can also arise if Shares are exchanged for Shares in a different Fund.

### **Non-UK Resident Shareholders**

Non-UK Resident Shareholders can receive interest distributions without deduction of UK income tax if they provide a valid declaration that they are not tax resident in the UK. If they receive interest distributions which have had tax deducted, then they may be able to reclaim all or a part of the tax deducted depending on their personal circumstances and the terms of any double taxation agreement between their country of residence and the UK.

The capital gains tax position and income tax liabilities of non-UK Resident Shareholders may be determined by the tax legislation of an overseas jurisdiction.

### **Stamp Duty Reserve Tax (SDRT)**

There is generally no SDRT liability on redemptions or issues of Shares in a Fund.

However, SDRT may be chargeable at 0.5 per cent on a redemption if a Shareholder receives a non-pro rata in specie distribution of assets from the Fund in return for the Shares. An SDRT liability at 0.5 per cent of the amount or value of the consideration given may also arise where Shares are transferred directly between investors.

### **Automatic exchange of information between tax authorities**

In order to comply with legislation implementing the UK's obligations under various intergovernmental agreements and EU directives relating to the automatic exchange of information to improve international tax compliance (including but not limited to, the United States provisions commonly known as FATCA, the OECD Common Reporting Standard and the agreements between the UK and its Crown Dependencies and Overseas Territories), the Company (or its agent) may collect and report information about Shareholders and their investments in a Fund (including information to verify their identity and tax status) to the relevant authorities.

**FATCA has been effective from 1 July 2014 and broadly requires reporting of the direct and indirect ownership by Specified U.S. Persons of certain non- U.S. accounts and non-U.S. entities to the Internal Revenue Service of the United States of America. The UK has entered into an inter-governmental agreement (“IGA”) with the United States of America to facilitate FATCA compliance, whereby financial institutions such as the Company may need to disclose certain information to HM Revenue & Customs, who will in turn exchange that information with the Internal Revenue Service. Under this IGA, FATCA compliance is enforced under UK tax legislation and reporting.**

**The UK has entered into agreements with the Crown Dependencies of Guernsey, the Isle of Man and Jersey and the UK Overseas territories of Anguilla, Bermuda, the British Virgin Islands, the Cayman Islands, Gibraltar, Montserrat and the Turks and Caicos Islands to automatically exchange information concerning financial accounts. The agreements with the three Crown Dependencies and with Gibraltar are reciprocal and, therefore, impose obligations on UK financial institutions to collect and report certain information to HM Revenue & Customs.**

**The UK and a number of other jurisdictions have also agreed to enter into multilateral arrangements modelled on the Common Reporting Standard for Automatic Exchange of Financial Account Information published by the Organisation for Economic Co-operation and Development. This allows for the automatic exchange of financial information between tax authorities. These agreements and arrangements, as transposed into UK law, may require the Company (or its agent) to provide certain information to HM Revenue & Customs about investors from the jurisdictions which are party to such arrangements (which information will in turn be provided to the relevant tax authorities by HM Revenue & Customs).**

Where required by UK regulations, the Company (or its agent) may report information about Shareholders to HM Revenue & Customs, who may exchange the information with the tax authorities in the jurisdictions where the Shareholder is or appears to be tax resident, in accordance with the applicable international tax agreements. The information which may be reported includes, in the case of an individual, the reportable person’s name, address, tax identification number, date and place of birth, balance of the account and the total gross amount paid or credited to the financial account in respect of the relevant reporting period.

When requested to do so by the Company (or its agent), Shareholders must provide certification of their tax status and information which can be passed on to HM Revenue & Customs, and, by them, to any relevant overseas tax authorities. All shareholders that are reportable under the various applicable rules will be reported. If a Shareholder does not provide the necessary certification, the ACD may be required to report this to HM Revenue & Customs. By signing the application form to subscribe for shares in the Company, each affected Shareholder is agreeing to provide such information upon request from the Company (or its agent). The Company reserves the right to take any action and / or pursue all remedies at its disposal including, without limitation, compulsory redemption or withdrawal of affected Shareholders (at any time upon any or no notice) if they fail to provide the Company with the information the Company requests to satisfy its obligations.

While the Company will use reasonable endeavours to avoid the imposition of U.S. federal withholding tax under FATCA, the extent to which the Company is able to do so will depend on each affected Shareholder providing the Company (or its agent) with any information that the Company determines is necessary to satisfy its obligations. A 30% withholding tax in respect of income and gross proceeds from the sale or other disposal of property could apply if there is a failure by Shareholders to provide certain information.

Investors should consult their own tax advisers regarding any potential obligations that an automatic exchange of information regime may impose on them.

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

The Company may be wound up under the COLL Sourcebook or as an unregistered company under Part V of the Insolvency Act 1986. A Fund may only be terminated under the COLL Sourcebook.

Winding up under the COLL Sourcebook may only be commenced following approval by the FCA. The FCA may only give such approval if the ACD provides a statement (following a full enquiry into the affairs of the Company) either that the Company will be able to meet its liabilities (including contingent and prospective) within 12 months of the date of the statement or that the Company will be unable to do so. The Company may not be wound up under the COLL Sourcebook if there is a vacancy in the position of the ACD at the relevant time.

Subject to the above, the Company or a Fund will be wound up or terminated under the COLL Sourcebook:

- (a) If an extraordinary resolution of the Company or the Fund (as the case may be) to that effect is passed by Shareholders; or
- (b) If the share capital of the Company is below its prescribed minimum or (in relation to any Fund) the Net Asset Value of the Fund is less than £1,000,000, or if a change in the laws or regulations of any country means that, in the ACD's opinion, it is desirable to wind up the Company or to terminate the Fund; or
- (c) If the FCA agrees to a request by the ACD for the revocation of the authorisation order in respect of the Company or the relevant Fund.

Following the occurrence of any of the above:

- (a) COLL 6.2 (Dealing), COLL 6.3 (Valuation and Pricing) and COLL 5 (Investment and Borrowing Powers) will cease to apply to the Company or the particular Fund;
- (b) The Company will cease to issue and cancel Shares in the Company or the particular Fund;
- (c) The ACD will cease to sell or redeem Shares or arrange for the Company to issue or cancel them for the Company or the particular Fund;
- (d) No transfer of a Share will be registered and no other change to the register will be made without the sanction of the ACD;
- (e) Where the Company is being wound-up, the Company will cease to carry on its business except in so far as it is beneficial for the winding up of the Company;
- (f) The corporate status and powers of the Company and, subject to the provisions of (a) and (e) above, the powers of the ACD shall remain until the Company is dissolved.

Winding up under the COLL Sourcebook is carried out by the ACD. The ACD shall, as soon as practicable, after the Company or the Fund commences being wound up or terminated, give written notice of the commencement of the winding up or termination to Shareholders if the ACD has not previously notified them. The ACD shall, as soon as practicable after the Company or the Fund falls to be wound up or terminated, realise the

assets and meet the liabilities of the Company or the Fund (as the case may be) and, after paying or making adequate provisions for the costs of winding up and for all liabilities properly payable, may arrange for the Depositary to make one or more interim distributions out of the remaining Funds (if any) to Shareholders in proportion to their rights to participate in the scheme property of the Company or the Fund.

When the ACD has caused all the scheme property to be realised and all of the liabilities of the Company or the particular Fund known to the ACD 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 (net of a provision for any future expenses of the Company or Fund) in proportion to their holdings in the Company or the particular Fund.

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

As soon as reasonably practicable after the completion of the winding up of the Company, the ACD shall notify the FCA that the winding-up has been completed.

Following the completion of a winding up of the Company or termination of a Fund, the ACD must prepare a final account showing how the winding up was conducted and how the scheme property was distributed. The Company's auditors shall make a report in respect of the final account stating their opinion as to whether the final account has been properly prepared. Within four months of the end of the final accounting period, this final account and the auditors' report must be sent to the FCA and to each affected Shareholder (or the first named in the case of joint holders).

Each Fund comprises a segregated portfolio of assets which belong exclusively to that Fund. Any liabilities attributable or allocated to a particular Fund under COLL will therefore be met out of the Scheme Property attributable or allocated to that particular Fund and not out of the Scheme Property attributable or allocated to any other Fund.

## **ADDITIONAL INFORMATION**

### **Annual Reports**

Annual reports of the Company will be published within four months of the end of each annual accounting period and half-yearly reports will be published within two months of the end of each half-yearly interim accounting period. Copies of these reports may be inspected at the ACD's and the Depositary's office during normal office hours. Shareholders may also obtain copies of these reports free of charge from the ACD.

### **Documents of the Company**

The following documents may be inspected free of charge between 9.00am and 5.00pm on every business day at the offices of the ACD at 2 Savoy Court, London WC2R 0EZ:

- (a) the most recent annual and half-yearly reports of the Company;
- (b) the most recent Prospectus of the Company;
- (c) the Instrument of Incorporation (and any amending instrument of incorporation);
- (d) the material contracts referred to below; and
- (e) information relating to the Company's risk management policy, quantitative limits and methods used and recent developments.

Copies of the above documents may be obtained from the above address. The ACD may make a charge at its discretion for copies of documents (other than those set out at (a) and (b) above).

### **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, or may be, material:

- (a) the ACD Agreement dated between the Company and the ACD; and
- (b) the Depositary Agreement between the Company, the ACD and the Depositary.

Details of the above contracts are given in the 'Management and Administration' section of this Prospectus.

### **Property**

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

### **Complaints**

Complaints concerning the operation or marketing of the Company or any of the Funds may be referred to the ACD at PO Box 373, Darlington, DL1 9RQ. If a complaint cannot be resolved satisfactorily with the ACD it may be referred to the Financial Ombudsman Service at Exchange Tower, London E14 9SR. More details about the Financial Ombudsman Service are available from the ACD.



## **Notices**

Notices and documents shall be sent to Shareholders at their registered addresses.

## **Register of Shareholders**

The Register of Shareholders is maintained by The Bank of New York Mellon (International) Limited and may be inspected at the offices of the Registrar at Capital House, 2 Festival Square, Edinburgh EH3 9SU, during normal business hours by any Shareholder or any Shareholder's duly authorised agent.

## **Conflicts of Interest**

The ACD's Conflicts of Interest Policy document summarises the conflicts of interest policy which Liontrust has in place under the EU Markets in Financial Instruments Directive ("MiFID") to meet its obligations to maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps to identify, monitor and manage conflicts of interests. This document provides key information designed to enable Shareholders and others to understand the measures Liontrust takes to safeguard their interests from any conflict of interest which arises or may arise in the course of providing investment services. A copy of the Conflicts of Interest Policy is available from the ACD on request.

### *Appointment in respect of other funds*

Subject to compliance with COLL, the ACD and other entities within the ACD's group may, from time to time, act as investment managers or advisers to other funds or sub-funds, which follow similar investment objectives to those of the Company. It is therefore possible that the ACD may in the course of its business have potential conflicts of interest with the Company or a Fund. For example, transactions may be effected in which the ACD has, either directly or indirectly, an interest which may potentially involve a conflict with its obligations to a Fund. The ACD will, however, have regard in such event to its obligations under the ACD Agreement and, in particular, to its obligation to act in the best interests of the Fund so far as practicable, having regard to its obligations to other clients when undertaking any investment where potential conflicts of interest may arise.

### *The Depositary*

The Depositary may, from time to time, act as the depositary of other companies.

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

### *Transactions by affected persons*

COLL contains provisions on conflicts of interest governing any transaction concerning the Company which is carried out by or with any "affected person", which means the Company, an associate of the Company, the ACD, an associate of the ACD, the Depositary, an associate of the Depositary, any investment manager and any associate of any investment manager.

These provisions, among other things, enable an affected person: (a) to sell or deal in the sale of property to the Company or the Depositary for the account of the Company; (b) vest property in the Company or the Depositary against the issue of Shares in the Company; (c) purchase property from the Company (or the Depositary) acting for the account of the Company; (d) enter into a stock lending transaction in relation to the Company; or (e) provide services for the Company. Any such transactions with or for the Company are subject to best execution on exchange, or independent valuation or arm's length requirements as set out in COLL. An affected person carrying out such transaction is not liable to account to the Depositary, the ACD, any other affected person, or to the holders of Shares or any of them for any benefits or profits thereby made or derived.

Investment of the property of the Company may be made on arm's length terms through a member of an investment exchange (acting as principal) who is an affected person in relation to the ACD. Neither the ACD nor any such affected person will be liable to account to the Company or to the Shareholders for any profit made or derived out of such dealings.

#### *Determination by ACD of the terms of its appointment*

The ACD is entitled at its own discretion to determine the terms of its appointment as such, and consequently amend the terms of the ACD Agreement referred to in the paragraph above. The Depositary, the ACD, or any investment manager or any associate of any of them will not be liable to account to the Company or any other person, including the Shareholders or any of them, for any profit or benefit made or derived from or in connection with:

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

#### *Lending by the Depositary*

Investors should note that the Depositary may from time to time provide the Company with a lending facility in accordance with the Regulations.

## **Execution**

The ACD will execute purchases, sales and switches of shares in the Funds. However, the execution of purchases and sales of underlying investments will be undertaken by the Investment Adviser who is required to comply with its own execution policy. A copy of the LIP execution policy is available on request by either accessing the information on our web-site [www.liontrust.co.uk](http://www.liontrust.co.uk)

## **Voting**

The ACD will delegate the exercise of voting rights in relation to underlying investments to the Investment Adviser who will vote in accordance with their voting policy. A copy of LIP's voting policy is available on request by accessing the information on our web-site [www.liontrust.co.uk](http://www.liontrust.co.uk).

## **Strategy for the exercise of voting rights**

A summary of the ACD's strategy for determining when and how voting rights attached to ownership of Scheme Property are to be exercised to the exclusive benefit of the Company is available on the internet at [www.liontrust.co.uk](http://www.liontrust.co.uk).

## **Best Execution**

Under the EU Markets in Financial Instruments Directive (MiFID) and COBS 11.2 of the FCA Handbook, Liontrust is required to take all sufficient steps to obtain the best possible result (or "best execution") when executing orders on behalf of its clients. These rules require firms to put in place an execution policy which sets out how it will obtain best execution for its clients and to provide appropriate information to its clients on its order execution policy. A copy of the best execution policy is available on our web-site at [www.liontrust.co.uk](http://www.liontrust.co.uk) or upon request.

## **Pricing Errors**

Where a pricing error occurs on the valuation of one of the Funds, Liontrust will take no action if the impact is less than 0.50%. Where the impact of the pricing error is greater than 0.50% and is regarded as material, Liontrust will take such action as to ensure that Shareholders are not disadvantaged as a result of the error. Notwithstanding the above, Liontrust reserves the right to apply a de-minimus on payments of less than £10 per Shareholder before a compensation payment will be made.

## **Securities Financing Transactions Disclosures**

The ACD is subject to the provisions of the European Regulation on Reporting and Transparency of Securities Financing Transactions ("SFTR"). Amongst other things, SFTR sets out certain disclosure requirements regarding the ACD's (and therefore the Investment Adviser's) use of certain securities financing transactions:

(a) The Funds may use securities financing transactions ("SFT", as defined in SFTR as a repurchase or reverse-repurchase transaction, securities or commodities lending and securities or commodities borrowing, a buy-sell back transaction or sell-buy back transaction or a margin lending transaction (in each case as further defined in SFTR)) for efficient portfolio management purposes and total return swaps ("TRS"). The limitations on their use are explained in the section of this Prospectus under Appendix II. The Funds' use of SFT and TRS is consistent with its investment objective and policy and accordingly SFTs and TRSs may be used to reduce risk, reduce cost and/or generate

additional capital or income with a risk level that is consistent with that of the Funds and the risk diversification rules laid down in the COLL Sourcebook.

(b) As is required by SFTR, the ACD will disclose in its annual report certain information regarding its use of SFTs and TRSs. Subject to the limitations referred to in (a) above, any assets of the Fund may be subject to SFTs or TRSs. 100% of the Fund's assets may be the subject of any STF or TRS with an expectation that at any time, no more than 20% of the Fund's assets may be subject to such arrangements.

(c) SFTs and TRSs will only be entered into with "approved counterparties" as defined in the FCA Handbook.

(d) As collateral in connection with SFTs and TRSs, the Fund will accept cash and government-issued bonds of any maturity that comply with the following criteria:

(i) Liquidity: bond collateral must be liquid and able to be traded at a price that is reasonably close to its pre-sale valuation;

(ii) Valuation: bond collateral must be capable of being valued on a daily basis, and assets that exhibit high price volatility shall not be accepted as collateral unless suitably conservative haircuts are in place;

(iii) Issuer credit quality: collateral must be of relatively low credit risk when received;

(iv) Correlation: collateral must be expected not to display a high correlation with the performance of the counterparty; and

(v) Diversification: collateral that is in a currency of a G-7 country or issued by a G-7 country with a long-term rating of AA- or higher from Standard & Poors is not subject to diversification requirements. Other collateral from any country or single issuer must not, in aggregate from all recipients, be more than 20% of the Fund's Net Asset Value.

Collateral received must be capable of being enforced by the Fund in the event of default without reference to or approval by the party providing the collateral.

(e) Exposures and collateral value will typically be marked to observable market values each business day. To the extent practicable, the prices will be determined from reputable pricing sources, reflecting recently traded prices.

Where the Fund has a contractual entitlement to receive a material amount of collateral as variation margin then the Fund has a policy to request delivery of collateral.

The entitlement of the Fund to receive collateral will be determined as a matter of contract. The Fund will typically endeavour to negotiate terms that allow the Fund to collect variation margin in respect of mark-to-market movements in favour of the Fund. However, in keeping with normal commercial practice of large dealers in SFTs and TRSs, it is common for the Fund to have to agree to deliver initial margin to dealer counterparties on SFTs and TRSs. This initial margin amounts to a debt obligation of the dealer and is a credit risk on that dealer. Any collateral entitlement of the Fund is typically calculated net of the initial margin requirement, meaning that the aggregate collateral received on the SFTs and TRSs will typically be less than the mark-to-market value in favour of the Fund.

(f) The type of acceptable collateral as well as the diversification requirements are explained in the section of this Prospectus under Appendix II.

(g) Any collateral obtained by the Funds pursuant to an SFT shall be valued in accordance with the ACD's valuation policy detailed in the section of this Prospectus entitled "Valuation" but subject to the ACD's haircut policy as described in the section of this Prospectus. Such haircut policy accounts for the fact that the valuation of the collateral or liquidity profile may deteriorate over time.

(h) The section of this Prospectus entitled "Risk" provides a description of the risks linked

to the use of derivatives together with liquidity risk and counterparty risk.

(i) The assets of the Funds that are subject to any SFT and TRS and any collateral received in connection with such arrangements are maintained by held via a tri-party collateral manager or are otherwise held in a segregated collateral account at Euroclear.

(j) The Fund will have a significant credit and operational risk exposure to its counterparties which will require the Fund to pool collateral to support its obligations in connection with certain of its financing arrangements.

This includes the credit risk created by the Fund delivering initial margin on SFTs and TRSs. Generally, counterparties will have the right to sell, pledge, re-hypothecate, assign, use or otherwise dispose of the collateral pooled by the Fund in connection with such transactions. Additionally, the Fund may lend securities on a collateralised or an uncollateralised basis.

(k) The reuse of collateral is limited by the COLL Sourcebook to certain asset classes. Further the reuse should not result in a change to the Funds' investment objectives to add substantial risks to the Funds' risk profile. The section of the Prospectus under Appendix II sets out the relevant diversification requirements.

(l) Income received from SFTs will either be retained by the Fund or in the case of stock lending may be split between the Fund and the ACD for the administration of the stock lending on behalf of the Fund and the Custodian who will manage the SFT activity.

## **Appendix I**

### **Investment Objectives, Investment Policies, Share Classes, Benchmarks and Income Allocation Dates**

**Note:** Share Classes marked with \* are not currently available to investors but may be made available in future. Please contact the ACD for further information.

Fund Name	Investment Objective of Fund	Investment Policy	Class of Share Available	Income Allocation Dates
<p>Liontrust Sustainable Future Managed Growth Fund</p> <p>FCA Product Reference ("PRN"): 639392</p>	<p>The Fund aims to deliver capital growth over the long term (5 years or more).</p>	<p>The Fund will invest globally. All investments will be expected to conform to our social and environmental criteria as set out on the Liontrust <a href="#">website</a>.</p> <p>Allocations to equities, fixed income, and cash will vary over time depending on market circumstances. Asset allocation limits will remain in line with the following asset allocation ranges:</p> <p>Equity – 60-100%</p> <p>Fixed income – 0-20%</p> <p>Cash – 0-20%</p> <p>The Fund may invest in collective investment schemes including other Liontrust Funds (up to 10% of Fund assets), other transferable securities, money market instruments, warrants, deposits.</p> <p>The Fund is permitted to use derivatives for the purposes of efficient portfolio management and for investment purposes.</p>	<p>Accumulation Shares in Class 2 and Class 3</p>	<p>31<sup>st</sup> March and 30<sup>th</sup> September</p>

*Benchmark Liontrust Sustainable Future Managed Growth Fund*

<b>For total return purposes</b>	<b>Benchmark Category</b>	<b>Benchmark Type</b>
IA Flexible Investment	Comparator Benchmark	Sector

Rationale for choice of benchmark

Given that the Fund invests in global equities 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 Flexible Investment sector.



<p>Liontrust Sustainable Future Cautious Managed Fund</p> <p>FCA Product Reference (“PRN”): 639397</p>	<p>The Fund aims to deliver income and capital growth over the long term (5 years or more).</p>	<p>The Fund will invest globally. All investments will be expected to conform to our social and environmental criteria as set out on the Liontrust <a href="#">website</a>.</p> <p>Allocations to equities, fixed income, and cash will vary over time depending on market circumstances. Asset allocation limits will remain in line with the following asset allocation ranges:</p> <p>Equity – 40-60 %</p> <p>Fixed income – 20-50%</p> <p>Cash – 0-20%</p> <p>The Fund may also invest in collective investment schemes including other Liontrust Funds (up to 10% of Fund assets), other transferable securities, money market instruments, warrants and deposits. The Fund is permitted to use derivatives for the purposes of efficient portfolio management and for investment purposes.</p>	<p>Income Shares in Class 2, Class 3 and Class Z</p>	<p>31<sup>st</sup> March and 30 September</p>
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*Benchmark Liontrust Sustainable Future Cautious Managed Fund*

For total return purposes	Benchmark Category	Benchmark Type
IA Mixed Investment (40-85% shares)	Comparator Benchmark	Sector

Rationale for choice of benchmark

Given that the Fund holds a diversified portfolio of equities, bonds and cash 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 Mixed Investment (40-85% shares) sector.

<p>Liontrust Sustainable Future Corporate Bond Fund</p> <p>FCA Product Reference ("PRN"): 639395</p>	<p>The Fund aims to deliver income with capital growth over the long term (5 years or more)</p>	<p>The Fund will invest a minimum of 80% in investment grade corporate bonds that are sterling denominated or hedged back to sterling. All investments will be expected to conform to our social and environmental criteria as set out on the Liontrust <a href="#">website</a>.</p> <p>The Fund may also invest in government bonds, collective investment schemes (up to 10% of Fund assets), sub-investment grade bonds, other fixed income securities, money market instruments, warrants, cash and deposits.</p> <p>The Fund is permitted to use derivatives for the purposes of efficient portfolio management and for investment purposes.</p>	<p>Income Shares in Class 2 and Class 3</p> <p>Accumulation Shares in Class 6</p>	<p>31<sup>st</sup> March , 30<sup>th</sup> June, 30<sup>th</sup> September and 31<sup>st</sup> December</p>
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*Benchmark Liontrust Sustainable Future Corporate Bond Fund*

<b>For total return purposes</b>	<b>Benchmark Category</b>	<b>Benchmark Type</b>
IA Sterling Corporate Bond	Comparator Benchmark	Sector
IBOXX GBP Corporate All Maturities	Comparator Benchmark	Index

Rationale for choice of benchmark

Given that the Fund is predominately exposed to sterling based corporate bonds, 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 Sterling Corporate Bond sector.

In addition to the IA sector the ACD believes it is also appropriate for investors to compare the performance of the Fund versus the IBOXX GBP Corporate All Maturities Index given that this index closely matches the investment universe of the Fund.

<p>Liontrust Sustainable Future Defensive Managed Fund</p> <p>FCA Product Reference (“PRN”): 639398</p>	<p>The Fund aims to deliver income and capital growth over the long term (5 years or more).</p>	<p>The Fund will invest globally. All investments will be expected to conform to our social and environmental criteria as set out on the Liontrust <a href="#">website</a>.</p> <p>Allocations to equities, fixed income, and cash will vary over time depending on market circumstances. Asset allocation limits will remain in line with the following asset allocation ranges:</p> <p>Equity – 20-50%</p> <p>Fixed income – 10-60%</p> <p>Cash – 0-20%</p> <p>The Fund may invest in collective investment schemes including other Liontrust Funds (up to 10% of Fund assets), other transferable securities, money market instruments, warrants, and deposits.</p> <p>The Fund is permitted to use derivatives for the purposes of efficient portfolio management and for investment purposes.</p>	<p>Income Shares in Class 2, Class 3 and Class Z</p>	<p>31<sup>st</sup> March and 30 September</p>
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*Benchmark Liontrust Sustainable Future Defensive Managed Fund*

<b>For total return purposes</b>	<b>Benchmark Category</b>	<b>Benchmark Type</b>
IA Mixed Investment (20-60% shares)	Comparator Benchmark	Sector

Rationale for choice of benchmark

Given that the Fund holds a diversified portfolio of equities, bonds and cash 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 Mixed Investment (20-60% shares) sector.

<p>Liontrust Sustainable Future European Growth Fund</p> <p>FCA Product Reference ("PRN"): 639390</p>	<p>The Fund aims to deliver capital growth over the long-term (5 years or more).</p>	<p>The Fund will invest in companies which are incorporated, domiciled, listed or conduct significant business in the EEA or Switzerland. All investments will be expected to conform to our social and environmental criteria as set out on the Liontrust <a href="#">website</a>.</p> <p>The Fund may also invest a maximum of 5% in UK listed securities.</p> <p>The Fund will typically invest 95% (minimum 80%) in equities or equity related derivatives but may also invest in collective investment schemes (up to 10% of Fund assets), corporate debt securities, other transferable securities, money market instruments, warrants, cash and deposits.</p> <p>The Fund is permitted to use derivatives for the purposes of efficient portfolio management and for investment purposes.</p>	<p>Accumulation Shares in Class 2, Class 3*</p> <p>Income Shares in Class 6</p>	<p>31<sup>st</sup> March and 30<sup>th</sup> September</p>
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*Benchmark Liontrust Sustainable Future European Growth Fund*

<b>For total return purposes</b>	<b>Benchmark Category</b>	<b>Benchmark Type</b>
IA Europe excluding UK	Comparator Benchmark	Sector
MSCI Europe ex-UK	Comparator Benchmark	Index

Rationale for choice of benchmark

Given that the Fund invests in European equities 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 Europe excluding UK sector.

In addition to the IA sector the ACD believes it is also appropriate for investors to compare the performance of the Fund versus MSCI Europe ex-UK Index this being the benchmark index that most appropriately matches the investment universe of the Fund.

<p>Liontrust Sustainable Future Global Growth Fund</p> <p>FCA Product Reference ("PRN"): 639393</p>	<p>The Fund aims to deliver capital growth over the long term (5 years or more).</p>	<p>The Fund will invest in companies globally. All investments will be expected to conform to our social and environmental criteria as set out on the Liontrust <a href="#">website</a>.</p> <p>The Fund will typically invest 95% (minimum 90%) in equities or equity related derivatives, but may also invest in collective investment schemes (up to 10% of Fund assets), corporate debt securities, other transferable securities, money market instruments, warrants, cash and deposits.</p> <p>Investments in emerging market securities will be limited to 20%</p> <p>The Fund is permitted to use derivatives for the purposes of efficient portfolio management and for investment purposes.</p>	<p>Accumulation Shares in Class 2, Class 3 and Class Z.</p>	<p>31<sup>st</sup> March and 30<sup>th</sup> September</p>
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*Benchmark Liontrust Sustainable Future Global Growth Fund*

<b>For total return purposes</b>	<b>Benchmark Category</b>	<b>Benchmark Type</b>
IA Global	Comparator Benchmark	Sector
MSCI World	Comparator Benchmark	Index

Rationale for choice of benchmark

Given that the Fund invests in global equities 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.

In addition to the IA sector the ACD believes it is also appropriate for investors to compare the performance of the Fund versus MSCI World Index this being the benchmark index that most appropriately matches the investment universe of the Fund.

<p>Liontrust Sustainable Future Managed Fund</p> <p>FCA Product Reference (“PRN”): 639391</p>	<p>The Fund aims to deliver income and capital growth over the long term (5 years or more).</p>	<p>The Fund will invest globally. All investments will be expected to conform to our social and environmental criteria as set out on the Liontrust <a href="#">website</a>.</p> <p>Allocations to equities, fixed income, and cash will vary over time depending on market circumstances. Asset allocation limits will remain in line with the following asset allocation ranges:</p> <p>Equity – 60-85%</p> <p>Fixed income – 10-40%</p> <p>Cash – 0-10%</p> <p>The Fund may invest in collective investment schemes including other Liontrust Funds (up to 10% of Fund assets), other transferable securities, money market instruments, warrants and deposits.</p> <p>The Fund is permitted to use derivatives for the purposes of efficient portfolio management and for investment purposes.</p>	<p>Income Shares in Class 2 and Class 3</p> <p>Accumulation Shares in Class 6 and Class 7</p>	<p>31<sup>st</sup> March and 30<sup>th</sup> September</p>
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*Benchmark Liontrust Sustainable Future Managed Fund*

For total return purposes	Benchmark Category	Benchmark Type
IA Mixed Investment (40-85% shares)	Comparator Benchmark	Sector

Rationale for choice of benchmark

Given that the Fund holds a diversified portfolio of equities, bonds and cash 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 Mixed Investment (40-85% shares) sector.

Liontrust UK Ethical Fund FCA Product Reference ("PRN"): 639396	The Fund aims to deliver capital growth over the long-term (5 years or more).	<p>The Fund will invest at least 80% in companies which are incorporated, domiciled or conduct significant business in the United Kingdom (UK). All investments will be expected to conform to our ethical, social and environmental criteria as set out on the Liontrust <a href="#">website</a>.</p> <p>The Fund will typically invest 95% (minimum 80%) in equities or equity related derivatives but may also invest in collective investment schemes (up to 10% of Fund assets), corporate debt securities, other transferable securities, money market instruments, warrants, cash and deposits.</p> <p>.</p> <p>The Fund is permitted to use derivatives for the purposes of efficient portfolio management and for investment purposes.</p>	Income Shares in Class 3  Accumulations Shares in Class 2	31 <sup>st</sup> March and 30 <sup>th</sup> September
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*Benchmark Liontrust UK Ethical Fund*

<b>For total return purposes</b>	<b>Benchmark Category</b>	<b>Benchmark Type</b>
IA UK All Companies	Comparator Benchmark	Sector
MSCI UK	Comparator Benchmark	Index

Rationale for choice of benchmark

Given that the Fund invests in UK equities 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.

In addition to the IA sector the ACD believes it is also appropriate for investors to compare the performance of the Fund versus MSCI UK Index this being the benchmark index that most appropriately matches the investment universe of the Fund.

<p>Liontrust Sustainable Future UK Growth Fund</p> <p>FCA Product Reference ("PRN"): 639394</p>	<p>The Fund aims to deliver capital growth over the long-term (5 years or more).</p>	<p>The Fund will invest at least 80% in companies which are incorporated, domiciled or conduct significant business in the United Kingdom (UK). All investments will be expected to conform to our social and environmental criteria as set out on the Liontrust <a href="#">website</a>.</p> <p>The Fund will typically invest 95% (minimum 80%) in equities or equity related derivatives but may also invest in collective investment schemes (up to 10% of Fund assets), corporate debt securities, other transferable securities, money market instruments, warrants, cash and deposits.</p> <p>The Fund is permitted to use derivatives for the purposes of efficient portfolio management and for investment purposes.</p>	<p>Income Shares in Class 6 and Class M</p> <p>Accumulation Shares in Class 2, Class 3 and Class M.</p>	<p>31<sup>st</sup> March and 30<sup>th</sup> September</p>
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*Benchmark Liontrust Sustainable Future UK Growth Fund*

<b>For total return purposes</b>	<b>Benchmark Category</b>	<b>Benchmark Type</b>
IA UK All Companies	Comparator Benchmark	Sector
MSCI UK	Comparator Benchmark	Index

Rationale for choice of benchmark

Given that the Fund invests in UK equities 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.

In addition to the IA sector the ACD believes it is also appropriate for investors to compare the performance of the Fund versus MSCI UK Index this being the benchmark index that most appropriately matches the investment universe of the Fund.

## Appendix II

### Investment and Borrowing Powers and Investment Restrictions

#### Investment restrictions

The property of each Fund will be invested with the aim of achieving the investment objective of that Fund but subject to the limits on investment set out in Chapter 5 of the COLL Sourcebook that are applicable to UCITS Schemes and the Fund's investment policy.

The ACD shall ensure that, taking account of the investment objectives and policy of each Fund, the scheme property of the Fund aims to provide a prudent spread of risk.

These limits apply to each Fund as summarised below:

#### General

The property of a Fund must, except where otherwise provided in COLL 5, only consist of any or all of:

1. transferable securities
2. approved money-market instruments
3. units in collective investment schemes.
4. derivatives and forward transactions
5. deposits; and
6. movable and immovable property that is essential for the direct pursuit of the Company's business

Transferable securities and approved money-market instruments held within a Fund must:

1. be admitted to or dealt in on an eligible market in accordance with the rules of the COLL Sourcebook; or
2. for an approved money-market instrument not admitted to or dealt in on an eligible market, meet the requirements of the COLL Sourcebook in relation to regulated issuers and issuers and guarantors of money-market instruments; or
3. be recently issued transferable securities, provided that the terms of issue include an undertaking that application will be made to be admitted to an eligible market; and such admission is secured within a year of issue.

Not more than 10% in value of the scheme property of a Fund is to consist of transferable securities and approved money-market instruments other than those referred to above.

## Eligible Markets

These are:

1. regulated markets (as defined for the purposes of COLL);
2. markets established in an EEA State which are regulated, operate regularly and are open to the public; or
3. markets which the ACD, after consultation with and notification to the Depositary, has decided are appropriate for the purpose of investment of or dealing in the property of the Company having regard to the relevant criteria in the COLL Sourcebook and guidance from the FCA. Such markets must operate regularly, be regulated, recognised, open to the public, adequately liquid and have arrangements for unimpeded transmission of income and capital to or to the order of the investors.

The eligible securities and derivatives markets for each Fund are set out in Appendix IV below.

## Spread

The requirements on spread of investments do not apply until the expiry of a period of six months after the date of the authorisation order in respect of a Fund (or on which the initial offer commenced if later) provided that the requirement to maintain prudent spread of risk is complied with.

When a Fund invests in Derivatives, the exposure to the underlying assets must not exceed the spread limits referred to below. However, if a Fund invests in an index-based derivative, the underlying constituents of the index do not have to be taken into account for this purpose, as long as the ACD in making such investments aims to maintain a prudent spread of risk.

### Spread: general

This section on spread of investment generally does not apply to government and public securities.

For the purpose of this section companies included in the same group for the purposes of consolidated accounts as defined in accordance with the Seventh Council Directive 83/349/EEC of 13<sup>th</sup> June 1983 based on Article 54(3) (g) of the Treaty in consolidated accounts or, in the same group in accordance with international accounting standards are regarded as a **Single Body**.

Not more than 20% in the value of the scheme property can consist of deposits with a Single Body. In applying this 20% limit, government and public securities issued by that body shall be taken into account.

Not more than 5% in value of the scheme property is to consist of transferable securities or approved money-market instruments issued by any Single Body except that the limit of 5%:



- i) is raised to 10% in respect of up to 40% in value of the scheme property. Covered bonds need not be taken into account for the purpose of applying the limit of 40%.
- ii) is raised to 25% in value of scheme property in respect of covered bonds, provided that when a Fund invests more than 5% in covered bonds issued by a single body, the total value of covered bonds held must not exceed 80% in value of the scheme property.

For these purposes certificates representing certain securities are treated as equivalent to the underlying security.

The exposure to any one counterparty in an OTC derivative transaction must not exceed 5% in value of the scheme property. This limit is raised to 10% where the counterparty is an Approved Bank. When calculating the exposure to a counterparty in accordance with these limits, the positive mark-to-market value of the OTC derivative contract with that counterparty must be used and counterparty risk exposures are aggregated across both financial derivatives instruments and efficient portfolio management techniques.

OTC derivative positions with the same counterparty may be netted, provided:

- (a) the ACD is able legally to enforce netting agreements with the counterparty on behalf of the Company; and
- (b) the netting agreements in (a) do not apply to any other exposures the Company may have with that same counterparty.

The exposure of the scheme property to a counterparty of an OTC derivative may be reduced through the receipt of collateral. Collateral received must be sufficiently liquid so that it can be sold quickly at a price that is close to its pre-sale valuation.

Collateral must be taken into account in calculating exposure to counterparty risk in accordance with the limits above when collateral is passed to the counterparty of an OTC derivative transaction on behalf of the Company. Such collateral may be taken into account on a net basis only if the ACD is able legally to enforce netting arrangements with this counterparty on behalf of the Company.

The issuer concentration limits referred to above must be calculated on the basis of the underlying exposure created through the use of OTC derivatives in accordance with the commitment approach.

Not more than 20% in value of the scheme property of a Fund is to consist of transferable securities and approved money-market instruments issued by the same Group.

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

1. transferable securities (including covered bonds) or approved money-market instruments issued by;
2. deposits made with; or
3. exposures from OTC derivatives transactions made with;

a Single Body.

In applying this 20% limit, government and public securities issued by that body shall be taken into account.

In relation to exposures arising from OTC derivative transactions referred to above, any counterparty risk relating to the OTC derivative transaction must be included in the calculation.

### **Spread: Government and Public Securities**

The following applies to transferable securities or approved money-market instruments issued by (a) an EEA State; (b) a local authority of an EEA State; (c) a non-EEA State; or (d) a public international body to which one or more EEA States belong (**Such Securities**).

Where no more than 35% of the scheme property of a Fund is invested in Such Securities issued or guaranteed by any one body, there is no limit on the amount of the scheme property of a Fund which may be invested in Such Securities or in any one issue.

Notwithstanding the foregoing and except where the investment policy of any Fund is inconsistent with this, up to 100% of the scheme property of each Fund may be invested in Such Securities issued or guaranteed by a single state, local authority or public international body which may be one of the issuers set out in Appendix III.

A Fund may invest more than 35% in value of the scheme property in Such Securities issued by any one body provided that:

1. 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 authorised Fund;
2. no more than 30% in value of the scheme property of the Fund consists of Such Securities of any one issue;
3. the scheme property includes Such Securities issued by that or another issuer, of at least six different issues; and
4. the disclosures required by the FCA have been made.

## Investment in transferable securities

- (1) A Fund may invest in a transferable security only to the extent that the transferable security fulfils the following:
  - (a) the potential loss which a Fund may incur with respect to holding the transferable security is limited to the amount paid for it;
  - (b) its liquidity does not compromise the ability of the ACD to comply with its obligation to redeem Shares at the request of the qualifying Shareholder;
  - (c) reliable valuation is available for it as follows:
    - (i) in the case of a transferable security admitted to or dealt in on an eligible market, where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers;
    - (ii) in the case of a transferable security not admitted to or dealt in on an eligible market, where there is a valuation on a periodic basis which is derived from information from the issuer of the transferable security or from competent investment research;
  - (d) appropriate information is available for it as follows:
    - (i) in the case of a transferable security admitted to or dealt in on an eligible market, where there is regular, accurate and comprehensive information available to the market on the transferable security or, where relevant, on the portfolio of the transferable security;
    - (ii) in the case of a transferable security not admitted to or dealt in on an eligible market, where there is regular and accurate information available to the ACD on the transferable security, or, where relevant, on the portfolio of the transferable security;
  - (e) it is negotiable; and
  - (f) its risks are adequately captured by the risk management process of the ACD.
- (2) Unless there is information available to the ACD that would lead to a different determination, a transferable security which is admitted to or dealt in on an eligible market shall be presumed:
  - (a) not to compromise the ability of the ACD to comply with its obligation to redeem units at the request of any qualifying Shareholder; and
  - (b) to be negotiable.

- (3) A Fund may invest in any other investment which shall be taken to be a transferable security for the purposes of investment by a UCITS scheme provided the investment:
- (a) fulfils the criteria for transferable securities set out above; and
  - (b) is backed by or linked to the performance of other assets, which may differ from those in which a Fund may invest.

Where an investment in (3) above contains an embedded derivative component, the requirements of the COLL Sourcebook with respect to derivatives and forwards will apply to that component.

### **Money-market instruments**

Up to 100% in value of the scheme property of a Fund can consist of money-market instruments, which are normally dealt in on the money-market, are liquid and whose value can be accurately determined at any time:

1. A money-market instrument is regarded as normally dealt on a money-market if it has a maturity at issuance of up to and including 397 days, has a residual maturity of up to and including 397 days, undergoes regular yield adjustments in line with money-market conditions at least every 397 days or has an appropriate risk profile (including credit and interest rate risks).
2. A money-market instrument shall be regarded as liquid if it is admitted to or dealt in on an eligible market or can be sold at a limited cost in an adequately short time frame, taking into account the obligation of the ACD to redeem units at the request of any qualifying Shareholder.
3. A money-market instrument shall be regarded as having a value which can be accurately determined at any time if it is admitted to or dealt on an eligible market or if accurate and reliable valuations systems are available which fulfill the following:
  - (a) enabling the ACD to calculate the NAV in accordance with the value at which the instrument held could be exchanged between knowledgeable willing parties in an arm's length transaction; and
  - (b) based either on market data or on valuation models including systems based on amortised costs.

In addition to instruments admitted to or dealt in on an eligible market, a Fund may invest in an approved money-market instrument provided it fulfils the following requirements:

- (i) the money-market instrument is issued or guaranteed by: a central, regional or local authority or central bank of an EEA State, the European Central Bank, the European Union or the European Investment Bank, a non-EEA State or, in the case of a federal State by one of the members making up the federation, or by a public international body to which one

or more EEA states belong; or issued by a body, any securities of which are dealt in on an eligible market; or issued or guaranteed by an establishment subject to prudential supervision in accordance with criteria defined by EU law or by an establishment which is subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by EU law; and

- (ii) the issue or the issuer of the money-market instrument is regulated for the purpose of protecting investors and savings, investment in that instrument is subject to investor protection equivalent to that provided by instruments which satisfy the requirements in (i) above and the issuer is a company whose capital and reserves amount to at least EUR 10 million and which presents and publishes its annual accounts in accordance with Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitization vehicles which benefit from a banking liquidity line.

### **Investment in Collective Investment Schemes**

Up to 10% in value of the scheme property of a Fund (may be invested in units in other schemes provided that second scheme satisfies all of the following conditions below:

1. The second scheme must:
  - (a) satisfy the conditions necessary for it to enjoy the rights conferred by the UCITS Directive<sup>1</sup>; or
  - (b) be a recognised scheme under the provisions of section 272 of the Financial Services and Markets Act 2000 that is authorised by the supervisory authorities of Guernsey, Jersey or the Isle of Man (provided that the requirements of Article 50(1)(e) of the UCITS Directive are met); or
  - (c) be authorised as a non-UCITS retail scheme (provided the requirements of article 50(1)(e) of the UCITS Directive are met); or
  - (d) be authorised in another EEA State (provided the requirements of article 50(1) (e) of the UCITS Directive are met),
  - (e) be authorised by the competent authority of an Organisation for Economic Co-operation and Development (OECD) member country (other than an EEA state) which has:

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<sup>1</sup> Directive 2001/108/EC of the European Parliament and of the Council of 21 January 2002 amending Council Directive 85/611/EC on the co-ordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), with regard to investments of UCITS.

- (i) signed the ISOCO Multilateral Memorandum of Understanding;  
and
- (ii) approved the scheme's management company, rules and  
depository/custody arrangements;

provided the requirements of Article 50(1) (e) of the UCITS Directive are met).

2. The second scheme must comply, where relevant, with COLL 5.2.15 (investment in associated collective investment schemes) and COLL 5.2.16 (investment in group companies); and
3. The second scheme must have terms which prohibit more than 10% in value of the scheme property consisting of units in collective investment schemes.

Where the second scheme is an umbrella, the provisions in 2. and 3. above apply to each sub-fund as if it were a separate scheme.

Subject to the limitations set out in this section, the Funds may invest in or dispose of units or shares in a collective investment scheme which is managed or operated by the ACD or an Associate of the ACD as long as no charge is made in respect of the investment or disposal of units or shares and as long as the ACD is obliged to pay to the Fund within the time specified in the COLL Sourcebook any amount by which the price paid for the units in the second scheme exceeds the price that would have been received by the second scheme had the units or shares been newly issued or sold by it (or if the ACD cannot ascertain that amount, the maximum amount of any charge permitted to be made by the seller of units or shares in the second scheme) or on a disposal of units, the amount of any charge made by the manager or operator of the second scheme or an Associate in respect of the disposal. Investors should be aware that an Annual Management Charge may be levied in respect of the second scheme as well as the first scheme. With the exception of the Liontrust Sustainable Future Cautious Managed Fund, the Liontrust Sustainable Future Defensive Managed Fund, the Liontrust Sustainable Future Managed Growth Fund and the Liontrust Sustainable Future Managed Fund, no Fund may invest in another Fund in the Company. Any investment by these Funds in another Fund of the Company shall be in accordance with the provisions of the COLL Sourcebook.

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

A transferable security or an approved money-market instrument on which any sum is unpaid falls within a power of investment only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Fund at the time when payment is required without contravening the COLL Sourcebook.

## **Deposits**

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

## **Derivatives and forward transactions**

The Company may use its property to enter into certain derivative transactions (permitted transactions) insofar as their use is consistent with the stated investment objectives and policies of the scheme.

Permitted transactions (excluding stock lending arrangements) are transactions in derivatives (i.e. options, futures or contracts for differences) dealt in or traded on an eligible derivatives market or synthetic futures in certain circumstances, or a forward transaction in a currency or OTC transactions.

The ACD must ensure that its global exposure relating to Derivatives and forward transactions held in the scheme does not exceed the net value of the scheme property. The global exposure must be calculated on at least a daily basis. Exposure must be calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the position. The ACD uses the commitment approach to calculate global exposure. The commitment approach converts each financial derivative instrument position into the market value of an equivalent position in the underlying asset of that derivative. The ACD has selected this method as being appropriate, taking into account the investment strategy of the Funds, the types and complexities of the Derivatives and forward transactions used and the proportion of the scheme property comprising Derivatives and forward transactions.

The Company may enter into approved derivatives transactions on derivatives markets which are eligible. Eligible derivatives markets are those which the ACD after consultation with the Depositary has decided are appropriate for the purpose of investment of or dealing in the scheme property with regard to the relevant criteria set out in the COLL Sourcebook.

The eligible derivatives markets for the relevant Funds of the Company are set out in Appendix IV.

A transaction in a Derivative or forward transaction must:

- (1) (a) be in an approved derivative effected on or under the rules of an eligible derivatives market; or
- (b) if an OTC derivative, be in a future, an option or a contract for differences which must be entered into with a counterparty that is acceptable in accordance with the COLL Sourcebook, must be on approved terms as to valuation, sale, liquidation and close out and must be capable of reliable valuation, and be subject to verifiable valuation.

- (c) Any forward transaction must be made with an Eligible Institution (as defined in the FCA Glossary of terms) or an Approved Bank.
- (2) have the underlying consisting of any or all of the following to which the Fund is dedicated:
- (a) permitted transferable securities;
  - (b) permitted approved money-market instruments;
  - (c) permitted deposits;
  - (d) permitted derivatives;
  - (e) permitted collective investment scheme units;
  - (f) financial indices (which meet the criteria set out in the COLL Sourcebook);
  - (g) interest rates;
  - (h) foreign exchange rates; and
  - (i) currencies.
- (3) must not cause a Fund to diverge from its investment objectives, must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more transferable securities, approved money-market instruments, units in collective investment schemes, or derivatives provided that a sale is not to be considered as uncovered if the COLL Sourcebook's "requirement to cover sales" conditions are satisfied.

Any forward transaction must be with an Eligible Institution or an Approved Bank.

A derivatives or forward transaction which would or could lead to delivery of scheme property to the Depositary for the account of a Fund may be entered into only if such scheme property can be held for the account of a Fund, and the ACD having taken reasonable care determines that delivery of the property pursuant to the transaction will not lead to a breach of the COLL Sourcebook.

The exposure to the underlying assets through investment in derivatives must not exceed the limits set out in Spread above. Where a transferable security or money-market instrument embeds a derivative, this must be taken into account for the purposes of complying with these limits.

**Each Fund may invest in derivatives, including forwards, for both Efficient Portfolio Management (including hedging) and investment purposes. While the use of derivatives may have some impact on the risk profile of the Scheme, the ACD does not expect such use to have a significant effect. The ACD also does not consider that derivative usage in respect**



**of any Fund is likely significantly to amplify the movement of the prices of shares in that Fund.**

**Efficient Portfolio Management** must satisfy three broadly based requirements:

1. A transaction must be one which (along or in combination with one or more other) is reasonably believed by the *ACD* to be economically appropriate to the efficient portfolio management of the Scheme. This means that, for transactions undertaken to reduce risk or cost (or both), the transaction (alone or in combination) will diminish a risk or cost of a kind or level which it is sensible to reduce and, for a transaction undertaken to generate additional capital or income, the Scheme is certain (or certain barring events which are not reasonably foreseeable) to derive a benefit from the transaction.

Efficient portfolio management may not include transactions which may reasonably be regarded as speculative.

2. The purpose of permitted derivative transaction for the Scheme must be to achieve one of the following aims in respect of the Scheme:
  - (a) **Reduction of risk.** One example of how the use of permitted transactions would achieve this aim is in the use of cross-currency hedging where all or part of the currency exposure of the scheme property may be switched away from a currency the *ACD* considers unduly prone to risk, to another currency. Another example is the use of permitted transactions in tactical asset allocation, which permits the *ACD* to undertake a switch in exposure of types of assets by use of derivatives, rather than through sale and purchase of the scheme property.
  - (b) **Reduction of cost.** The aims of reduction of risk or cost, together or separately, allow the *ACD* on a temporary basis to use the technique of tactical asset allocation. If a transaction for the Scheme relates to the acquisition or potential acquisition of transferable securities, the *ACD* must intend that the Scheme should invest in transferable securities within a reasonable time and the *ACD* must thereafter ensure that, unless the position has itself been closed out, that intention is realised within that reasonable time.
  - (c) **The generation of additional capital or income for the Scheme with no, or an acceptably low level of, risk.** There is an acceptably low level of risk in any case where the *ACD* reasonably believes that the Scheme is certain (or certain barring events which are not reasonably foreseeable) to derive a benefit. The generation of additional capital or income may arise out of taking advantage of price imperfections or from the receipt of a premium for writing of covered call or covered put

options (even if the benefit is obtained at the expense of the chance of yet greater benefit).

The relevant purpose must relate to scheme property; scheme property (whether precisely identified or not) which is to be or is proposed to be acquired for the Scheme; and anticipated cash receipts of the Scheme, if due to be received at some time and likely to be received within one month.

3. The maximum exposure of each permitted transaction must be fully covered “globally” by scheme property.

### **Requirement to cover sales**

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

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

This requirement does not apply to a deposit. In the FCA's view, the requirement in (a) above can be met where:

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

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

## OTC transactions in Derivatives

Any transaction in an OTC derivative (including, but not limited to, a transaction in a total return swap or other financial derivative instrument with the same characteristics) must be:

1. with an approved counterparty; A counterparty to a transaction in derivatives is approved only if the counterparty is an Eligible Institution or an Approved Bank; or a person whose permission (including any requirements or limitations), as published in the FCA Register or whose Home State authorisation, permits it to enter into the transaction as principal off-exchange;
2. on approved terms; the terms of the transaction in derivatives are approved only if, the ACD carries out at least daily a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and can enter into one or more further transactions to sell, liquidate or close out that transaction at any time, at its fair value

For the purposes of paragraph 2 above, “fair value” is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm’s length transaction. For the purposes also of this paragraph 2, the ACD must establish, implement and maintain arrangements and procedures which ensure appropriate, transparent and fair valuation of the exposures of the Company to OTC derivatives and ensure that the fair value of OTC derivatives is subject to adequate, accurate and independent assessment. Where the arrangements and procedures involve the performance of certain activities by third parties, the ACD must comply with due diligence and additional requirements. The arrangements and procedures referred to in this paragraph must be adequate and proportionate to the nature and complexity of the OTC derivative concerned and adequately documented.

3. capable of reliable valuation; a transaction in derivatives is capable of reliable valuation only if the ACD having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy: on the basis of an up to date market value which the ACD and the Depositary have agreed is reliable, or, if this value is not available, on the basis of a pricing model which the ACD and Depositary have agreed uses an adequate recognised methodology.
4. subject to verifiable valuation; a transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by:
  - (a) an appropriate third party which is independent from the counterparty of the derivative, at an adequate frequency and in

such a way that the authorised fund manager is able to check it; or

- (b) a department within the authorised fund manager which is independent from the department in charge of managing the scheme property and which is adequately equipped for such a purpose.

A copy of the ACD's risk management policy in relation to permitted derivative transactions is available upon request by writing to the ACD at 2 Savoy Court, London WC2R 0EZ. Further details of the ACD's risk management process are set out under 'Risk Management' below.

### **Cash and Near Cash**

Cash or near cash must not be retained in the scheme property of a Fund except in order to enable:

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

Cash balances (if any) will normally be denominated in Sterling although there may be specific occasion when other currencies will be needed for practical reasons. The cost of any variations in the currency exchange rate will be borne by a Fund.

### **Risk Management**

The ACD uses a risk management process, as reviewed by the Depositary and filed with the FCA, enabling it to monitor and measure at any time the risk of a Fund's positions and their contribution to the overall risk profile of the Fund. Prior to any amendments being made to the risk management process, the ACD will notify the FCA of the details of such changes. As explained further in the 'Additional Information' section of this Prospectus, certain information relating to the ACD's risk management policy is available to investors on request.

The ACD's risk management process details, among other matters, how risks are managed by the ACD in relation to counterparties and collateral.

In relation to counterparty risk, the ACD's risk management process requires that all counterparties are approved prior to trading and that a variety of factors are considered as part of that approval process, including the counterparty's creditworthiness and capabilities.

Any counterparty to a total return swap or other OTC derivative contract shall fall within one of the following categories:

(i) a credit institution which falls within any of the categories set down in UCITS regulation;

(ii) an investment firm authorised in accordance with MiFID; or

(iii) a group company of an entity issued with a bank holding company license from the Federal Reserve of the United States of America where that group company is subject to bank holding company consolidated supervision by that Federal Reserve

Any counterparty to an OTC derivative contract or a securities financing transaction shall be subject to an appropriate internal assessment carried out by the ACD, which shall include amongst other considerations, external credit ratings of the counterparty, the regulatory supervision applied to the relevant counterparty, country of origin of the counterparty and legal status of the counterparty.

Save where the relevant counterparty to the relevant securities financing transaction or OTC derivative contract is an Approved Credit Institution, where such counterparty (a) is subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the ACD in the credit assessment process; and (b) where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in subparagraph (a) this shall result in a new credit assessment being conducted of the counterparty by the ACD without delay.

The ACD also has a collateral management policy. This policy, which is subject to change and regular review, defines “eligible” collateral, including applicable haircuts. It also includes any additional restrictions deemed appropriate by the ACD.

Under the collateral management policy, all collateral used to reduce counterparty risk will comply with the following criteria at all times:

- it must be highly liquid and traded on a regulated market;
- it must be valued at least daily;
- it must be of high quality;
- it will not be highly correlated with the performance of the counterparty;
- it will be sufficiently diversified in terms of country, markets and issuers (in accordance with ESMA’s *Guidelines on ETFs and other UCITS issues (ESMA/2012/832EN)*);
- it will be held by the Depositary or by a third party custodian which is subject to prudential supervision and which is unrelated to the provider of collateral; and

- it will be capable of being fully enforced by the ACD at any time without reference or approval from the counterparty.

Permitted collateral varies according to the arrangements which are negotiated with each counterparty but may include (subject to the rules on stock lending under COLL 5.4 and where applicable):

- cash; and
- government or other public securities.

Non-cash collateral will not be sold, re-invested or pledged.

Permitted currencies which may be used as cash collateral also vary according to the arrangements which are negotiated with each counterparty. Sterling, US Dollars and Euros would generally be acceptable and other currencies may be considered.

Cash collateral will only be:

- placed on deposit with entities that meet the requirements of Article 50(f) of the UCITS Directive; or
- invested in high quality government bonds; or
- used for the purpose of reverse repo transactions with credit institutions that are subject to prudential supervision (and on terms that permit the ACD to recall at any time the full amount of cash on an accrued basis); or
- invested in short-term money-market funds.

Cash collateral, where reinvested, will be diversified in accordance with the requirements of ESMA's Guidelines on ETFs and other UCITS issues (ESMA/2012/832EN).

The exposure to a counterparty will, at all times, meet the requirements of Article 52 of the UCITS Directive.

Collateral will be subject to a haircut depending on the class of assets received. The haircut policy depends on the quality of assets received, their price volatility and liquidity. Short-dated government bonds will be subject to lower haircuts than long-dated government bonds issued by the same government. Collateral haircuts are negotiated with each counterparty.

Where the Fund reinvests cash collateral in one or more of the permitted types of investment above, there is a risk that the investment will earn less than the interest that is due to the counterparty in respect of that cash and that it will return less than the amount of cash that was invested.

## **Significant Influence**

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

1. immediately before the acquisition the aggregate number of such securities held by the Company gives it power significantly to influence the conduct of the business of that body corporate; or
2. the acquisition will give the Company such power.

For the purposes of the above paragraph, the Company is to be taken to have power significantly to influence the conduct of business of a body corporate if it can, because of the transferable securities held by it, exercise or control the exercise of 20% or more of the voting rights in that body corporate (disregarding for this purpose any temporary suspension of voting rights in respect of the transferable securities of that body corporate).

## **Concentration**

The Company:

1. must not acquire transferable securities other than debt securities which
  - (a) do not carry rights to vote on any matter at a general meeting of the body corporate that issued them; and
  - (b) represent more than 10% of these securities issued by that body corporate;
2. must not acquire more than 10% of the debt securities issued by any single issuing body;
3. must not acquire more than 25% of the units in a collective investment scheme;
4. must not acquire more than 10% of the approved money-market instruments issued by any single body; and
5. need not comply with these limits if, at the time of acquisition, the net amount in issue of the relevant investment cannot be calculated.

## **Stock lending and Repo contracts**

Stock lending is an arrangement where the Company or the Depositary delivers securities which are the subject of the transaction in return for which it is agreed that securities of the same kind and amount be redelivered to the Company or the Depositary at a later date. The Company or the Depositary at the time of delivery receives collateral to cover against the risk of the future redelivery not being completed. There is no limit on the value of the scheme property of the Company which may be the subject of repo contracts or stock lending arrangements. A repo contract is an agreement between a seller and buyer for

the purchase or sale of securities, under which the seller agrees to repurchase the securities or equivalent securities, or the buyer agrees to resell the securities or equivalent securities, at an agreed date and, usually, at a stated price.

The Company, or the Depositary at the Company's request, may only enter into stock lending transactions (involving a disposal of securities in a Fund and re-acquisition of equivalent securities) or repo contract when it reasonably appears to the Company or ACD to be appropriate to do so with a view to generating additional income for the relevant Fund with an acceptable degree of risk. Such transactions must comply with conditions set out in the COLL Sourcebook, which require (inter alia) that:

1. the stock lending transaction must be of a kind described in Section 263B of the Taxation of Chargeable Gains Act 1992;
2. the terms of the agreement under which the Depositary is to re-acquire the securities for the account of the Company must be acceptable to the Depositary and in accordance with good market practice;
3. the counterparty must be acceptable in accordance with the COLL Sourcebook; and
4. the high quality and liquid collateral obtained must be acceptable to the Depositary and must also be adequate and sufficiently immediate as set down in the COLL Sourcebook.

For each Fund the income received is split between the Fund, the ACD for the administration of the Stock lending on behalf of the Fund and the custodian who will manage the Stock lending activity. The current split of the income received is that the custodian will receive 30% and the Fund will receive the balance.

### **Underwriting and Stock Placings**

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

### **Borrowing powers**

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

Borrowing must be on a temporary basis and must not be persistent.

The Company must ensure that no period of borrowing exceeds 3 months without the prior consent of the Depositary, which may be given only on such conditions as appear appropriate to the Depositary to ensure that the borrowing does not cease to be on a temporary basis.



The Company must ensure that borrowing does not, on any Business Day, exceed 10% of the value of the *scheme property*.

These borrowing restrictions do not apply to “back to back” borrowing for cover for transactions in derivatives and forward transactions.

### **General**

With the exception of the Liontrust Sustainable Future Cautious Managed Fund, the Liontrust Sustainable Future Defensive Managed Fund and the Liontrust Sustainable Future Managed Fund, no Fund may invest in the shares of another Fund of the Company. Any investment by these Funds in another Fund of the Company shall be in accordance with the provisions of the COLL Sourcebook.

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

## Appendix III

### Government and Public Securities Issuers

**Government and public securities issued by or on behalf of or guaranteed by the following governments:**

Australia  
Austria  
Belgium  
Bulgaria  
Canada  
Cyprus  
Czech Republic  
Denmark  
Estonia  
Finland  
France  
Germany  
Greece  
Hungary  
Iceland  
Ireland  
Italy  
Japan  
Latvia  
Liechtenstein  
Lithuania  
Luxembourg  
Malta  
Netherlands  
New Zealand  
Norway  
Poland  
Portugal  
Romania  
Slovakia  
Slovenia  
Spain  
Sweden  
Switzerland  
United Kingdom of Great Britain and Northern Ireland  
United States of America

**Public securities issued by the following bodies (or, in each case, any successor organisation):**

Asian Development Bank (ADB)  
African National Bank (AFNB)  
Caisse d'Amortissement de la Dette Sociale (CADES)  
Caisse des Dépôts et Consignations (CDC)  
Caisse Nationale des Télécommunications  
Council of Europe  
Council of Europe Development Bank  
Euratom  
European Bank of Reconstruction and Development (EBRD)  
European Community  
European Investment Bank (EIB)  
Eurofima  
Instituto de Credito Oficial (ICO)  
Instituto Nacional Industrial (INI)  
Inter American Development Bank (IADB)  
International Bank for Reconstruction and Development (IBRD)  
International Finance Corporation (IFC)  
International Monetary Fund  
Kommunekredit, Kommuninvest I Sverige AB  
Kreditanstalt für Wiederaufbau (KfW)  
Landeskreditbank Baden-Württemberg-Förderbank  
LCR Finance plc  
Municipality Housing Finance plc  
Municipality Finance plc  
Nordic Investment Bank (NIB)  
Oesterreichische Kontrollbank (OeKB)

## Appendix IV

### Eligible Securities Markets and Eligible Derivatives Markets

#### A. Eligible Securities Markets

A securities market is an eligible market if it is a regulated market (as defined for the purposes of COLL), a market in a state within the European Economic Area which is regulated, operates regularly and is open to the public, or any market listed below:

1. In respect of Liontrust Sustainable Future Managed Growth Fund and Liontrust Sustainable Future Global Growth Fund:

Australia	the ASX Limited
Brazil	the BM&F Bovespa SA
Canada	the Montreal Exchange the Toronto Stock Exchange the TSX Venture Exchange
Chile	the Santiago Stock Exchange
China	the Shanghai Stock Exchange the Shenzhen Stock Exchange
Hong Kong	Hong Kong Exchanges and Clearing the Hong Kong Stock Exchange
India	the Bombay Stock Exchange
Indonesia	the Indonesian Stock Exchange
Israel	the Tel-Aviv Stock Exchange
Japan	the Nagoya Stock Exchange the Tokyo Stock Exchange the Osaka Securities Exchange JASDAQ Securities Exchange
Malaysia	the Bursa Malaysia Stock Exchange
Mexico	the Bolsa Mexicana de Valores
New Zealand	the New Zealand Exchange Limited
Peru	the Bolsa de Valores de Lima
the Philippines	the Philippines Stock Exchange
Singapore	the Singapore Exchange
South Africa	the Johannesburg Stock Exchange
South Korea	the Korea Exchange
Sri Lanka	the Colombo Stock Exchange
Switzerland	the Swiss Exchange
Taiwan	the Taiwan Stock Exchange
Thailand	the Stock Exchange of Thailand (Bangkok)
Turkey	the Istanbul Stock Exchange

United States the New York Stock Exchange Euronext  
NASDAQ  
the NYSE Alternext US

2. In respect of Liontrust Sustainable Future European Growth Fund, Liontrust UK Ethical Fund and the Liontrust Sustainable Future UK Growth Fund:

Canada The Toronto Stock Exchange  
Switzerland the Swiss Exchange  
Turkey the Istanbul Stock Exchange  
United States the New York Stock Exchange Euronext  
NASDAQ

3. In respect of Liontrust Sustainable Future Corporate Bond Fund:

Hong Kong the Hong Kong Stock Exchange  
Japan the Osaka Securities Exchange  
the Tokyo Stock Exchange  
JASDAQ Securites Exchange  
Malaysia the Bursa Malaysia  
Mexico Bolsa Mexicana de Valores  
New Zealand the New Zealand Exchange Limited  
Singapore the Singapore Exchange  
South Korea the Korean Exchange Incorporated  
Switzerland the Swiss Exchange  
Thailand the Stock Exchange of Thailand  
(Bangkok)  
United States the New York Stock Exchange Euronext  
the NYSE Alternext US  
NASDAQ  
Chicago Board of Tradeperiod

4. In respect of Liontrust Sustainable Future Cautious Managed Fund, Liontrust Sustainable Future Defensive Managed Fund and Liontrust Sustainable Future Managed Fund:

Australia the ASX Limited  
Brazil the BM&F Bovespa SA  
Canada the Toronto Stock Exchange  
the TSX Venture Exchange  
Chile the Santiago Stock Exchange  
China the Shanghai Stock Exchange  
the Shenzhen Stock Exchange  
Hong Kong the Hong Kong Stock Exchange  
Hong Kong Exchanges and Clearing  
India the Bombay Stock Exchange  
Japan the Osaka Securities Exchange  
the Tokyo Stock Exchange  
JASDAQ Securities Exchange

Malaysia	the Bursa Malaysia
Mexico	the Bolsa Mexicana de Valores
New Zealand	the New Zealand Exchange Limited
Singapore	the Singapore Exchange
South Africa	the Johannesburg Stock Exchange
South Korea	the Korea Exchange
Switzerland	the Swiss Exchange
Taiwan	the Taiwan Stock Exchange
Thailand	the Stock Exchange of Thailand (Bangkok)
the United States	the New York Stock Exchange Euronext the NYSE Alternext US NASDAQ.

## B. Eligible Derivatives Markets

A derivatives market is an eligible market if it is established under the rules of any of the following designated or recognised investment exchanges:

1. In respect of Liontrust Sustainable Future UK Growth Fund:

Euronext	Euronext.Liffe
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2. In respect of Liontrust Sustainable Future Managed Growth Fund and Liontrust Sustainable Future Global Growth Fund:

Australia	the ASX Limited
EUREX	EUREX
Euronext	Euronext.Liffe
Hong Kong	the Hong Kong Exchanges & Clearing Limited
Italy	the Italian Derivatives Market
Japan	the Osaka Securities Exchange the Tokyo Stock Exchange
Singapore	the Singapore Exchange
United States	the CME Group Inc

3. In respect of Liontrust Sustainable Future European Growth Fund:

EUREX	EUREX
Euronext	Euronext.Liffe
Italy	the Italian Derivatives Market
Netherlands	Euronext Amsterdam
Spain	the BME Spanish Exchange
United States	the CME Group Inc

4. In respect of Liontrust Sustainable Future Corporate Bond Fund:

EUREX	EUREX
Euronext	Euronext.Liffe
Italy	the Italian Derivatives Market

Spain the MEFF Madrid

5. In respect of Liontrust Sustainable Future Cautious Managed Fund, Liontrust Sustainable Future Defensive Managed Fund and Liontrust Sustainable Future Managed Fund:

Australia	the ASX Limited
EUREX	EUREX
Euronext	Euronext.Liffe
Hong Kong	the Hong Kong Exchanges & Clearing Limited
in Italy	the Italian Derivatives Market
in Japan	the Osaka Securities Exchange
	the Tokyo Stock Exchange
Korea	the Korean Exchange Incorporated
Singapore	the Singapore Exchange
Spain	the MEFF Madrid
United States	the CME Group Inc

6. In respect of Liontrust UK Ethical Fund and the Liontrust Sustainable Future UK Growth Fund:

United States	the New York Stock Exchange Euronext. NASDAQ
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## **Appendix V**

### **ICVCs and Authorised Unit Trusts Managed by the ACD**

The ACD of the Company is also the ACD of the following ICVCs which are authorised by the FCA as "umbrella" companies, in that the companies issue shares linked to different funds which have been established.

- Liontrust Investment Funds ICVC
- Liontrust Investment Funds I
- Liontrust Investment Funds II
- Liontrust Investment Funds IV
- Liontrust Multi-Asset Global Solutions ICVC
- Liontrust Multi-Asset Investments ICVC
- Liontrust Multi-Asset Investments ICVC II

The ACD of the Company is also the Authorised Unit Trust Manager of the following Unit Trusts which are authorised by the FCA:

- Liontrust European Growth Fund (PRN: 455122)
- Liontrust Special Situations Fund (PRN: 436425)
- Liontrust UK Growth Fund (PRN: 155331)
- Liontrust UK Micro Cap Fund (PRN: 731966)
- Liontrust UK Smaller Companies Fund (PRN: 172653)
- Liontrust Balanced Fund (PRN: 200138)



## Appendix VI

### Past Performance

The performance shown in the tables below is for a *Fund* not a product so any performance your investment achieves will be affected by the product charges. **Please do not take past performance as a guide to future performance. The value of your investment and any income you receive from it can go down as well as up. You may get back less than the amount you originally invested.**

Source for all figures: Financial Express. All performance figures are on a total return basis, no Initial Charge, net of tax, income reinvested to 31 December 2017. **The figures do not include the effect of the Initial Charge and any redemption fees.**

#### **Share Class 2** – Yearly performance figures over five years

Fund	31/12/2020 to 31/12/2021	31/12/2019 to 31/12/2020	31/12/2018 to 31/12/2019	31/12/2017 to 31/12/2018	31/12/2016 to 31/12/2017
Liontrust Sustainable Future Managed Growth Fund (Accumulation)	16.53	33.17	26.41	1.10	18.09
Liontrust Sustainable Future Global Growth Fund (Accumulation)	17.38	32.3	29.45	1.27	18.81
Liontrust Sustainable Future UK Growth Fund (Accumulation)	12.47	5.34	30.21	-6.65	20.74
Liontrust Sustainable Future European Growth Fund (Accumulation)	13.72	24.31	25.88	-14.79	19.79

Liontrust Sustainable Future Managed Fund (Income)	13.45	21.26	24.74	-0.54	16.05
Liontrust Sustainable Future Corporate Bond Fund (Income)	-1.96	7.03	11.77	-3.63	7.18
Liontrust UK Ethical Fund (Accumulation)	10.43	2.81	37.83	-7.31	22.52
Liontrust Sustainable Future Cautious Managed Fund (Income)	9.20	12.77	19.47	-2.24	13.44
Liontrust Sustainable Future Defensive Managed Fund (Income)	6.82	11.30	16.80	-2.19	11.86

## Appendix VII

### 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	Buenos Aires
<b>Australia</b>	Citigroup Pty Limited	Melbourne
<b>Australia</b>	The Hongkong and Shanghai Banking Corporation	Hong Kong
<b>Austria</b>	UniCredit Bank Austria AG	Vienna
<b>Bahrain</b>	HSBC Bank Middle East Limited	Bahrain
<b>Bangladesh</b>	The Hongkong and Shanghai Banking Corporation Limited	Hong Kong
<b>Belgium</b>	The Bank of New York Mellon SA/NV	Belgium
<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 de Chile	Santiago
<b>Chile</b>	Itaú Corpbanca S.A.	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>	BNP Paribas Securities Services	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>Eswatini</b>	Standard Bank Eswatini Limited	Mbabane
<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, Asset Servicing, Niederlassung Frankfurt am Main	Frankfurt
<b>Ghana</b>	Stanbic Bank Ghana Limited	Accra
<b>Greece</b>	BNP Paribas Securities Services	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	Jordan
<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>	Deutsche Bank (Malaysia) Berhad	Kuala Lumpur
<b>Malta</b>	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main	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
<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.	Sultanate of Oman
<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>	Deutsche Bank AG	Taguig 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>	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>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).