

**Evelyn Partners Fund Solutions Limited**

**Prospectus**

**Magnum Trust (the 'Trust')**

**(A UK UCITS scheme with FCA Product Reference Number: 143919)**

**Valid as at 18 March 2024**

**Gresham Street**

**London**

**EC2V 7BG**

***Telephone: 020 7131 4000 (general)***

***Telephone: 0141 222 1150 (Dealing)***

***Telephone: 0141 222 1151 (Enquiries)***

**PROSPECTUS**  
**OF**  
**Magnum Trust**

This document constitutes the Prospectus for Magnum Trust (the “Trust”) which has been prepared in accordance with the terms of the rules contained in the Collective Investment Schemes Sourcebook (the “FCA Regulations”) published by the FCA as part of their Handbook of rules made under the Financial Services and Markets Act 2000 (the “Act”).

The Prospectus is dated and is valid as at 18 March 2024.

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

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

This Prospectus has been prepared solely for, and is being made available to investors for the purposes of evaluating an investment in Units in Trust. Investors should only consider investing in the Trust if they understand the risks involved including the risk of losing all capital invested.

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 The Manager is not bound by any out of date prospectus when it has issued a new prospectus and potential investors should check that they have the most recently published prospectus.

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

The Trustee is not a person responsible for the information contained in this Prospectus and accordingly does not accept any responsibility therefore under the FCA Regulations or otherwise.

The value of units can go down as well as up and you may not get back the full amount invested. Tax reliefs referred to are those currently available. The levels and bases of, and relief from, taxation may change in the future and their value depends on the individual circumstances of the investor. Changes in rates of exchange may also cause the value of units to fluctuate. This is not an offer or a solicitation to buy or sell any investment referred to in this document. The issuer and its affiliates and/or their officers, directors and employees may own or have positions in any investment mentioned herein or any investment related thereto and from time to time may add to or dispose of any such investment.

All communications in relation to this Prospectus shall be in English.

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## DEFINITIONS

“Act”	Financial Services and Markets Act 2000 as amended;
“Accumulation Unit”	units in the Trust as may be in issue from time to time in respect of which income allocated thereto is credited periodically to capital pursuant to the FCA Rules;
“Approved Bank”	(in relation to a bank account opened by the Manager): (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 (iv) a building society; or (v) 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 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 (iv) a bank supervised by the South African Reserve Bank
“Approved Derivative”	an approved derivative is one which is traded or dealt on an eligible derivatives market and any transaction in such a derivative must be effected on or under the rules of the market;
“Auditor”	Johnston Carmichael LLP, or such other entity as is appointed to act as auditor to the Trust from time to time;

“Business Day”	a day on which the London Stock Exchange is open. If the London Stock Exchange is closed as a result of a holiday or for any other reason, or there is a holiday elsewhere or other reason which impedes the calculation of the fair market value of the Trust’s portfolio of securities or a significant portion thereof, the Manager may decide that any business day shall not be construed as such;
“Class” or “Classes”	in relation to Units, means (according to the context) a particular class or classes of unit;
“COLL”	refers to the appropriate chapter or rule in the COLL Sourcebook;
“the COLL Sourcebook”	the Collective Investment Schemes Sourcebook issued by the FCA as amended;
“Client Money”	any money that a firm receives from or holds for, or on behalf of, a unitholder in the course of, or in connection with, its business unless otherwise specified;
“Dealing Day”	Each Business Day;
“EEA State”	a member state of the European Union or any other state which is within the European Economic Area;
“Efficient Portfolio Management”	an investment technique where derivatives are used for one or more of the following purposes: reduction of risk, reduction of cost or generation of additional capital or income with an acceptably low level of risk;
“Eligible Institution”	one of certain eligible institutions as defined in the glossary of definitions to the FCA Handbook;
“EMT”	European MiFID Template;
“EUWA”	the European Union Withdrawal Act 2018;

“FCA”	the Financial Conduct Authority or such successor regulator authority as may be appointed from time to time, and (where applicable) its predecessors including the Financial Services Authority;
“FCA Regulations”	the rules contained in the Collective Investment Schemes Sourcebook (COLL) as part of the FCA Rules as they may be amended or updated from time to time;
“FCA Rules”	the FCA’s Handbook of Rules and Guidance (including the COLL Sourcebook);
“Hedging”	the use of derivative transactions (which the Manager reasonably believes to be economically appropriate and to be fully covered) to reduce risk and cost to the Trust and to generate additional capital or income with no, or with an acceptably low level of risk;
“Income Unit”	net paying units, denominated in base currency, in the Trust as may be in issue from time to time in respect of which income allocated thereto is distributed periodically to the holders thereof pursuant to the FCA Rules net of any tax deducted or accounted for by the Trust;
“Investment Manager”	Evelyn Partners Investment Management LLP, the investment Manager to the Manager in respect of the Trust;
“Manager”	Evelyn Partners Fund Solutions Limited, the manager of the Trust;
“MiFID II”	Markets in Financial Instruments Directive, effective from 3 January 2018, or the statutory equivalent thereof, which forms part of UK law by virtue of the EUWA, as applicable;
“Net Asset Value” or “NAV”	the value of the Scheme Property less the liabilities of the Trust as calculated in accordance with the Trust Deed;
“Register”	the register of Unitholders of the Trust;

“Registrar”	Evelyn Partners Fund Solutions Limited, or such other entity as is appointed to act as Registrar and maintain the register to the Trust from time to time;
“Regulated Activities Order”	the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544) as amended;
“Scheme Property”	the scheme property of the Trust required under the COLL Sourcebook to be given for safekeeping to the Trustee, s required by the FCA Regulations;
“SDRT”	stamp duty reserve tax;
“Trust Deed”	the trust deed constituting the Trust, as amended in accordance with the COLL Sourcebook;
“Trust”	Magnum Trust;
“Trustee”	NatWest Trustee & Depositary Services Limited, or such other entity as is appointed to act as Trustee;
“UCITS Directive”	the EC Directive on Undertakings for Collective Investment in Transferable Securities, or the statutory equivalent thereof which forms part of UK law by virtue of the EUWA, as applicable;
“UK UCITS scheme”	In accordance with sections 236A and 237 of the Financial Services and Markets Act 2000, a collective investment scheme which may consist of several sub-funds, which is either an authorised unit trust scheme, an authorised contractual scheme, or an authorised open-ended investment company with the sole object of collective investment of capital raised from the public in transferable securities or other liquid financial assets, operating on the principle of risk-spreading, with units which are, at the request of holders, repurchased or redeemed, directly or indirectly, out of those undertakings’ assets, and which has identified itself as a UCITS in its prospectus and has been authorised accordingly by the FCA;



“Unit” or “Units”	a unit or units in the Trust;
“Unitholder”	a holder of registered Units in the Trust and whose name is entered on the register in relation to that unit;
“Valuation Point”	the point on a Dealing Day whether on a periodic basis or for a particular valuation, at which the Manager carries out a valuation of the Scheme Property for the Trust for the purpose of determining the price at which Units of a Class may be issued, cancelled or redeemed. The current Valuation Point is 12.00 p.m. London time on each Dealing Day, with the exception of any bank holiday in England and Wales or the last business day prior to those days annually, where the valuation may be carried out at a time agreed in advance between the Manager and the Trustee;
“VAT”	value added tax.

## **The Manager**

Evelyn Partners Fund Solutions Limited ('the Manager') is a private Company incorporated in England and Wales on 30 July 1985 (Registered Company No 1934644). The ultimate holding company is Evelyn Partners Group Limited, incorporated in England and Wales with registered number 08741768. The manager is authorised and regulated in the conduct of investment business by the Financial Conduct Authority ("the FCA").

Registered Office:

45 Gresham Street  
London  
EC2V 7BG

Issued and paid-up share capital:

£50,000 divided into Ordinary Shares of £1 each, fully paid.

The Directors of Evelyn Partners Fund Solutions Limited are set out in Appendix 6.

As at the date of this Prospectus, the Manager also acts as authorised corporate director or manager of the authorised funds set out in Appendix 7.

The initial and annual fees of the Manager are as set out in Appendix 1.

Upon termination of the Manager Agreement and the appointment of another Manager (the New Manager), the Manager may transfer any sums being held as client money to the New Manager, who will continue to hold the money in accordance with FCA client money rules.

The Unitholder will be given the opportunity, upon request, to have the proceeds returned by submitting a written request to the Transfer Agency team at 177 Bothwell Street, Glasgow, G2 7ER.

## **The Trustee**

NatWest Trustee & Depositary Services Limited is the Trustee of the Trust.

The Trustee is incorporated in England as a private limited company. Its registered and head office is at 250 Bishopsgate, London EC2M 4AA. The ultimate holding company of the Trustee is NatWest Group plc, which is incorporated in Scotland. The principal business activity of the Trustee is the provision of trustee and depositary services.

## **Duties of the Trustee**

The Trustee is responsible for the safekeeping of scheme property, monitoring the cash flows of the Trust, and must ensure that certain processes carried out by the Manager are performed in accordance with the applicable rules and scheme documents.

### **Conflicts of interest**

The Trustee may act as the depositary of other open-ended investment companies and as trustee or custodian of other collective investment schemes.

It is possible that the Trustee and/or its delegates and sub-delegates may in the course of its or their business be involved in other financial and professional activities which may on occasion have potential conflicts of interest with the UK UCITS or a particular Sub-fund and/or other funds managed by the Manager or other funds for which the Trustee acts as the depositary, trustee or custodian. The Trustee will, however, have regard in such event to its obligations under the Depositary Agreement and the FCA Rules and, in particular, will use reasonable endeavours to ensure that the performance of its duties will not be impaired by any such involvement it may have and that any conflicts which may arise will be resolved fairly and in the best interests of Unitholders collectively so far as practicable, having regard to its obligations to other clients.

The Trustee operates independently from the Trust, Investors, the Manager and its associated suppliers and the Custodian. As such, the Trustee does not anticipate any conflicts of interest with any of the aforementioned parties.

### **Delegation of Safekeeping Functions**

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

The Trustee has delegated safekeeping of the Scheme Property to CACEIS Bank, UK Branch (“the Custodian”). In turn, the Custodian has delegated the custody of assets in certain markets in which the Trust may invest to various sub-delegates (“sub-custodians”). A list of sub-custodians is available from the Manager on request.

### **Updated Information**

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

### **Terms of Appointment**

The Trustee was appointed as the trustee of the UK UCITS by virtue of the Trust Deed and is a Bank authorised by the Regulator to act as trustee of a UK UCITS.

The Trustee was appointed as trustee under a Depositary Agreement between the Manager, the Trust and the Trustee (the “Depositary Agreement”). Under the Depositary Agreement, the Trustee is free to render similar services to others and the Trustee, the Trust and the Manager are subject to a duty not to disclose confidential information.

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

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

However, the Depositary Agreement excludes the Trustee from any liability except in the case of fraud, wilful default, negligence or failure to exercise due care and diligence in the performance or non-performance of its obligations.

It also provides that the Trustee will be entitled to be indemnified from the Scheme Property for any loss suffered in the performance or non-performance of its obligations except in the case of fraud, wilful default, negligence or failure to exercise due care and diligence on its part.

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

Details of the fees payable to the Trustee are given in the Trustee’s Fees section.

## **The Investment Manager**

### **Evelyn Partners Investment Management LLP**

Evelyn Partners Investment Management LLP acts as Investment Manager to the Trust and is incorporated in England and Wales.

The principal activity of Evelyn Partners Investment Management LLP is investment management.

The Investment Manager’s registered office is:

45 Gresham Street  
London  
EC2V 7BG

An agreement has been made whereby the Investment Manager has been granted the authority to manage and make purchases and sales of investments for the Trust on the Manager's behalf and as the Manager's agent, in accordance with the objectives laid down by the Manager and the provisions of the Trust Deed and the Regulations.

The Investment Manager has discretion to buy, sell, retain, exchange or otherwise deal in investments, subscribe for new issues, and accept placings, underwritings or sub-underwritings for the Trust.

Either party may terminate the agreement at any time by three months written notice to the other. Notwithstanding this, the Manager may terminate the agreement with immediate effect if that is in the interests of the Unitholders.

Copies of the Investment Manager's execution and voting policies are available from the Manager on request.

### **The Registrar**

The Manager maintains a register of participants (the 'Register') of the Trust, which may be inspected at the office of the Manager at 177 Bothwell Street, Glasgow, G2 7ER, by or on behalf of the unit holders, on any business day during normal business hours.

The Register is conclusive evidence of the title to units except in the case of any default in payment or transfer to the Trust of cash or other property due and the Trustee and the Manager are not obliged to take notice of any trust or equity or other interest affecting the title to any of the units. The interest of an investor in a Trust is the beneficial interest of a beneficiary under a trust.

### **The Auditor**

The Auditor of the Trusts is Johnston Carmichael LLP, whose address is Bishop's Court, 29 Albyn Place, Aberdeen, AB10 1YL (the 'Auditor').

### **Conflicts of Interest**

The Manager, the Trustee and the Investment Manager are or may be involved in other financial, investment and professional activities which may, on occasion, cause conflicts of interest with the management of the Trust. In addition, the Trust may enter into transactions at arm's length with trusts in the same group as the Trust.

The Manager maintains a written conflict of interest policy. The Manager acknowledges that there may be some situations where the organisational or administrative arrangements in place for the management of conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the Trust or its unitholders will be prevented. Should any such situations arise the Manager will, as a last resort if the conflict cannot be avoided, disclose

these to unitholders in the report and accounts or otherwise an appropriate format.

Each of the parties will, to the extent of their ability and in compliance with the FCA Rules, ensure that the performance of their respective duties will not be impaired by any such involvement.

Transactions may be effected in which the Manager or the Investment Manager has, either directly or indirectly, an interest that may potentially involve a conflict of its obligation to the Trust. Where a conflict cannot be avoided, the Manager and Investment Manager will have regard to their fiduciary responsibilities to act in the best interests of the Trust and its investors. The Manager and Investment Manager will ensure that investors are treated fairly and that such transactions are effected on terms which are not less favourable to the Trust than if the potential conflict had not existed.

The Trustee may, from time to time, act as Trustee of other trusts or funds.

Copies of the Manager's and the Investment Manager's conflicts of interest policies are available from the Manager on request.

### **Client Money**

As required by the FCA's client money rules the Manager will hold money received from clients or on the client's behalf in accordance with those rules in a pooled client bank account, with an approved bank (as defined in the FCA Rules) in the UK.

No interest payment will be made on client money held by the Manager. Client money will be held in a designated client money account with NatWest Group plc.

The Manager will not be liable for any acts or omissions of the approved bank. The approved bank will be responsible for any acts or omissions within its control.

In the event of the insolvency of any party, clients' money may be pooled which means that unitholders may not have a claim against a specific account and may not receive their full entitlement, as any shortfall may be shared pro rata amongst all clients.

The Manager is covered by the Financial Services Compensation Scheme (FSCS). The FSCS may pay compensation if the Manager is unable to meet its financial obligations. For further information about the compensation provided by the FSCS (including the amounts covered and eligibility to claim) refer to the FSCS website [www.FSCS.org.uk](http://www.FSCS.org.uk) or call the FSCS on 020 7741 4100 or 0800 678 1100

### **Purchase and Redemption of Units**

The dealing office of the Manager is open from 9.00 am until 5.00 pm on each Business Day to receive requests for the purchase and redemption of Units, which will be effected at prices determined at the next Valuation Point following receipt of such request. Telephone calls may

be recorded for training and monitoring purposes. The Manager may also, at its discretion, introduce further methods of dealing in Units in the future.

### **Purchase of Units**

Where minimum investment levels allows initial investments can only be made by sending a completed application form to the Manager's Transfer Agency Team at 177 Bothwell Street, Glasgow, G2 7ER, either (i) accompanied by a cheque (up to a maximum value of £50,000) or (ii) having made a telegraphic transfer to the Manager's bank account. Application forms are available from the Transfer Agency Team. The Manager will accept written instructions with payment on subsequent transactions which can be carried out by writing to the Transfer Agency Team at 177 Bothwell Street, Glasgow, G2 7ER. The Manager will also accept telephone instructions from FCA regulated entities on subsequent transactions which can be done by telephoning the Transfer Agency Team on 0141 222 1150. Telephone calls may be recorded by the Manager, its delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes, please see paragraph "Telephone Recordings" below for further information. The Manager may accept applications to purchase units by electronic communication. Electronic communication does not include email.

Where an instruction has been received by telephone, settlement is due within 4 Business Days of the Valuation Point. Purchases made by telephone are subject to risk limits at the Manager's discretion, and the Manager may at its discretion reject or defer an instruction to purchase Units until it is in receipt of cleared funds for the purchase (when the purchase of Units will be placed at the next Valuation Point following receipt of cleared funds). An order for the purchase of Units will only be deemed to have been accepted by the Manager once it is in receipt of cleared funds for the application.

The Manager, at its discretion has the right to cancel a purchase deal if settlement is materially overdue (being more than 5 Business Days of receipt of an application form or other instruction) and any loss arising on such cancellation shall be the liability of the applicant. The Manager is not obliged to issue Units unless it has received cleared funds from an investor

The Manager reserves the right to charge interest at 4% per annum above the prevailing Bank of England Base rate, on the value of any settlement received later than the 4th Business Day following the Valuation Point.

The Manager has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for units in whole or part, and in this event the Manager will return any money sent, or the balance of such monies, at the risk of the applicant. In addition the Manager may reject any application previously accepted in

circumstances where the applicant has paid by cheque and that cheque subsequently fails to be cleared.

A contract note will be sent to the buyer of units (or the first named unitholder, in the case of Joint Holdings) on the next business day after the valuation point applicable to the deal. The contract note will show the price of the units and the total cost to the Unitholder. Settlement is due upon receipt of the contract note if this did not accompany the purchase instruction.

The Trust is non-certificated.

No interest payment will be made on client money held by the Manager, prior to investment in the trusts. Client money will be held in designated client money accounts with NatWest Group plc.

Unitholders have a right to cancel their transactions within 14 calendar days of receipt of their contract note. If a Unitholder cancels their contract, they will receive a refund of the amount that they invested including the initial charge either in full or less a deduction to reflect any fall in unit price since they invested. This may result in a loss on the part of Unitholders. If Unitholders wish to exercise their right to cancel, they should write to the Transfer Agency Team at 177 Bothwell Street, Glasgow, G2 7ER. Unitholders will not be able to exercise their cancellation rights after 14 calendar days of receipt of their contract note. Unitholders should note that in certain circumstances, there may be a delay in returning their investment.

If a Unitholder requests, the Manager may, at its discretion and subject to the approval of the Investment Manager and the Trustee, arrange for the Trust to accept securities in settlement of a purchase of units in the Trust as provided for in the Regulations. In particular, the Manager and Trustee will only do so where satisfied that the acceptance of the assets concerned would not likely to result in any material prejudice to the interests of the Unitholders.

### **Redemption of Units**

Requests to redeem Units may be made in writing to the Manager's Transfer Agency team at 177 Bothwell Street, Glasgow, G2 7ER. The Manager may also, at its discretion and by prior agreement, accept instructions to redeem units from FCA regulated entities by telephone on 0141 222 1150 or by fax. The transaction will be executed at the next available valuation point pertaining to the Trust. Telephone calls may be recorded by the Manager, its delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes, please see paragraph "Telephone Recordings" below for further information.

The Manager may accept requests to sell or transfer Units by electronic communication. Electronic communication does not include email.

The Manager will send a repurchase contract note by close of business on the next business day following the valuation point applicable to the deal. Within 4 business days after receipt of the signed form of



renunciation, payment will be made by BACS or telegraphic transfer. A delay in payment could arise if the Unitholder has not notified the Manager of a change of address. The Manager will not accept any liability for loss of interest or profit for any such delays.

If a Unitholder requests the redemption of units the Manager may, where it considers the deal to be substantial in relation to the total size of the Trust concerned, arrange that in place of payment of the price of the units in cash, the Trust cancels the units and transfers Trust property or, if required by the Unitholder, the net proceeds of sale of relevant Trust property, to the Unitholder.

### **Switching**

If applicable, a holder of Units may at any time switch all or some of his Units ("old Units") for Units of another Fund ("new Units"). The number of new Units issued will be determined by reference to the respective prices of new Units and old Units at the valuation point applicable at the time the old Units are repurchased and the new Units are issued.

Switching may be effected by writing to the Manager at 177 Bothwell Street, Glasgow, G2 7ER. A switching unitholder must be eligible to hold the units into which the switch is to be made. The Manager may at its sole discretion and by prior agreement, accept switching instructions by telephone from FCA regulated entities only. Telephone calls may be recorded by the Manager, its delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes, please see paragraph "Telephone Recordings" below for further information. The Manager may accept requests to switch Units by electronic communication. Electronic communication does not include email.

The Manager may at its discretion charge a fee on the switching of Units between Funds.

If the switch would result in the Unitholder holding a number of old Units or new Units of a value which is less than the minimum holding, the Manager may, if it thinks fit, convert the whole of the applicant's holding of old Units to new Units or refuse to effect any switch of the old Units. No switch will be made during any period when the right of Unitholders to require the redemption of their Units is suspended (as to which see Section 'Suspension of Dealings' below). The general provisions on selling Units shall apply equally to a switch.

The Manager may adjust the number of new Units to be issued to reflect the imposition of any switching fee together with any other charges or levies in respect of the issue or sale of the new Units or repurchase or cancellation of the old Units as may be permitted pursuant to the FCA Regulations.

A switch of Units between different Funds will be deemed to be a realisation for the purposes of capital gains taxation.

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

### **Class Conversions**

If applicable, a holder of units in a Unit Class (“Old Class Units”) of a Fund may exchange all or some of his units for units of a different Unit Class within the same Fund (“New Class Units”). An exchange of Old Class Units for New Class Units will be processed as a conversion (“Unit Class Conversion”). Unlike a Switch, a conversion of Old Class Units into New Class Units will not involve a redemption and issue of units.

For the purposes of Income Equalisation the New Class Units will receive the same treatment as the Old Class Units. The number of New Class Units issued will be determined by a conversion factor calculated by reference to the respective prices of New Units and Old Units at the valuation point applicable at the time the Old Class Units are converted to New Class Units.

Unit Class Conversions may be effected in writing to the Transfer Agency Team. A converting unitholder must be eligible to hold the units into which the Unit Class Conversion is to be made.

It is the Manager’s intention that Unit Class Conversions will be processed at the next Valuation Point following receipt of the instruction, however the Manager reserves the right to defer a Unit Class Conversion until no later than after the next Annual Accounting Date if it is in the interests of other Unitholders. The Manager may accept requests to convert Units by electronic communication. Electronic communication does not include email.

If the Unit Class Conversion would result in the Unitholder holding a number of Old Class Units or New Class Units of a value which is less than the minimum holding in the Unit Class concerned, the Manager may, if it thinks fit, convert the whole of the applicant’s holding of Old Class Units to New Class Units or refuse to effect any Unit Class Conversion of the Old Units.

Please note that, under current tax law, a Unit Class Conversion of units between different unit classes in the same Fund will not be deemed to be a realisation for the purposes of capital gains taxation.

A unitholder who converts their units in one unit class to units in a different unit class in the same Fund will not be given a right by law to withdraw from or cancel the transaction.

### **Money Laundering**

As a result of legislation in force in the United Kingdom to prevent money laundering, persons conducting investment business are responsible for compliance with money laundering regulations. In order to implement these procedures, in certain circumstances investors may be asked to provide proof of identity when buying units. The Manager reserves the right to reverse the transaction, to refuse to sell Units or to

refuse the release of redemption proceeds if it is not satisfied as to the identity of the applicant.

### **Restrictions and Compulsory Transfer and Redemption**

The Manager may from time to time impose such restrictions as it may think necessary for the purpose of ensuring that no units are acquired or held by any person in breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory. In this connection, the Manager may, inter alia, reject in its discretion any application for the purchase, sale or transfer of Units.

### **Suspension of Dealings**

The Manager may, with the agreement of the Trustee, or must if the Trustee so requires, temporarily suspend the issue, cancellation, sale and redemption of Units in the Trust, if the Manager or the Trustee is of the opinion that due to exceptional circumstances it is in the interests of all the Unitholders. The suspension will only be permitted to continue for as long as it is justified having regard to the interests of the Unitholders. The Manager and the Trustee must formally review the suspension at least every 28 days and inform the FCA of the result of this review with a view to ending the suspension as soon as practicable after the exceptional circumstances have ceased. The Manager will notify all Unitholders of the suspension in writing as soon as practicable and will publish details to keep Unitholders appropriately informed about the suspension, including its likely duration.

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

**IMPORTANT NOTE:** The Manager reserves the right to cancel, in whole or in part, any contract in respect of which payment remains overdue and to recover any resulting loss.

### **Prices of Units**

The Manager will, on the completion of each valuation, advise the Trustee of the price for units in the trusts. These are the prices which the Manager must pay to the Trustee or which the Manager will receive from the Trustee upon the sale or cancellation of units. The Manager deals as principal and accordingly the price that is published from time to time is the price that is relevant to unitholders or potential unitholders. This price must not be greater than the applicable price on that day plus the Manager's preliminary charge. The Manager will notify the Trustee of the maximum issue price and the minimum redemption price at which dealings have occurred. The redemption price last notified to the Trustee is available on request from the Manager.

### **Policy on Pricing**

The Trust deals solely on a 'Forward' basis i.e. all transactions (purchase or repurchase) will be executed at the next valuation point following receipt of instructions to deal. In accordance with the Regulations, the Manager may transact unit dealings outside of the range noted in 'Prices of Units' above when executing 'large' purchase or repurchase transactions. For this purpose, a 'large' transaction is considered by the Manager to be one in excess of £20,000 consideration. If such pricing variation is to occur, the Manager will inform the unitholder/purchaser at the time at which the transaction is placed.

### **Minimum Investment/Holdings**

The minimum values of initial investment, additional investment, redemption of units and retained holdings are shown within the respective Trust details, found in Appendix 1 of this document. The Manager may exceptionally, at his discretion, waive such values from time to time.

### **The Manager's Box**

The Manager may run a 'box' (i.e. hold units in the Trust in its own accounts).

It is not the intention of the Manager to make a profit from the box, however, it may inadvertently do so. The Manager will return any profits made from the box to the Trust.

### **Valuation**

The property will be valued on the offer basis for the purpose of calculating the issue price of units and the amount of the initial charge and on the bid basis for the purpose of calculating the cancellation price of units. The Manager may at any time during a business day carry out an additional valuation if the Manager considers it desirable to do so.

The basis of valuation of the Trust is as set out in Appendix 4.

### **Base Currency**

The base currency in which the Trust will be denominated is the Pounds Sterling or such other currency as may be the lawful currency of the UK from time to time.

### **Publication of Prices and Yields**

Unitholders can obtain the price of their units by calling 0141 222 1151 (local rate) or going to [www.trustnet.com](http://www.trustnet.com)

### **Characteristics of Units**

A unit trust is a collective form of investment and the Trust is divided into equal portions or 'units'. The right represented by units is that of a beneficial interest under a trust. Unitholders are allocated units in proportion to the size of their investments in the Trust.

Income Units and Accumulation Units are issued in the Trust.

Holders of income Units are entitled to be paid the distributable income attributed to such Units on any relevant interim and annual allocation dates.

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

Unitholders are not liable for the debts of the Trust.

### **Evidence of Title**

Title to units will be evidenced by entries in a Register of Unitholders. An entitlement to participate in the property of the Trust will be divided equally between units of the same class in it.

Details of the number and type of units held will be notified to unitholders on the regular tax vouchers issued every six months. Holding confirmations will also be available from the Manager, free of charge, on request.

### **Investment Restrictions**

The limits on investment are set out in Chapter 5 of the Regulations, a summary of which, as applied to the Trust, is as follows:

#### **(i) Transferable Securities**

There is no limit on the value of the property of the Trust that may consist of 'approved securities' within the meaning of the Regulations (i.e. transferable securities which are admitted to official listing in the UK or a member state of the EC or traded on or under the rules of an eligible securities market or which have been recently issued on terms that an application for listing would be made to an exchange or market).

Up to 10% in value of the Trust's property may consist of transferable securities which are not 'approved securities' within the meaning of the Regulations.

Up to 35% of the property of the Trust may be invested in Government and public securities issued by any one body. Subject to this restriction, there is no limit on the amount of the scheme property of a Trust which may be invested in such securities or in any one issue.

Save in respect of Government and public securities, no more than 5% in value of the Trust's property may consist of transferable securities issued by any one issuer, but this latter limit can be regarded as 10% provided that the total value of securities held does not exceed 40% of the value of the property of that Trust.

## (ii) Warrants

Up to 5% of the value of the property of the Trust may consist of warrants but the Trust has power to invest in warrants only if it can be reasonably foreseen that the rights to subscribe conferred by such warrants could be exercised without contravening the Regulations. The Trust also has power to invest in nil or partly paid transferable securities but only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be met by the Trust at the time when payment is required without contravening the Regulations.

## (iii) Collective Investment Schemes

Up to 100% in value of the scheme property of the Trust may be invested in units or shares in other schemes. Investment may only be made in another collective investment scheme managed by the Manager or an associate of the Manager if COLL 5.2.15 is complied with, i.e. effectively there is no double charging of the initial charge. The maximum level of management fees which may be charged to any collective investment scheme in which the Trust invest is 5%.

No more than 20% in value of the Scheme Property is to consist of the units or shares of any one second scheme. No more than 30% of the value of the scheme may be invested in second schemes under (b) to (e) below. Investment may only be made in second schemes whose maximum annual management charge does not exceed 5%.

The second scheme must fall within one of the following categories:

- a) be a UK UCITS or satisfy the conditions necessary for it to enjoy the rights conferred by the UCITS Directive as implemented in the EEA; or
- b) be a recognised scheme under the provisions of Section 272 of the Act (Schemes authorised in designated countries or territories); or
- c) be authorised as a non-UCITS retail scheme (provided certain requirements are met); or
- d) the scheme is authorised in an EEA state (provided certain requirements are met); or
- e) the scheme is authorised by the competent authority of an OECD member country (other than an EEA state) which has:

(i) signed the IOSCO Multilateral Memorandum of Understanding; and

(ii) approved the scheme's management company, rules and trustee/custody arrangements, provided certain requirements are met;

and the second scheme satisfies the requirements in (f) and (g) below:

f) it complies with certain restrictions set out in the FCA Regulations including restrictions designated to avoid double charging;

g) it is a scheme which has 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 these provisions apply to each sub fund as if it were a separate scheme.

#### (iv) Money Market Instruments

Up to 100% in value of the Trust property may consist of money market instruments, which are normally held on the money market, are liquid and whose value can be accurately determined at any time provided that the money market instrument is listed or normally dealt with on an eligible market, or is issued or guaranteed by one of: the government of the United Kingdom and Northern Ireland, the governments of Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain and Sweden and the governments of Australia, Canada, Japan, New Zealand, Switzerland and the United States of America; 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 UK or Community 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 UK or Community law.

Up to 20% in value of the Trust property can consist of deposits with a single body. The Trust may only invest in deposits with an approved bank and which are repayable on demand, or have the right to be withdrawn, and maturing in no more than 12 months.

Subject to certain conditions set out in the Regulations, underwriting or sub-underwriting transactions and stock lending transactions may be entered into on behalf of the Trust.

#### Use of Derivatives

Derivative transactions may be used for the purposes of hedging. Where derivatives are used for hedging or in accordance with efficient portfolio management<sup>1</sup> **techniques then this will not compromise the risk**

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<sup>1</sup> The Trust may also utilise the Scheme Property to enter into transactions for the purposes of Efficient Portfolio Management ("EPM"). Permitted EPM transactions (excluding stock lending arrangements) are transactions in derivatives e.g. to hedge against price or currency fluctuations, dealt with or traded on an eligible derivatives market; off-exchange options or contracts for differences resembling options; or synthetic futures in certain circumstances. The Manager must take reasonable care to ensure that the transaction is economically appropriate to the reduction of the relevant risks (whether in the price of investments, interest rates or exchange rates) or to the reduction of the relevant costs and/or to the generation of additional capital or income with a risk level which is consistent with the risk profile of the Trust and the risk diversification rules laid down in the FCA Regulations. The exposure must be fully "covered" by cash and/or other property sufficient to meet any obligation to pay or deliver that could arise.

Permitted transactions are those that the Trust reasonably regards as economically appropriate to EPM, that is:

- (i) Transactions undertaken to reduce risk or cost in terms of fluctuations in prices, interest rates or exchange rates where the Manager reasonably believes that the transaction will diminish a risk or cost of a kind or level which it is sensible to reduce; or
- (ii) Transactions for the generation of additional capital growth or income for the Trust by taking advantage of gains which the Manager reasonably believes are certain to be made (or certain, barring events which are not reasonably foreseeable) as a result of:

**profile of the Trusts. Use of derivatives will not contravene any relevant investment objectives or limits.**

In broad terms, the Regulations permit the following techniques:

Except as set out in (c) and (e) below there is no upper limit on the use of transactions in derivatives or forward transactions for the Trusts but they must fall under (a) and (b).

- (a) A transaction in a derivative or forward transaction must:
  - (1)
    - (a) be an approved derivative; or
    - (b) OTC 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 Regulations, must be on approved terms as to valuation and close out and must be capable of valuation.
  - (2) have the underlying consisting of any or all of the following to which the Trust is dedicated:
    - (a) transferable securities;
    - (b) permitted money market instruments;
    - (c) permitted deposits;
    - (d) permitted derivatives;
    - (e) permitted collective investment scheme units or shares;
    - (f) financial indices;
    - (g) interest rates;
    - (h) foreign exchange rates; and

- 
- (a) pricing imperfections in the market as regards the property which the Trust holds or may hold; or
  - (b) receiving a premium for the writing of a covered call option or a cash covered put option on property of the Trust which the Trust is willing to buy or sell at the exercise price, or
  - (c) stock lending arrangements.

A permitted arrangement in this context may at any time be closed out.

Transactions may take the form of "derivatives transactions" (that is, transactions in options, futures or contracts for differences) or forward currency transactions. A derivatives transaction must either be in a derivative which is traded or dealt in on an eligible derivatives market (and effected in accordance with the rules of that market), or be an off-exchange derivative which complies with the relevant conditions set out in the FCA Regulations, or be a "synthetic future" (i.e. a composite derivative created out of two separate options). Forward currency transactions must be entered into with counterparties who satisfy the FCA Regulations. A permitted transaction may at any time be closed out.



- (i) currencies.
- (3) be effected on or under the rules of an eligible derivatives market, it must not cause the Trust 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, money market instruments, units in collective investment schemes, or derivatives and must be with an approved counterparty.
- (a) Use of derivatives must be supported by a risk management process maintained by the Manager which should take account of the investment objectives and policy of the Trust.
- (b) A transaction in derivatives or forward transaction is to be entered into only if the maximum exposure, in terms of the principal or notional principal created by the transaction to which the scheme is or may be committed by another person is covered under (1).
  - (1) Exposure is covered if adequate cover from within the scheme property for the Trust is available to meet its total exposure, taking into account the initial outlay, the value of the underlying assets, any reasonably foreseeable market movement, counterparty risk, and the time available to liquidate any positions.
  - (2) Cash not yet received into the scheme property of the Trust, but due to be received within one month, is available as cover for the purposes of (1).
  - (3) Property the subject of a stock lending transaction is only available for cover if the Manager has taken reasonable care to determine that it is obtainable (by return or re-acquisition) in time to meet the obligation for which cover is required.
  - (4) The exposure relating to derivatives held in the Trust may not exceed the net value of its scheme property.
- (c) The exposure to any one counter party in an OTC derivative transaction must not exceed 5% (10% where the counterparty is an approved bank) in value of the scheme property of the Trust. Counterparty risk exposure can be reduced by the Trust receiving collateral from the counterparty. Collateral will be managed in accordance with FCA Regulations and Guidelines issued from time to time by the European Securities and Markets Authority. A Collateral Management Policy will be implemented by the Manager before the Trust enters into any transactions which require it to hold collateral from a counter party.

- (d) In applying the limits in this clause 18, the exposure in respect of an OTC derivative may be reduced to the extent that collateral is held in respect of it provided the collateral meets each of the following conditions:
1. it is marked-to-market on a daily basis and exceeds the value of the amount at risk;
  2. it is exposed only to negligible risks (e.g. government bonds of first credit rating or cash) and is liquid;
  3. it is held by a third party custodian not related to the provider or is legally secured from the consequences of a failure of a related party; and
  4. can be fully enforced by the Trust at any time.
- (e) Not more than 20% of the Trust is to be put at risk in respect of an exposure from an OTC derivative transaction to a single entity or one or more such entities within a group, after taking into account any collateral received from that entity or group, both at individual level or group level.
- (f) In applying the limits in this clause 18, OTC derivative positions with the same counterparty may be netted provided that the netting procedures:
1. comply with the conditions set out in Section 3 (Contractual netting Contracts for novation and other netting agreements) of Annex III to the Banking Consolidation Directive, or the statutory equivalent thereof, which forms part of UK law by virtue of the EUWA, as applicable; and
  2. are based on legally binding agreements.
- (g) All derivative transactions are deemed to be free of counterparty risk if they are performed on an exchange where the clearing house meets each of the following conditions:
1. it is backed by an appropriate performance guarantee; and
  2. it is characterized by a daily mark-to-market valuation of the derivative positions and at least daily margining.
- (h) No agreement by or on behalf of the Trust to dispose of property or rights may be made unless:
1. the obligation to make the disposal and any other similar obligation could immediately be honoured by the Trust by delivery of property or the assignment (or, in Scotland, assignation) of rights; and

2. the property and rights at (h)(1) are owned by the Trust at the time of the agreement.
- (i) (h)(1) and (h)(2) do not apply to a deposit. They also do not apply 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 Manager or the Trustee 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 which are recognised considering their correlation with the underlying of the financial derivative instruments, subject to appropriate safeguards (e.g. haircuts where relevant).
- (j) In the asset classes referred to in (i)(1) and (i)(2), assets may be considered as liquid where the instruments can be converted into cash in no more than seven Dealing Days at a price closely corresponding to the current valuation of the financial instrument on its own market.
- (k) The use of derivatives or forwards for the purposes of Efficient Portfolio Management will not materially alter the risk profile of the Trust. The use of these techniques and instruments will only be employed where the Manager and the Investment Manager consider these to be in line with the best interests of the Trust.

### **Borrowings**

The Trust may borrow sums of money repayable out of the property of the Trust in accordance with the Regulations.

The Manager must ensure that the borrowing of the Trust is on a temporary basis, and in particular must ensure that no period of borrowing exceeds 3 months without the prior consent of the Trustee (who may give such consent only on conditions which ensure that the borrowing does not cease to be temporary). The Manager must also ensure that gross borrowings do not, on any business day, exceed 10% of the value of the Trust.

### **Risk Factors**

The price of units of the Trust and any income from it may fall as well as rise and investors may not get back the full amount invested. Past performance is not a guide to future performance. There is no assurance that the investment objective of the Trust will actually be achieved.

The following statements are intended to summarise some of the risks, but are not exhaustive, nor do they offer advice on the suitability of investments.

### **Equities Risk**

Where investments are in the units of companies (equities), the value of those equities may fluctuate, sometimes dramatically, in response to the activities and results of individual companies or because of general market and economic conditions or other events. Currency exchange rate movements will also cause changes in value when the currency of the investment is other than sterling.

### **Warrants Risk**

Where investments are in warrants, the price per unit of the Trust may fluctuate more than if the Trust was invested in the underlying securities because of the greater volatility of the warrant price.

### **Bonds and Debt Instruments (Including High Yielding Securities) Risk**

Where investments are in bonds or other debt instruments, the value of those investments will depend on market interest rates, the credit quality of the issuer and liquidity considerations. Investments in high yielding debt instruments where the level of income may be relatively high (compared to investment grade debt instruments); however the risk of depreciation and realisation of capital losses on such debt instruments held will be significantly higher than on lower yielding debt instruments.

### **Lower Rated/Unrated Securities Risk**

The credit quality of debt instruments is often assessed by rating agencies. Medium and lower rated securities and unrated securities of comparable quality may be subject to wider fluctuations in yield, wider bid-offer spreads, greater liquidity premium and accentuated market expectations, and consequently greater fluctuations in market values, than higher rated securities. Changes in such ratings, or expectation of changes, will be likely to cause changes in yield and market values, at times significantly so.

### **Collective Investment Schemes**

The Trust may make investments in collective investment schemes. Such investments may involve risks not present in direct investments, including, for example, the possibility that an investee collective investment scheme may at any time have economic or business interests or goals which are not fully consistent with those of the Trust. Moreover, many alternative investment strategies give themselves significant discretion in valuing securities. There may be liquidity constraints and

the extent to which an investee funds' securities are valued by independent sources are factors which could impact on the Trust's valuation.

### **Leveraged Risk**

Leverage is where a Trust borrows money in order to meet redemption requests or, through the use of derivatives, for the purpose of buying or selling assets. Where assets are bought or sold using borrowed money this increases the risk that in the case of losses that these are compounded and as a result have a material negative impact on the value of the Trust.

### **Leveraged Companies Risk**

Investments may be made in companies or collective investment schemes which borrow funds. Such companies or collective investment schemes may not be subject to any limitations on the amount of their borrowings, and the amount of borrowings that they may have outstanding at any time may be large in comparison to their capital.

### **New Issue Risk**

The Trust may invest in initial public offerings, which frequently are smaller companies. Such securities have no trading history and information about these companies may only be available for limited periods. The prices of securities involved in initial public offerings may be subject to greater price volatility than more established securities.

### **Futures and Options**

The Trust may use, under certain conditions, options and futures on indices and interest rates, for the purposes of efficient portfolio management. Also, the Trust may hedge market and currency risks using futures, options and forward exchange contracts. Transactions in futures carry a high degree of risk. The amount of the initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact which may work for or against the investor. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions make it impossible to execute such orders. Transactions in options also carry a high degree of risk. Selling ("writing") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or acquire or deliver the underlying interest. If the option is "covered" by the seller holding a corresponding position in the underlying interest or a future on another option, the risk may be reduced.

There is no guarantee that the Trust will achieve the objective for which it entered into a transaction in relation to Efficient Portfolio Management. This may result in losses for investors.

The Trust will be subject to the risk of the inability of any counterparty to perform its obligations. If a counterparty defaults, the Trust may suffer losses as a result.

#### **Foreign Currency Risk**

The Trust may invest in securities denominated in a number of different currencies other than sterling in which the Trust is denominated. Changes in foreign currency exchange rates may adversely affect the value of a Trust's investments and the income thereon.

#### **Pricing and Valuation Risk**

For quoted investments a valuation price can be obtained from an exchange or similarly verifiable source. However, investment in unquoted and/or illiquid investments which are difficult to value may increase the risk of mispricing. Furthermore, the Trust will compute Net Asset Values when some markets are closed for holidays or other reasons. In these and similar cases a verifiable source of market prices will not be available and the investment manager may invoke its Fair Value process which will determine a fair value price for the relevant investments; this Fair Value process involves assumptions and subjectivity.

#### **Emerging Countries and Developing Markets Risk**

The Trust may invest in emerging markets which are undergoing rapid growth and regulatory change. Emerging markets present additional risks to those normally encountered in developed securities markets. These risks may be political, social and economic in nature and may be complicated by inflationary pressures and currency depreciation. The accounting and financial reporting standards, practices and disclosure requirements in some of the countries in which investments may be made may differ from those experienced in more developed markets. Similarly, reliability of the trading and settlement systems in such markets and the liquidity of these markets may not be equal to those available in more developed markets and this could lead to delays in settlement or affect the price at which investments could be realised. Government influence or control of private companies in some countries may be significant and investments may be exposed to the risks of political change, political uncertainty or governmental action. Such assets could be expropriated, nationalised, confiscated or subjected to changes in legislation relating to foreign ownership. The value of investments in emerging markets may therefore be adversely affected by political and/or economic conditions, which would, in turn, adversely impact on the performance of the Trust and its unit price.

#### **Smaller and Unquoted Companies Risk**

The Trust may have significant investments in smaller companies, in which there may be no established markets for the units, or the market may be highly illiquid. Consequently the Trust may not be appropriate for some investors, including those who are not in a position to take a long term view of their investment. The Trust may also invest, directly and indirectly, in securities that are not listed or traded on any stock exchange. In such situations, the Trust may not be able to immediately

sell such securities. The purchase price and subsequent valuation of these securities may reflect a discount, which could be significant, from the market price of comparable securities for which a liquid market exists.

### **Risk to Capital**

There may be a potential risk of erosion resulting from withdrawals or cancellations of units and distributions in excess of investment returns.

### **Liquidity Risk**

In normal market conditions a Trust's assets comprise mainly realisable investments which can be readily sold. A Trust's main liability is the redemption of any units that investors wish to sell. In general the Trust manages its investments, including cash, such that it can meet its liabilities. Investments held may need to be sold if insufficient cash is available to finance such redemptions. If the size of the disposals are sufficiently large, or the market is illiquid, then there is a risk that either the investments might not be sold or the price at which they are sold may adversely affect the Net Asset Value of the Trust. If there were significant requests for redemption of units in the Trust at a time when a large proportion of the Trust's assets were invested in illiquid investments, then the Trust's ability to fund those redemptions would be impaired and it might be necessary to suspend dealings in units in the Trust.

### **Credit Risk**

Investments may be adversely affected if any of the institutions with which money is deposited suffers insolvency or other financial difficulties (default). Credit risk also arises from the uncertainty about an issuer's ultimate repayment of principal and interest for bond or other debt instrument investments. The entire deposit or purchase price of the debt instrument is at risk of loss if there is no recovery after default. The risk of default is usually greatest with bonds and debt instruments that are classed as 'sub-investment' grade.

### **Settlement Risk**

All security investments are transacted through brokers who have been approved by the investment manager as an acceptable counterparty. The list of approved brokers is reviewed regularly. There is a risk of loss if a counterparty fails to perform its financial or other obligations to the Trust, for example, the possibility that a counterparty may default, by failing to make payments due, or make payments in a timely manner. If settlement never occurs the loss incurred by the Trust will be the difference between the price of the original contract and the price of the replacement contract or, in the case where the contract is not replaced the absolute value of the contract at the time it is voided. Furthermore, in some markets 'Delivery versus Payment' may not be possible in which case the absolute value of the contract is at risk if the Trust meets its settlement obligations but the counterparty fails before meeting its obligations.

### **Custody Risk**

Assets of the Trust are kept by the custodian and investors are exposed to the risk of the custodian not being able to fully meet its obligation to reconstitute in a short time frame all of the assets of the Trust in the case of bankruptcy of the custodian. Securities of the Trust will normally be identified in the custodian's books as belonging to the Trust and segregated from other assets of the custodian which mitigates but does not exclude the risk of non restitution in case of bankruptcy. However, no such segregation applies to cash which increases the risk of non restitution in case of bankruptcy. The custodian does not keep all the assets of the Trust itself but uses a network of sub-custodians which are not part of the same group of companies as the custodian. Investors are exposed to the risk of bankruptcy of the sub-custodians in the same manner as they are to the risk of bankruptcy of the custodian.

A Trust may invest in markets where custodial and/or settlement systems are not fully developed. The assets of the Trust that are traded in such markets and which have been entrusted to such sub-custodians may be exposed to risk in circumstances where the custodian will have no liability.

### **Tax Risk**

Tax laws, currently in place, may change in the future which could affect the value of the Trust's and therefore the unitholders investment. Refer to the section headed 'Taxation' in the Prospectus for further details about the taxation of the Trust.

### **Inflation Risk**

Unless the performance of your investment keeps up with or beats inflation, the real value of your investments will fall over time.

### **Political and/or Environmental Risk**

The investee companies may operate in countries where the ownership rights may be uncertain and development of the resources themselves may be subject to disruption due to factors including civil disturbances, industrial action, interruption of power supplies, as well as adverse climatic conditions.

### **Market Risk**

The risk that the entire market of an asset class will decline, affecting the prices and the values of the assets.

### **Risk Management**

Upon request to the Manager a Unitholder can receive information relating to:

the quantitative limits applying in the risk management of the Trust;

the methods used in relation to the quantitative limits; and



any recent developments of the risk and yields of the main categories of investment in the Trust.

### **Accounting Periods and Income Allocation Dates**

The accounting periods and income allocation dates appear in information sections of Appendix 1 of this document.

An Annual report of the Trust will be published within four months of each annual accounting period and a half-yearly report will be published within two months of each interim accounting period. The annual and half-yearly reports are available upon request.

### **Distributions**

The amount available for distribution in any distribution period is calculated by taking aggregate of the income received or receivable for the Trust in respect of the period and deducting relevant charges and expenses paid or payable out of income in respect of that period. The Manager then makes any adjustments, as it considers appropriate in relation to taxation, equalisation and any other necessary adjustments in accordance with the Regulations and generally accepted accounting principles, and the remaining amount is distributed to Unitholders.

Income will be distributed as a dividend payment where the Trust is deemed to be an Equity Trust or as an interest payment where the Trust is deemed to be a Bond Trust over the relevant accounting period. The treatment of income anticipated by the Manager is given in Appendix 1, although Unitholders are advised the treatment of income will depend on the composition of assets over the accounting period. Income can only be distributed as an interest payment if the Trust has held the minimum Qualifying Investments over the accounting period (see Taxation for further details). Details of the treatment of income for taxation purposes over an accounting period will be given in a tax voucher sent to all Unitholders when the income is allocated.

The Manager and the Trustee have agreed a de minimis amount of £20 in respect of distribution of income payments made by cheque.

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 Trust.

### **Taxation**

The following summary is only intended as a general summary of United Kingdom (“UK”) tax law and HM Revenue & Customs practice, as at the date of this Prospectus, applicable to the Trust and to individual and corporate investors who are the absolute beneficial owners of a holding in the Trust which is held as an investment. The summary’s applicability

to, and the tax treatment of, investors will depend upon the particular circumstances of each investor (and it will not apply to persons, such as certain institutional investors, who are subject to a special tax regime). It should not be treated as legal or tax advice. Accordingly, if investors are in any doubt as to their taxation position, they should consult their professional adviser. Levels and bases of, and reliefs from, taxation are subject to change in the future.

The following is divided into sections relating to “Bond Trust” and “Equity Trust”. A “Bond Trust” is a Trust which invests more than 60% of its market value in “Qualifying Investments” (at all times in each accounting period). The term “Qualifying Investments” includes money placed at interest and securities that are not units, including but not limited to government and corporate debt securities and cash on deposit. The tax issues relating to the Trust and the investors within it are treated separately in this section. It is anticipated that the Trust will for most periods be an Equity Trust for these purposes, but that depending on how it is invested it may constitute a Bond Trust for some periods.

### **Taxation of an Equity Trust**

#### **Taxation of Capital Gains**

An Equity Trust is not subject to UK taxation on capital gains arising on the disposal of its investments. In the unlikely event that the Trust be considered to be trading in securities under tax law, and to the extent an investment is disposed in a non-distributor/reporting fund, any gains made will be treated as taxable income and not exempt gains.

#### **Tax on Income**

An Equity Trust will be liable to corporation tax at a rate equal to the lower rate of income tax, currently 20%, on its income after relief for expenses (which include fees payable to the Manager and to the Trustee). Dividends and similar income distributions from UK and non-UK resident companies are generally exempt from corporation tax. Dividends and similar income distributions from UK authorised unit trusts and UK ICVCs are also generally exempt from corporation tax to the extent the underlying income derives from dividends.

Foreign dividends and similar income are generally treated as exempt for the purposes of UK corporation tax. This income may be subject to withholding tax in certain jurisdictions.

Dividend income received from certain countries are likely to be elected to be treated as taxable income in the UK in order to obtain a beneficial rate of withholding tax in the source country.

Profits from loan relationships are treated as taxable income, as for a Bond Trust.

## **Taxation of a Bond Trust**

### **Taxation of Capital Gains**

Bonds or loan relationships held are taxable as income (see below) and are not subject to capital gains tax. Capital gains, for example on investment in equities, (except insofar as treated as income gains - see below) accruing to a Bond Trust will be exempt from UK tax on chargeable gains.

### **Tax on Income**

A Bond Trust will be liable to UK corporation tax at 20% on income, translated (where appropriate) into Sterling, from investments in debt, debt-related securities and cash deposits less deductible expenses. Such income will be computed according to the generally accepted accounting practice relevant to the Trust.

The total will be taxed under the Loan Relationship rules. Any income received from UK equities will be exempt from UK corporation tax.

A Bond Trust would generally be entitled to make up distribution accounts in such a way that the income distribution (including accumulations of income, which are deemed to be paid and reinvested as capital) to unitholders is treated as if it were interest for UK tax purposes. If so entitled, the Trust intends that distributions will be made in this way.

The treatment of distributions as interest distributions for UK tax purposes is significant because:

- distributions made should be deductible for corporation tax purposes against UK taxable income.
- The income, less interest distributions, expenses (including the Manager's and Trustee's fees) and any non-UK withholding taxes, is subject to UK corporation tax at a rate equal to the basic rate of income tax (currently 20%). Any corporation tax charge should not be significant.

Capital gains (except insofar as treated as accrued income gains - see above) accruing to a Bond Trust will be exempt from UK tax on chargeable gains.

## **Automatic Exchange of Financial Account Information**

### **US Foreign Account Tax Compliance Act (FATCA)**

The US Foreign Account Tax Compliance Act (FATCA) is designed to help the Internal Revenue Service (the IRS) combat US tax evasion. It

requires financial institutions, such as the Trust, to report on US investors or US holdings, whether or not this is relevant. Failure to comply (or be deemed compliant) with these requirements will subject the Trust to US withholding taxes on certain US-sourced income and gains. Under an intergovernmental agreement between the US and the United Kingdom, the Trust may be deemed compliant, and therefore not subject to the withholding tax, if it identifies and reports US taxpayer information directly to HMRC.

Unitholders may be asked to provide additional information to the Manager to enable the Trust to satisfy these obligations. Institutional Unitholders may be required to provide a Global Intermediary Identifications Number (GIIN). Failure to provide requested information may subject a Unitholder to liability for any resulting US withholding taxes, US tax information reporting and/or mandatory redemption, transfer or other termination of the Unitholder's interest in its units. The Global Intermediary Identification Number for the Fund is available on request.

### **Common Reporting Standard**

The Common Reporting Standard (CRS) is the reporting standard approved and developed by the Organisation of Economic Co-operation and Development (OECD) in 2014, and came into force with effect from 1st January 2016. This requires financial institutions such as the Trust, to report non-UK resident investors, other than US Persons, to other agreed jurisdictions on an annual basis. The objective of this reporting is the same as the FATCA regulations but on a worldwide basis and is based on **Residency** rather than citizenship as with the US model, and will encompass natural persons and legal entities.

### **Stamp Duty Reserve Tax**

On 30 March 2014, Schedule 19 Stamp Duty Reserve Tax (SDRT) ceased to be chargeable on dealings in units in authorised unit trusts. As such, the provisions relating to SDRT no longer apply. However, investors should note that should SDRT or a similar tax relating to dealings on units in authorised unit trusts be reintroduced in the future, all such costs will be paid out of the Trust's Scheme Property and charged to capital.

However it should be noted that in the unlikely event of either of the below occurring within the Trust SDRT may still be triggered and where applicable be charged to the investor:

- (i) third party transfer of units; or
- (ii) non-pro rata in specie redemptions

### **Income Equalisation**

An equalisation payment represents the accrued income included in the price of units which is to be returned to the purchaser of the units.

It should be noted that, in relation to allocation, grouping for equalisation is permitted by the Trust Deed.

Grouping for equalisation allows equalisation payments within a period to be aggregated and then divided equally amongst the units issued during the grouping period prior to distribution to the purchasers. Currently all purchases made between consecutive ex-dividend dates are grouped for equalisation purposes for the Trust.

### **Fees and Expenses**

#### **The Manager's Fees**

The Trust Deed permits the Manager to include initial (preliminary) charges in the price of units.

Periodic charges are also payable out of the property of the respective Trusts by way of remuneration for the Manager's services. The Manager's periodic charge shall accrue daily and is payable monthly in arrears on the last Business Day of each month. The fee is calculated by reference to the value of the property of the Trust at the valuation point on the last business day of the preceding month. The Manager's periodic charge shall not be subject to the addition of Value Added Tax.

The current rates of initial charges and periodic charges appear in the 'Trust Information' section in Appendix 1 of this document.

No increase in current charge rates shall be made until the Manager has given notice in writing to the Trustee and to unitholders of the intention to raise such charges and has revised the Prospectus to reflect the proposed increase and sixty days has elapsed since the revised Prospectus becomes available.

The Regulations permit the Manager to apply any (or all) of the Manager's periodic charge to the capital accounts of those Trusts which place equal or greater emphasis on the production of income as compared with capital growth. Charges are allocated as indicated in Appendix 1.

Where the charge or a proportion of the charge is made to the capital accounts, this may constrain capital growth.

The Evelyn Partners Fund Solutions Limited remuneration policy is designed to be compliant with the UCITS V Remuneration Code contained in SYSC 19E of the FCA Handbook, and provides a framework

to attract, retain and reward employees and partners and to maintain a sound risk management framework, with particular attention to conduct risk. The overall policy is designed to promote the long term success of the group. The policy is designed to reward partners, directors and employees for delivery of both financial and non-financial objectives which are set in line with company strategy.

Details of the Evelyn Partners Fund Solutions Limited remuneration policy are available on the website <https://www.evelyn.com/regulatory/remuneration-code-disclosure>. A paper copy of the remuneration policy can be obtained free of charge by telephoning 0141 222 1151.

Any fees payable to the Manager may be reduced or waived by the Manager at its discretion.

### The Trustee's Fees

The Trustee receives for its own account a periodic fee which will accrue and is due monthly on the last business day in each calendar month in respect of that day and the period since the last business day in the preceding month and is payable within seven days after the last business day in each month. The fee is calculated by reference to the value of each Trust on the last business day of the preceding month except for the first accrual which is calculated by reference to the first valuation point of each Trust. The rate of the periodic fee is agreed between the Manager and the Trustee and is currently 0.0275% on first £50 million, 0.025% between £50 million and £100 million, 0.02% above £100 million plus VAT, minimum annual charge is £7,500 plus VAT.

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

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

In addition to the periodic fee referred to above, the Trustee shall also be entitled to be paid transaction and custody charges in relation to transaction handling and safekeeping of the Scheme Property. The current charges are as follows:

Item	Range
Transaction Charges	Between £1.96 and £75.65 per transaction
Safe Custody Charges	Between 0.001% and 0.5525% of the value of investments being held per annum

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

Where relevant, the Trustee may make a charge for its services in relation to: distributions, the provision of banking services, holding money on deposit, lending money, or engaging in stock lending or derivative transactions, in relation to the Trusts and may purchase or sell or deal in the purchase or sale of Scheme Property, provided always that the services concerned and any such dealing are in accordance with the provisions of the FCA Regulations.

The Trustee will also be entitled to payment and reimbursement of all costs, liabilities and expenses properly incurred in the performance of, or arranging the performance of, functions conferred on it by the Trust Deed, the FCA Regulations or by the general law.

On a winding up of the Trust the Trustee will be entitled to its pro rata fees, charges and expenses to the date of winding up, the termination, or the redemption (as appropriate) and any additional expenses necessarily realised in settling or receiving any outstanding obligations.

Any value added tax on any fees, charges or expenses payable to the Trustee will be added to such fees, charges or expenses.

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

### **Registrar Charges**

The Manager currently waives the right to collect a charge in respect of its duties on behalf of the Trust.

### **Other Payments out of the property of the Trusts**

No payments are permitted out of the property of the Trusts other than payments under the Regulations and the following:

- i. broker's commission, fiscal charges and other disbursements which are:
  - (1) necessary to be incurred in effecting transactions for the Trust, and
  - (2) normally shown in contract notes, confirmation notes and difference accounts as appropriate, and

- ii. interest on permitted borrowings and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings, and
- iii. taxation and duties payable in respect of the property of the Trust, the Trust Deed or the issue of units, and
- iv. any costs incurred in modifying the Trust Deed, including costs incurred in respect of meetings of unitholders convened for purposes which include the purpose of modifying the Trust Deed, where the modification is:
  - (1) necessary to implement, or necessary as a direct consequence of any change in law (including changes in the Regulations), or
  - (2) expedient having regard to any change in the law made by or under any fiscal enactment and which the Manager and the Trustee agree is in the interest of holders, or
  - (3) to remove from the deed obsolete provisions, and
- v. any costs incurred in respect of meetings of holders convened on a requisition of holders not including the Manager or an associate of the Manager, and
- vi. liabilities on unitisation, amalgamation or reconstructions arising in accordance with the Regulations, and
- vii. the audit fee properly payable to the auditor and value added tax thereon and any proper expenses of the auditor, and
- viii. the fees of the FCA.

All expenses relating directly to the purchase and sale of investments, which includes stamp duty reserve tax are charged against the Capital of the Trust. Other expenses are allocated between income and capital in accordance with the FCA Regulations as specified in Appendix 1. Where expenses are allocated to income, but at the end of the accounting period there is insufficient income, the shortfall may be allocated to capital in accordance with the FCA Regulations. This may constrain capital growth.

Any third party research received in connection with investment advisory services that an Investment Manager provides to the Trust will be paid for by the Investment Manager out of its fees, as relevant in relation to the Trust, and will not be charged to the Trust.

### **Dealings by the Manager, the Trustee and the Investment Manager**

The Regulations contain provisions governing any transaction concerning a fund which is carried out by or with an ‘affected person’, that is to say:

- a. the Manager,



- b. an associate of the Manager,
- c. the Trustee,
- d. an associate of the Trustee,
- e. any investment Manager, and
- f. any associate of any investment Manager.

Those provisions enable an affected person to (inter alia) sell or deal in the sale of property to the Trustee for the account of a Trust; vest property in the Trustee against the issue of units in a Trust; purchase property from the Trustee acting for the account of a Trust; or provide services for a Trust. Any such transactions with or for a Trust are subject to best execution or (alternatively) independent valuation or arm's length transaction requirements set out in the Regulations. Any services provided for a Trust must comply with the arm's length transaction requirements.

#### **Meetings of Unitholders/Voting Rights**

At any meeting of unitholders of a Trust on a show of hands every holder who (being an individual) is present in person or (being a corporation) is present by its properly authorised representative has one vote. A poll may be demanded by the Chairman of the meeting, by the Trustee or by two or more unitholders present in person or by proxy. On a poll every holder who is present in person or by proxy shall have one vote for every complete undivided share in the property of the Trust and a further part of one vote proportionate to any fraction of such an undivided share of which he is the holder and a holder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

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

The Manager is entitled to receive notice of and attend any meeting of unitholders but is not entitled to vote or be counted in the quorum. Any associate of the Manager holding units shall not be entitled to vote at such a meeting except in respect of units which he holds on behalf of a person who, if himself the registered holder, would be entitled to vote and from whom he has received voting instructions.

#### **Termination and Amalgamation of Trusts**

The Trustee shall proceed to wind up any Trust upon the happening of any of the following events: if the order declaring the Trust to be an authorised unit trust scheme is revoked; if the Manager or the Trustee requests the FCA to revoke the order declaring the Trust to be an authorised unit trust scheme and the FCA has agreed that on the conclusion of the winding up of the Trust, it will accede to that request;

on the effective date of a duly approved scheme of amalgamation of the Trust with another body or scheme; or on the effective date of a duly approved scheme of reconstruction which results in all the property of the reconstructed scheme becoming the property of two or more authorised or recognised schemes.

In the case of an amalgamation or reconstruction the Trustee shall wind up the Trust in accordance with the approved scheme of amalgamation or reconstruction. In any other case, the Trustee shall, as soon as practicable after the Trust falls to be wound up, realise the property of the Trust and, after paying out of it all liabilities properly so payable and retaining provision for the costs of the winding up, distribute the proceeds to the holders and the Manager (upon production by them of evidence as to their entitlement) proportionately to their respective interests in the Trust. Any unclaimed net proceeds or other cash held by the Trustee after the expiry of twelve months from the date on which the same became payable will be paid by the Trustee into court subject to the Trustee having a right to receive out of it any expenses incurred by him in making that payment into court. On completion of the winding up, the Trustee shall notify the FCA and the Trustee or the Manager shall request the FCA to revoke the order of authorisation.

#### **Additional Information**

The Trust Deed (and any Deeds supplemental thereto), this prospectus, the most recent annual and half-yearly reports of the Trust may also be inspected at the offices of the Manager. Copies of these documents may also be obtained from the Manager. An administration charge is made for the provision of copies of Deeds. The annual and half-yearly reports are available from the Manager on request.

Where the Manager finds it necessary to serve notices on unitholders, it will do so in written form unless, in the opinion of the Manager, there is a more expeditious method of service.

#### **Complaints**

Any complaints regarding the Trust or the Manager should be addressed in writing to:

The Compliance Officer  
Evelyn Partners Fund Solutions Limited  
45 Gresham Street  
London  
EC2V 7BG

You are reminded of your right, if you so wish, to complain directly to the Financial Services Ombudsman whose address is The Office of the Financial Services Ombudsman at Exchange Tower, Harbour Exchange Square, London E14 9SR, telephone number 0800 023 4567. A copy of the Manager's complaints handling procedure is available on request.

Making a complaint will not prejudice your rights to commence legal proceedings.

Further information regarding any compensation scheme or any other investor-compensation scheme of which the Manager or the Trust is a member (including, if relevant, membership through a branch) or any alternative arrangement provided, are also available on request.

### **Compensation**

Under the Financial Services Compensation Scheme (FSCS), in the event of firm default your investment is protected up to the value of £85,000 per person per firm.

### **Telephone Recordings**

Please note that the Manager may record telephone calls for training and monitoring purposes and to confirm investors' instructions. Recordings will be provided on request for a period of at least five years from the date of such recording, or, where requested by a competent regulatory authority, for a period of seven years, where the Manager can identify the call. If you ask the Manager to send you a recording of a particular call, the Manager may ask for further information to help identify the exact call to which your request relates.

### **Best Execution**

The Manager must act in the best interests of the Trust when executing decisions to deal on behalf of the Trust. The Manager's order execution policy sets out the (i) systems and controls that have been put in place and (ii) the factors which the Manager expects the Investment Manager to consider when effecting transactions and placing orders in relation to the Trust. This policy has been developed in accordance with the Manager's obligations under the Regulations to obtain the best possible result for the Trust.

Details of the order execution policy are available from the Manager on request. If you have any questions regarding the policy please contact the Manager or your professional adviser.

### **Inducements and Soft Commission**

When executing orders, or placing orders with other entities for execution, that relate to financial instruments for, or on behalf of, the Trust, an Investment Manager or the Manager (as relevant) will not accept and retain any fees, commissions or monetary benefits; or accept any non-monetary benefits, where these are paid or provided by any third party or a person acting on behalf of a third party.

The Investment Manager or Manager will return to the Trust as soon as reasonably possible after receipt any fees, commissions or any monetary benefits paid or provided by any third party or a person acting on behalf of a third party in relation to the services provided to the Trust, and disclose in the annual report the fees, commissions or any monetary benefits transferred to them.

However, the Investment Manager or Manager may accept without disclosure minor non-monetary benefits that are capable of enhancing

the quality of service provided to the Trust; and of a scale and nature such that they could not be judged to impair their compliance with its duty to act honestly, fairly and professionally in the best interests of the Trust.

#### Genuine Diversity of Ownership (GDO)

Units in, and information on, the Trust are and will continue to be marketed and made easily and widely available to reach the intended categories of investors and in a manner appropriate to attract those categories of investors.

The intended categories of investors are retail and institutional investors.

## APPENDIX 1

### Ongoing Charges Figure (OCF)

The OCF provides investors with a clearer picture of the total annual costs in running a collective investment scheme and is based on the previous year's expenses. The figure may vary from year to year and it excludes the costs of buying or selling assets for the Fund (but includes transaction charges incurred by investing in any other collective investment schemes). Where there is not enough historic data available, or when historic data will not provide a reliable indication of future costs, an estimated OCF will be calculated based on the most reliable information available (OCF (Estimated)). The OCF is displayed in the Key Investor Information Document (KIID). A copy of the KIID can be provided free of charge on request.

### Trust Information

#### 1 Magnum Trust

##### 1.1 Establishment

The Trust was constituted by a Trust Deed dated 14 August 1989

##### 1.2 Status

Magnum Trust is an authorised unit trust scheme further to an FCA authorisation order dated 31 August 1989 and is a UK UCITS scheme.

##### 1.3 FCA Product Reference Number

143919

Approval by the FCA in this context refers only to approval under the Act and does not in any way indicate or suggest endorsement or approval of the Trust as an investment.

Information on the typical investor profile for the Trust is set out in Appendix 5

##### 1.4 Objectives and Policy

The objective of the Trust is to achieve long-term growth of capital through investment in Companies in the UK in any economic sector but with balanced exposure in other world markets.

The Manager's policy, in order to achieve the Trust's objective, will be to invest in established companies in sectors where the Manager believes there to be good prospects for above average growth (see 'Eligible Markets' below), although the Manager may also invest in collective investment schemes, money market instruments, warrants, deposits and cash.

The Manager's investment policy will be to invest primarily in international equities, but also in fixed interest securities (which can be corporate and/or government with no restrictions on duration or credit ratings), selecting companies that can take advantage of opportunities worldwide. There may be investment in smaller companies and sometimes somewhat more risky companies and also new issues.

The Manager's investment policy may mean that at times it may be appropriate for the Trust not to be fully invested but to hold cash or near cash. In the light of extreme market conditions, the Manager may raise or reduce the liquidity of the Trust from normal working levels within a band of 0% to 20%

The Manager may hedge transactions against price or currency fluctuations by back-to-back foreign currency borrowings against sterling or by suitable transactions permitted for hedging. The extent will depend upon the circumstances. The Manager does not envisage that they will enter into hedging transactions to a major extent (see 'Eligible Derivatives Markets' below).

The Manager does not intend to have an interest in any immovable property or tangible movable property.

## **1.5 Benchmark**

Unitholders may compare the performance of the Trust against the MSCI PIMFA Growth NR Index.\*

The Manager has selected this comparator benchmark as it believes this benchmark best reflects the Trust's asset allocation.

The benchmark is not a target for the Trust, nor is the Trust constrained by the benchmark.

\*Source: MSCI. The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. ([www.msci.com](http://www.msci.com))

## 1.6 Characteristics of the Trust

Whether investing in the Trust is appropriate for you will depend on your own requirements and attitude to risk. The Trust is designed for investors who have substantial funds who:

- Want to achieve long-term capital growth through investment with the expertise of the Investment Manager.
- Can meet the minimum investment levels.
- Are able to commit to a long term investment in the Trust and take the risk of losing part or all of their investment capital.
- Who understand and are willing to take the risks involved in investing in the Trust (detailed in “Risk Factors”).

**If you have any doubts as to whether the investment is appropriate for you, please contact a financial adviser.**

## 1.7 Valuation Point and Dealing Basis

The valuation point for the Trust will be 12 noon on every business day (excluding weekends and Bank Holidays). All transactions will be dealt on a forward basis, thus instructions received prior to 12 noon will be dealt at that day’s price. All instructions received after 12 noon will be carried out at the price calculated on the next business day.

## 1.8 Manager’s Charges

- a. Initial (Preliminary) Charge 5% of the creation price
- b. Periodic (Annual Management) Charge - AMC - 0.50%

### Trustee’s Fees

- a. Periodic Charge

Current rate 0.0275% on the first £50 million, 0.025% between £50 million and £100 million, 0.02% above £100 million, plus VAT per annum

Minimum charge: £7,500 plus VAT

The rate is agreed between the Manager and the Trustee from time to time.

## 1.9 Other Charges

Such other charges and expenses as may properly be charged to the property of the Trust under the Regulations

<b>Charges taken from Income or</b>	<b>All charges other than those relating directly to the purchase and sale of</b>
-------------------------------------	---

<b>Capital?</b>	investments will be taken from income.  If at the end of an accounting period there is insufficient income the shortfall may be allocated to capital.
<b>Income to be distributed as a dividend or interest?</b>	The Trust will distribute income in the form of a dividend.

Charge for investment research: None

### 1.10 Distribution/Accounting Dates

Where income exceeds expenses, distributions are made semiannually by the Trust.

Annual Accounting date: 15 June  
Interim Accounting date: 15 December  
Annual Ex-dividend date: 16 June  
Interim Ex-dividend date: 16 December  
Annual Payment date: 10 August  
Interim Payment date: 10 February\* (First interim payment was made in 2021)

\*In addition to the above income allocation dates there was an ad-hoc payment distributed on 11 December 2019, for the period of 16 June 2019 to 21 November 2019.

Distributions of income are paid by BACS or telegraphic transfer to the Unitholder's nominated account.

Annual (audited) reports will be published within four months of the accounting date and Interim (unaudited) reports will be published on or around 10 February each year.

### 1.11 Minimum Investment/Holding

Minimum Initial/Retained Investment value: £250,000

Subsequent Minimum Investment value: £10,000

### 1.12 General Information

Income and Accumulation units are offered by the Trust.

Magnum Trust qualifies for investment within an ISA.



## APPENDIX 2

### Approved Security, Eligible Securities Market and Eligible Derivatives Market

The Trust may deal through securities and derivatives markets which are regulated markets (as defined in the glossary to the FCA Handbook) or markets established in the UK or an EEA/EU State which are regulated, operate regularly and are open to the public (excluding Cyprus and Slovenia).

The Trust may also deal through the securities markets indicated below:

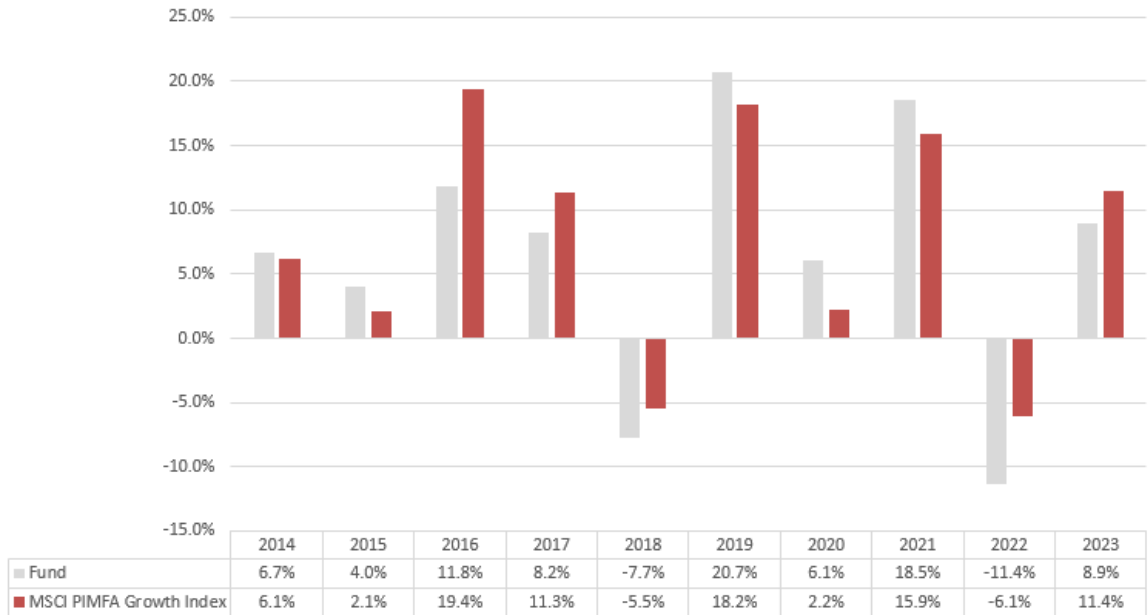
Name Listed on Prospectus	Country
Australian Securities Exchange	Australia
The Montreal Exchange	Canada
Toronto Stock Exchange	Canada
Hong Kong Exchanges and Clearing Company	Hong Kong
Osaka Securities Exchange	Japan
Nagoya Stock Exchange	Japan
Tokyo Stock Exchange	Japan
Korea Exchange	Korea, Republic of
Bursa Malaysia	Malaysia
Mexican Stock Exchange (Bolsa Mexicana de Valores)	Mexico
New Zealand Exchange Ltd	New Zealand
Philippine Stock Exchange	Philippines
Singapore Exchange	Singapore
JSE Limited	South Africa
SIX Swiss Exchange	Switzerland
Stock Exchange of Thailand	Thailand
NASDAQ	United States of America
NASDAQ OMX PHLX	United States of America
New York Stock Exchange	United States of America
NYSE Arca	United States of America
NYSE MKT LLC	United States of America

The Trust may also deal through derivatives markets indicated below:

Name Listed on Prospectus	Country
Chicago Board Options Exchange	United States of America
CME Group	United States of America
ICE Futures U.S.	United States of America
NASDAQ	United States of America
NASDAQ OMX Futures Exchange	United States of America
NASDAQ OMX PHLX	United States of America
NYSE Arca	United States of America
NYSE LIFFE US	United States of America

## APPENDIX 3 Discrete Performance Record

### Magnum Trust



Source: Fund - FE fundinfo 2024  
Benchmark - Morningstar

Bid to Bid, net income reinvested, net of charges and tax. Performance does not include the effect of any initial or redemption charges.

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

## APPENDIX 4 Valuation

### Value of the property of a Dual Priced Trust

The Manager must prepare each valuation on two bases, reflecting the differing bid and offer valuations of underlying assets where it is normal for such differences to be quoted.

The property of the Trust will be valued on an issue basis for the purposes of calculating the issue price of units and on a cancellation basis for the purposes of calculating the cancellation price of units.

The value of the property of the Trust must be valued at fair value and shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions.

All the property of the Trust (including receivables) is to be included, subject to the following provisions.

Property which is not cash (or other assets dealt with below) or a contingent liability transaction shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:

Units or shares in a collective investment scheme:

- if a single price for buying and selling units or shares is quoted, at that price (plus dealing costs) for valuations on an issue basis and at that price (less dealing costs) on a cancellation basis; or
- if separate buying and selling prices are quoted, at the most recent maximum sale price less any expected discount (plus dealing costs) when valuing on an issue basis and the most recent minimum redemption price (less dealing costs) when valuing on a cancellation basis; or
- if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no recent price exists, or if the most recent price available does not reflect the Manager's reasonable estimate of the value of the units or shares, at a value which, in the opinion of the Manager, is fair and reasonable.

Any other transferable security:

- if a single price for buying and selling the security is quoted, at that price (plus dealing costs) for valuations on an issue basis and at that price (less dealing costs) on a cancellation basis; or
- if separate buying and selling prices are quoted, at the best available market dealing offer prices on the most appropriate market in a standard size (plus dealing costs) for valuations on an issue basis and best available market dealing bid price on the most appropriate market in a standard size (less dealing costs) for valuations on a cancellation basis; or
- if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no price exists, or if the most recent price

available does not reflect the Manager's reasonable estimate of the value of the security, at a value which, in the opinion of the Manager, is a fair and reasonable estimate of a buyer's price (plus dealing costs) for valuations at issue and a fair and reasonable estimate of a seller's price (less dealing costs) for valuations at cancellation.

Property other than units or shares in a collective investment scheme and other transferable securities; at a value which, in the opinion of the Manager, is a fair and reasonable estimate of a buyer's price (plus dealing costs) for valuations at issue and a fair and reasonable estimate of a seller's price (less dealing costs) for valuations at cancellation.

Cash and amounts held in current and deposit accounts and in other time related deposits shall be valued at their nominal values for valuations on both an issue and cancellation basis.

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

- if a written option, (and the premium for writing the option has become part of the scheme property), deduct the amount of the net valuation of premium receivable on both an issue and cancellation basis. If the property is an off-exchange derivative the method of valuation shall be agreed between the Manager and Trustee;
- if an off-exchange future, include at the net value of closing out in accordance with a valuation method, on both an issue and cancellation basis, agreed between the Manager and the Trustee;
- if any other form of contingent liability transaction, include at the net value of margin on closing out (whether as a positive or negative value) on both an issue and cancellation basis. If the property is an off-exchange derivative, include at a valuation method agreed between the Manager and the Trustee.

In determining the value of the property of the Trust, all instructions given to issue or cancel units shall be assumed to have been carried out (and any cash paid or received) whether or not this is the case.

Subject to the next two paragraphs 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 Manager, their omission will not materially affect the final net asset amount.

Futures or options contracts which are not yet due to be performed, and written or purchased options which have not expired or been exercised, shall not be included in the above paragraph. All agreements are to be included under the above paragraph which are, or ought reasonably to have been, known to the person valuing the property.

Deduct an estimated amount for anticipated tax liabilities at that point in time including (as applicable and without limitation) capital gains tax (both realised and unrealised gains), income tax, corporation tax, value added tax and stamp duty reserve tax and any other fiscal charge not covered under this deduction.

Deduct an estimated amount for any liabilities payable out of the Trust property and any tax thereon treating periodic items as accruing from day to day.

Deduct the principal amount of any outstanding borrowings whenever repayable and any accrued but unpaid interest on borrowings.

Deduct the value of any option written (if the premium for writing the option has become part of the scheme property).

Deduct, in the case of a margined contract, any amount reasonably anticipated to be paid by way of variation margin (that is the difference in price between the last settlement price, whether or not variation margin was then payable, and the price of the contract at the valuation point).

Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.

Add any other credits or amounts due to be paid into the property of the Scheme.

Add, in the case of a margined contract, any amount reasonably anticipated to be received by way of variation margin (that is the difference in price between the last settlement price, whether or not variation margin was then receivable, and the price of the contract at the valuation point).

Currencies or values in currencies other than Sterling 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 unitholders or potential unitholders.

Add a sum representing any interest or any income accrued due or deemed to have accrued but not received.

## APPENDIX 5

### Typical Investor Profile(s)

Below is an indication of the target market of the Trust as required under MiFID II and its supplementing regulations, or the statutory equivalent thereof which forms part of UK law by virtue of the EUWA, as applicable. This is fully detailed in the EMT which should be made available to you before making an investment. If you do not believe you fit the target market of this Trust please seek advice from your professional adviser.

This Trust is suitable for all investor types of all levels of knowledge and experience coming into the fund from all available distribution channels.

Investors should be seeking no capital guarantee and be able to bear losses up to their full investment.

The Trust seeks to increase capital and grow income over a long time period.

Please refer to the latest EMT or KIID for the Synthetic Risk Reward Indicator (SRRI).

## APPENDIX 6

### Directory

#### **The Manager, Administrator and Registrar**

Evelyn Partners Fund Solutions Limited

Registered Office:  
45 Gresham Street  
London  
EC2V 7BG

Correspondence Address:  
Transfer Agency Team  
177 Bothwell Street  
Glasgow  
G2 7ER

Telephone Numbers:  
For Dealing Only - 0141 222 1150  
For Registration, Prices and Other Enquiries - 0141 222 1151

#### **The Investment Manager**

Evelyn Partners Investment Management LLP  
45 Gresham Street  
London  
EC2V 7BG

#### **The Trustee**

Registered Office:  
NatWest Trustee & Depositary Services Limited  
250 Bishopsgate  
London  
EC2M 4AA

Principal Place of Business:  
NatWest Trustee & Depositary Services Limited  
House A, Floor 0  
Gogarburn  
175 Glasgow Road  
Edinburgh  
EH12 1HQ

#### **The Auditors**

Johnston Carmichael LLP  
Bishop's Court  
29 Albyn Place  
Aberdeen  
AB10 1YL

## APPENDIX 7

### Directors of Evelyn Partners Fund Solutions Limited:

Name of Director

Andrew Baddeley

Brian McLean

Mayank Prakash

Neil Coxhead

Dean Buckley (Independent Non-Executive Director)

Linda Robinson (Independent Non-Executive Director)

Victoria Muir (Independent Non-Executive Director)

Sally Macdonald (Independent Non-Executive Director)

Guy Swarbreck (Non-Executive Director)

**None of the directors have any business activities of significance to the Scheme that are not connected with the business of the Manager.**



## APPENDIX 8

### List of Authorised Funds that Evelyn Partners Fund Solutions Limited acts as authorised fund manager or authorised corporate director for

Authorised Unit Trusts	Investment Companies with Variable Capital
Dragon Trust	Bute Fund
Eagle Fund	Earlstone Fund
Evelyn Witch General Trust	Evelyn Partners Funds
Langham Trust	Evelyn Partners Investment Funds ICVC
Magnum Trust	Forest Fund ICVC
Marathon Trust	Ganymede Fund
Orchard Fund	GFS Investments Fund
Ourax Unit Trust	Glairnox Fund
Spenser Fund	Gryphon Investment Funds
SVS DW Asia Income & Growth Fund	Hercules Managed Funds
SVS Dowgate Wealth UK New Economies Fund	Issodola Fund
SVS Sanlam European Equity Fund	JC Investments Fund
SVS Sanlam Fixed Interest Fund	Kanthaka Fund
SVS Sanlam North American Equity Fund	Moorgate Funds ICVC
The Acorn Trust	New Square Investment Funds
The Alkerton Trust	Pendennis Fund ICVC
The Barro II Trust	Pharaoh Fund
The Capital Balanced Fund	Pityoulish Investments Fund
The Dream Trust	Quercus Fund
The Endeavour II Fund	Sardasca Fund
The Enterprise Trust	Sherwood Fund
The Global Opportunities Fund	Smithfield Funds
The Ilex Fund	Starhunter Investments Fund
The Jetwave Trust	Stratford Place Fund
The Lancaster Trust	Sussex Fund
The Millennium Fund	SVS Aubrey Capital Management Investment Funds
The Plain Andrews Unit Trust	SVS Brooks Macdonald Fund
The Securities Fund	SVS Brown Shipley Multi Asset Portfolio
Worldwide Growth Trust	SVS Cornelian Investment Funds
	SVS Dowgate Wealth Funds ICVC
	SVS Heritage Investment Fund
	SVS Kennox Strategic Value Fund
	SVS RM Funds ICVC
	SVS Saltus Onshore Portfolios
	SVS WAM Investment Funds
	SVS Zeus Investment Funds ICVC
	Sylvan Funds
	Taber Investments Fund
	The Air Pilot Fund
	The Aurinko Fund
	The Blu-Frog Investment Fund
	The Brighton Rock Fund
	The Cheviot Fund
	The Daisybelle Fund
	The Dinky Fund
	The Dunninger Fund
	The Folla Fund

	<p>The Galacum Fund The Global Balanced Strategy Fund The Gloucester Portfolio The Headspring Fund The Headway Fund The Jake Fund The Jay Fund The Kingfisher Fund The Loch Moy Fund The Magpie Fund The MF Fund The Milne Fund The Nectar Fund The Norton Fund The Princedale Fund The Rosslyn Fund The SBB Fund The Staffordshire Portfolio The Stellar Fund The SVS Levitas Funds The Touchstone Investment Fund The Tully Fund The Westhill Investment Fund TS Campana Fund Vagabond Investment Fund White Oak Fund</p>
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