

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

Liontrust Fund Partners LLP, the authorised corporate director of the Company, is the person responsible for the information contained in this Prospectus. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained herein does not contain any untrue or misleading statement or omit any matters required by that part of the Financial Conduct Authority's Handbook of Rules and Guidance which deals with regulated collective investment schemes to be included in it. Liontrust Fund Partners LLP accepts responsibility accordingly.

**PROSPECTUS**

**OF**

**LIONTRUST INVESTMENT FUNDS II**

**(PRN: 473962)**

**(An open-ended investment company  
incorporated with limited liability and  
registered in England and Wales  
under registered number IC000591)**

This document constitutes the Prospectus for Liontrust Investment Funds II which has been prepared in accordance with that part of the Financial Conduct Authority's Handbook of Rules and Guidance which deals with regulated collective investment schemes.

This Prospectus is dated and is valid as at 23 November 2024.

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

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

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted. Persons into whose possession this Prospectus comes are required by the Company to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

The Shares have not been and will not be registered under the United States Securities Act of 1933, as amended or registered or qualified under the securities law of any state of the United States. They may not be offered, sold, transferred or delivered, directly or indirectly, in the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia to, or for the account of, persons (including companies, partnerships, trusts or other entities) who are "US Persons" as defined in Rule 902 of Regulation S under the US Securities Act of 1933, as amended. Accordingly, this Prospectus may not be distributed in the United States or to a US Person. None of the Shares have been approved or disapproved by the US Securities and Exchange Commission, any states securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Shares or the accuracy or adequacy of the prospectus. The Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended.

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

The provisions of the Instrument of Incorporation, are binding on each of the Shareholders. A copy is available on request.

This Prospectus has been issued for the purpose of section 21 of the Financial Services and Markets Act 2000 (as amended from, time to time) by Liontrust Fund Partners LLP.

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

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

1. **DEFINITIONS**

<b>“Accounting Reference Date”</b>	31 December in each year
<b>“ACD”</b>	Liontrust Fund Partners LLP, the authorised corporate director of the Company
<b>“ACD Agreement”</b>	an agreement between the Company and the ACD
<b>“Administrator”</b>	The Bank of New York Mellon (International) Limited, or such other entity as is appointed to act as administrator to the Company from time to time
<b>“Annual Accounting Period”</b>	the period beginning on 1 January and ending on the Accounting Reference Date each year
<b>“Approved Bank”</b>	<p>(in relation to a bank account opened by the Company):</p> <p>(a) if the account is opened at a branch in the United Kingdom:</p> <ul style="list-style-type: none"> <li>(i) the Bank of England; or</li> <li>(ii) the central bank of a member state of the OECD; or</li> <li>(iii) a bank; or</li> <li>(iv) a building society; or</li> <li>(v) a bank which is supervised by the central bank or other banking regulator of a member state of the OECD; or</li> </ul> <p>(b) if the account is opened elsewhere:</p> <ul style="list-style-type: none"> <li>(i) a bank in (a); or</li> <li>(ii) a credit institution established in an EEA State other than in the United Kingdom and duly authorised by the relevant Home State Regulator; or</li> <li>(iii) a bank which is regulated in the Isle of Man or the Channel Islands; or</li> <li>(iv) a bank supervised by the South African Reserve Bank</li> </ul>
<b>“Auditor”</b>	KPMG or such other entity as is appointed to act as auditor to the Company from time to time
<b>“beneficial owner”</b>	means the person or entity for whose benefit the investment is ultimately acquired, held and/or redeemed

<b>“Base Currency”</b>	the currency in which the accounts of the Company are to be prepared in accordance with the Instrument of Incorporation provided that in the context of a Fund or the price of a Share relating to a Fund or a payment in respect of such a Share, reference to base currency shall be treated as a reference to the currency stated in the Prospectus as being the currency to be used for the purpose in question in relation to that Fund
<b>“Business Day”</b>	any day which is not a Saturday or Sunday, Christmas Day, Good Friday or a bank holiday in London
<b>“Class” or “Classes”</b>	in relation to Shares, means (according to the context) all of the Shares related to a single Fund or a particular class or classes of Share related to a single Fund
<b>“Company”</b>	Liontrust Investment Funds II
<b>“Dealing Day”</b>	Between nine o'clock and five o'clock on every Business Day
<b>“Depository”</b>	The Bank of New York Mellon (International) Limited, or such other entity as is appointed to act as Depository
<b>“Director” or “Directors”</b>	the directors of the Company from time to time (including the ACD)
<b>“EEA State”</b>	a member state of the European Union and any other state which is within the European Economic Area
<b>“Efficient Portfolio Management” or “EPM”</b>	<p>techniques and instruments which relate to transferable securities and approved money market instruments and which fulfil the following criteria:</p> <ul style="list-style-type: none"> <li>(a) they are economically appropriate in that they are realised in a cost effective way;</li> <li>(b) they are entered into for one or more of the following specific aims: <ul style="list-style-type: none"> <li>(i) reduction of risk;</li> <li>(ii) reduction of cost;</li> <li>(iii) generation of additional capital or income for the Fund with a risk level which is consistent with the risk profile of the Fund and the risk diversification rules laid down in the Sourcebook</li> </ul> </li> </ul>
<b>“Eligible Institution”</b>	one of certain eligible institutions as defined in the glossary of definitions to the FCA Handbook

<b>“Frontier Markets”</b>	frontier markets are typically characterised by limited market accessibility, small company size and low liquidity
<b>“the FCA”</b>	the Financial Conduct Authority or any other regulatory body which may assume its regulatory responsibilities from time to time
<b>“the FCA Handbook”</b>	the FCA Handbook of Rules and Guidance, as amended from time to time
<b>“Fund” or “Funds”</b>	a sub-fund of the Company (being part of the Scheme Property of the Company which is pooled separately) to which specific assets and liabilities of the Company may be allocated and which is invested in accordance with the investment objective applicable to such sub-fund
<b>“Fund Accountant”</b>	The Bank of New York Mellon (International) Limited, or such other entity as is appointed to act as fund accountant to the Company from time to time
<b>“Instrument of Incorporation”</b>	the instrument of incorporation of the Company as amended from time to time
<b>“Interim Accounting Period”</b>	the period beginning on 1 January and ending on 30 June in each year
<b>“ISA”</b>	A new individual savings account or junior individual savings account under The Individual Savings Account Regulations 1998 (as amended)
<b>“Liontrust Fund”</b>	an authorised unit trust or open-ended investment company managed by the ACD or an associate
<b>“Net Asset Value” or “NAV”</b>	the value of the Scheme Property of the Company or of any Fund (as the context may require) less the liabilities of the Company (or of the Fund concerned) as calculated in accordance with the Instrument of Incorporation
<b>“Net Asset Value per Share” or “NAV per Share”</b>	the value of a Share of the Company based on the Net Asset Value of the Scheme Property and taking into account the denomination, Class and Fund of that Share
<b>“OEIC Regulations”</b>	the Open-Ended Investment Companies Regulations 2001 as amended or re-enacted from time to time
<b>“Product Reference Number”</b>	the product reference number assigned by the FCA to identify the authorised fund
<b>“Register”</b>	the register of Shareholders of the Company
<b>“Registrar”</b>	The Bank of New York Mellon (International) Limited, or such other entity as is appointed to act as Registrar to the Company from time to time

<b>“Regulated Activities Order”</b>	the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544)
<b>“Regulations”</b>	the OEIC Regulations and the FCA Handbook (including the Sourcebook)
<b>“Scheme Property”</b>	the scheme property of the Company required under the Sourcebook to be given for safekeeping to the Depositary
<b>“SDRT”</b>	stamp duty reserve tax
<b>“Share” or “Shares”</b>	a share or shares in the Company (including larger denomination shares, and smaller denomination Shares equivalent to a ten thousandth of a larger denomination share)
<b>“Sourcebook”</b>	that part of the FCA Handbook which deals with regulated collective investment schemes
<b>“Switch”</b>	the exchange of Shares of one Class or Fund for Shares of another Class or Fund
<b>“Shareholder”</b>	a holder of registered Shares in the Company
<b>“UCITS”</b>	A collective investment scheme which complies with the terms of the UCITS Directive
<b>“UCITS Directive”</b>	Directive 2009/65/EC (as amended)
<b>“UCITS Regulation”</b>	Commission Delegated Regulation (EU) 2016/438
<b>“Valuation Point”</b>	the point, whether on a periodic basis or for a particular valuation, at which the ACD carries out a valuation of the Scheme Property for the Company or a Fund (as the case may be) for the purpose of determining the price at which Shares of a Class may be issued, cancelled or redeemed. The current Valuation Point for each Fund is detailed in Appendix I.
<b>“VAT”</b>	value added tax

## 2. DETAILS OF THE COMPANY

### 2.1 General

2.1.1 Liontrust Investment Funds II (the Company) is an investment company with variable capital incorporated in England and Wales under registered number IC000591 and authorised by the FCA with effect from 24 December 2007. The Company has been certified by the FCA as complying with the conditions necessary for it to enjoy rights conferred by the EC Directives on Undertakings for Collective Investment in Transferable Securities. The Company has an unlimited duration.

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

The ACD is also the manager of certain authorised unit trusts and open-ended investment companies details of which are set out in Appendix IV.

#### 2.1.2 Head Office

The Head Office of the Company is at 2 Savoy Court, London, WC2R 0EZ.

#### 2.1.3 Address for Service

The Head Office is the address of the place in the UK for service on the Company of notices or other documents required or authorised to be served on it.

#### 2.1.4 Base Currency

The Base Currency of the Company and each Fund is Pounds Sterling.

#### 2.1.5 Share Capital

Maximum £100,000,000,000

Minimum £1

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

Shares in the Company may be marketed in other Member States and in countries outside the European Union and European Economic Area, subject to the Regulations, and any regulatory constraints in those countries, if the ACD so decides.

## 2.2 The Structure of the Company

### 2.2.1 The Funds

The Company is structured as an umbrella company, in that different Funds may be established from time to time by the ACD with the approval of the FCA. On the introduction of any new Fund or Class, a revised prospectus will be prepared setting out the relevant details of each Fund or Class.

The Company is a UCITS scheme.

The assets of each Fund will be treated as separate from those of every other Fund and will be invested in accordance with the investment objective and investment policy applicable to that Fund. Investment of the assets of each of



the Funds must comply with the Sourcebook and the investment objective and policy of the relevant Fund. Details of the Funds, including their investment objectives and policies, are set out in Appendix I.

The eligible securities markets and eligible derivatives markets on which the Funds may invest are set out in Appendix II. A detailed statement of the general investment and borrowing restrictions in respect of each type of Fund is set out in Appendix III. Details of the past performance of the Funds are set out in Appendix VI.

Each Fund has a specific portfolio to which that Fund's assets and liabilities are attributable. So far as the Shareholders are concerned, each Fund is treated as a separate entity.

The Funds represent segregated portfolios of assets and, accordingly, the assets of a Fund belong exclusively to that Fund and shall not be used or made available to discharge (indirectly or directly) the liabilities of claim against, any other person or body, and any other Fund and shall not be available for any such purpose.

Each Fund will be charged with the liabilities, expenses, costs and charges of the Company attributable to that Fund, and within each Fund charges will be allocated between Classes in accordance with the terms of issue of Shares of those Classes. Any assets, liabilities, expenses, costs or charges not attributable to a particular Fund may be allocated by the ACD in a manner which it believes is fair to the Shareholders generally. This will normally be pro rata to the Net Asset Value of the relevant Funds.

## 2.2.2 **Shares**

### **Classes of Share within the Funds**

Shares will be issued in larger and smaller denominations. There are ten thousand smaller denomination Shares to each larger Share. Smaller denomination Shares represent what, in other terms, might be called fractions of a larger Share and have proportionate rights.

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

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

The Base Currency for each new Class of Shares will be determined at the date of creation and set out in the Prospectus issued in respect of the new Class of Shares.

The net proceeds from subscriptions to a Fund will be invested in the specific pool of assets constituting that Fund. The Company will maintain for each current Fund a separate pool of assets, each invested for the exclusive benefit of the relevant Fund.

To the extent that any Scheme Property of the Company, or any assets to be received as part of the Scheme Property, or any costs, charges or expenses to be paid out of the Scheme Property, are not attributable to one Fund only, the

ACD will allocate such Scheme Property, assets, costs, charges or expenses between Funds in a manner which is fair to all Shareholders of the Company.

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

Details of the shares presently available for each Fund, including details of their criteria for subscription and fee structure, are set out in Appendix I. For eligibility of receipt of rebate payments on any new business to an agent on Class A shares please contact the ACD.

A Regular Savings Plan is available on certain Classes of Share on certain Funds. Details of which Share Classes and Funds are set out in Appendix I.

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

Holders of accumulation Shares are not entitled to be paid the income attributed to such Shares, but that income is automatically transferred to (and retained as part of) the capital assets of the relevant Fund on the income distribution date as set out in Appendix I. This is reflected in the price of an accumulation Share.

The Instrument of Incorporation allows net income and net accumulation Shares. Net Shares are Shares in respect of which income allocated to them is distributed periodically to the relevant Shareholders (in the case of income Shares) or credited periodically to capital (in the case of accumulation Shares), in either case in accordance with relevant tax law, net of any tax deducted or accounted for by the Company. Details of which classes are available in any Fund are set out in Appendix I. All references in this Prospectus are to net Shares unless otherwise stated.

Where a Fund has different Classes, each Class may attract different charges and so monies may be deducted from the Scheme Property attributable to such Classes in unequal proportions. In these circumstances, the proportionate interests of the Classes within a Fund will be adjusted accordingly.

Shareholders are entitled (subject to certain restrictions) to Switch all or part of their Shares in a Class or a Fund for Shares of another Class within the same Fund or for Shares of the same or another Class within a different Fund of the Company. Details of this switching facility and the restrictions are set out in paragraph 3.3 "Switching".

### 3. **BUYING, REDEEMING AND SWITCHING OF SHARES**

The dealing office of the Administrator is normally open from 9 am to 5 pm (London time) on each Dealing Day to receive postal requests for the purchase, sale and switching of Shares. The Administrator may vary these times with the consent of the ACD. Requests to deal in Shares may also be made by telephone on each Dealing Day (at the ACD's discretion) between 9 am and 5 pm (London time) directly to the dedicated dealing line of the ACD (telephone: 0344 892 0349 or such other number as published from time to time). The initial purchase must, at the discretion of the ACD, be accompanied by an application form.

Telephone calls will be recorded. The ACD may also, at its discretion, introduce further methods of dealing in Shares in the future. At present, transfer of title by electronic communication is not permissible.

In its dealings in Shares of the Funds the ACD is dealing as principal.

The Funds are designed and managed to support longer-term investment; active trading in Shares is discouraged. Short-term or excessive trading into and out of a Fund may harm performance by disrupting portfolio management strategies and by increasing expenses. The ACD may at its discretion refuse to accept applications for, or switching of, Shares where transactions are deemed disruptive, particularly from investors who, in its opinion, have a pattern of short-term or excessive trading or whose trading has been or may be disruptive to a Fund. For these purposes, the ACD may consider an investor's trading history in a Fund or in other funds or accounts managed by the ACD.

#### 3.1 **Buying Shares**

##### 3.1.1 **Procedure**

Shares may be bought directly from the ACD or through a professional adviser or other intermediary. Any intermediary who recommends an investment in the Company to Shareholders may be entitled to receive commission from the ACD. An ongoing commission, based on the value of Shares held may also be paid to qualifying intermediaries. Further details relating to commission payments are available to Shareholders and may be obtained from the ACD on request. For details of dealing charges see paragraph 3.4 below. Application forms may be obtained from the ACD.

The ACD reserves the right to reject, in its absolute discretion, any application for shares in whole or in part, in which event, the ACD will return any money sent, or the balance, for the purchase of shares which are the subject of the application, at the risk of the applicant.

Valid applications to purchase Shares in a Fund will be accepted on any Dealing Day and will be processed at the next Valuation Point following receipt of the application, except in the case where dealing in a Fund has been suspended as set out in paragraph 3.10 or in a deferred redemption situation as set out in paragraph 3.11. The applications will be processed at the Share price calculated at the relevant Valuation Point, based on the Net Asset Value per Share.

The ACD, at its discretion, has the right to cancel a purchase deal if settlement is materially overdue and any loss arising on such cancellation shall be the liability of the applicant. For postal applications payment in full must accompany the instruction. At the ACD's discretion, payment for large purchases of Shares may be made by telegraphic transfer.

A purchase of Shares in writing or by telephone or any other communication media made available is a legally binding contract. Applications to purchase, once made, are, except in the case where cancellation rights are applied, irrevocable.

However, subject to its obligations under the Regulations, the ACD has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for Shares in whole or part, and in this event the ACD will return any money sent, or the balance of such monies, at the risk of the applicant. The ACD may reject such an application in relation to a Fund where the share capital of the Fund exceeds any maximum share capital ("Share Capital Limit") or where such a purchase would cause the share capital of the Fund to exceed such Share Capital Limit. In the event that the ACD decides to enforce the Share Capital Limit of a Fund and reject applications as described above, the ACD will notify all Shareholders of such decision in writing.

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

Applicants who have received advice may have the right to cancel their application to buy Shares at any time during the 14 days after the date on which they receive a cancellation notice from the ACD. If an applicant (except for those investors who subscribe through the Regular Savings Plan) decides to cancel the contract, and the value of the investment has fallen at the time the ACD receives the completed cancellation notice, they will not receive a full refund as an amount equal to any fall in value will be deducted from the sum originally invested. Investors who invest through the Regular Savings Plan will be entitled to cancel their first subscription only; if a Regular Saver decides to cancel their contract within 14 days after the date on which they receive the cancellation notice then they will receive back the full amount of their initial subscription. The ACD may extend cancellation rights to other investors but is under no obligation to do so.

When an Applicant applies for Shares in a Fund there is a window of time between the ACD receiving subscription money from the Applicant and the ACD transferring the subscription money to the Depositary to be used to settle the creation of the Applicant's Shares. If the ACD transfers the subscription money to the Depositary by the close of business on the Business Day following receipt, the ACD is permitted to use an exemption to the FCA's client money rules which means that the ACD is not required to ensure that money is protected in a ring-fenced bank account. If the ACD transfers the subscription money to the Depositary outside of this window then the ACD is required to protect the money in a ring-fenced bank account in accordance with the FCA's client money rules.

No interest will be paid on money held within the client money account.

### **3.1.2 Documents the buyer will receive**

A confirmation giving details of the number and price of Shares bought will be issued no later than the end of the Business Day following the later of receipt of the application to buy Shares and the Valuation Point by reference to which the price is determined, together with, where appropriate, a notice of the applicant's right to cancel.

Settlement is due within 4 business days of the Valuation Point. An order for the purchase of Shares will only be deemed to have been accepted by the ACD once it is in receipt of cleared funds for the application. If settlement is not made within a reasonable period, then the ACD has the right to cancel any Shares issued in respect of the application.

Share certificates will not be issued in respect of Shares. Ownership of Shares will be evidenced by an entry on the Register. Statements in respect of periodic distributions on Shares will show the number of Shares held by the recipient.

The Company has the power to issue bearer Shares but there are no present plans to do so.

### **3.1.3 Regular Savings Plan**

The ACD may make available certain Classes of Shares of any Fund through the Regular Savings Plan (details of current Classes of Shares and Funds which are available are shown in Appendix I). To invest in this way, Shareholders must complete and return to the Administrator the relevant plan application form and direct debit form before contributions may begin. Monthly contributions may be increased, decreased (subject to maintaining the minimum level of contribution) or stopped at any time by notifying such party as the ACD may direct. Confirmations will not be issued to Shareholders investing through a Regular Savings Plan.

Contributions to the Plan will normally be collected on a monthly basis usually on the 15th of each month (or the next following Dealing Day) with Shares being allocated at the Share price ruling at the next following Valuation Point (subject to any applicable initial charge or dilution adjustment which may be imposed under paragraph 3.5).

For Shares purchased through the Regular Savings Plan, the minimum monthly investment is stated in Appendix I.

Statements detailing all Share transactions will be sent out to all Monthly Savers at least on a six monthly basis.

### **3.1.4 Minimum subscriptions and holdings**

The minimum initial subscriptions, subsequent subscriptions and holdings levels for each Class of Share in a Fund are set out in Appendix I.

The ACD may at its sole discretion accept subscriptions and/or holdings lower than the minimum amount(s).

If following a redemption, Switch or transfer, a holding in any Class of Share should fall below the minimum holding for that Class, the ACD has the discretion to effect a redemption of that Shareholder's entire holding in that Class of Share. The ACD may use this discretion at any time. Failure not to do so immediately after such redemption, Switch or transfer does not remove this right.

## **3.2 Redeeming Shares**

### **3.2.1 Procedure**

Every Shareholder is entitled on any Dealing Day to redeem its Shares, which shall be purchased by the ACD dealing as principal.

Valid instructions to the ACD to redeem Shares in a Fund will be processed at the Share price calculated, based on the Net Asset Value per Share, at the next Valuation Point following receipt of the instruction, except in the case where dealing in a Fund has been suspended as set out in paragraph 3.10 or in a deferred redemption situation as set out in paragraph 3.11.

A redemption instruction of Shares in writing or by telephone or any other communication media made available is a legally binding contract. However, an instruction to the ACD to redeem Shares, although irrevocable, may not be settled by either the Company or the ACD if the redemption represents Shares where the money due on the earlier purchase of those Shares has not yet been received

or if insufficient documentation or anti-money laundering information has been received by the ACD.

When a shareholder makes a redemption request for Shares in a Fund there is a window of time between the ACD receiving redemption money from the Depositary and the ACD transferring the redemption money to the Shareholder. The redemption money is currently protected in a ring-fenced bank account held by the ACD during this window.

No interest will be paid on money held within the client money account.

For details of dealing charges see paragraph 3.4 below.

### **3.2.2 Documents a redeeming Shareholder will receive**

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

Payment of redemption proceeds will normally be made by cheque to the first named Shareholder (at their risk), or, at the ACD's discretion, via bank transfer in accordance with any instruction received (the ACD may recover any bank charge levied on such transfers). Instructions to make payments to third parties (other than intermediaries associated with the redemption) will not normally be accepted.

Such payment will be made within four business days of the later of (a) receipt by the ACD of the form of renunciation (or other sufficient written instructions) duly signed and completed by all the relevant Shareholders together with any other documentation and appropriate evidence of title, any required anti-money laundering related documentation, and (b) the Valuation Point following receipt by the ACD of the request to redeem.

Where redemption proceeds are paid by cheque and the Shareholder subsequently fails to present the cheque for payment, reasonable efforts will be made to contact the Shareholder at the address of such Shareholder listed on the evidenced on the Register, in order to facilitate payment of any outstanding balance due. However, if the ACD is unable to contact the Shareholder, after a period of 6 years, such amounts may be, at the ACD's discretion, paid to a UK charity of the ACD's choice. No interest will be payable to a Shareholder in respect of amounts relating to unrepresented cheques.

### **3.2.3 Minimum redemption**

Part of a Shareholder's holding may be redeemed but the ACD reserves the right to refuse a redemption request if the value of the Shares of any Fund to be redeemed is less than the minimum stated in respect of the appropriate Class in the Fund in question (see Appendix I).

## **3.3 Switching**

Subject to any restrictions on the eligibility of investors for a particular Share Class, a Shareholder in a Fund may Switch all or some of his Shares of one Class or Fund ("the Original Shares") for Shares of another Class or Fund ("the New Shares") in the Company at any Valuation Point of the Fund or Funds concerned. The number of New Shares issued will be determined by reference to the respective prices of New Shares and

Original Shares at the Valuation Point applicable at the time the Original Shares are redeemed and the New Shares are issued.

Telephone switching instructions may be given but Shareholders are required to provide written instructions to the ACD (which, in the case of joint Shareholders, must be signed by all the joint Shareholders) a Switch is effected.

The ACD may at its discretion make a charge on the switching of Shares between Funds or Classes. Any such charge on switching does not constitute a separate charge payable by a Shareholder, but is rather the application of any redemption charge on the Original Shares and any initial charge on the New Shares, subject to certain waivers. For details of the charges on switching currently payable, please see paragraph 3.5.3 "Charges on Switching".

If a partial Switch would result in the Shareholder holding a number of Original Shares or New Shares of a value which is less than the minimum holding in the Class concerned, the ACD may, if it thinks fit, convert the whole of the applicant's holding of Original Shares to New Shares (and make a charge on switching on such conversion) or refuse to effect any Switch of the Original Shares. Save as otherwise specifically set out, the general provisions on procedures relating to redemption will apply equally to a switch. Written instructions must be received by the ACD before the Valuation Point in the Fund or Funds concerned to be dealt with at the prices at that Valuation Point. Switching requests received after a Valuation Point will be held over until the next Valuation Point in each of the relevant Fund or Funds.

The ACD may adjust the number of New Shares to be issued to reflect the application of any charge on switching together with any other charges or levies in respect of the application for the New Shares or redemption of the Original Shares as may be permitted pursuant to the Sourcebook.

The ACD may also, in its sole discretion, convert some or all of the Shares held by any Shareholder from one Class to another Class in the same Fund, provided that the terms of the original Shares are substantially similar to the new Shares and, in any event, the conversion does not materially prejudice any such Shareholder. The ACD will provide the Shareholder with 60 days' prior notice of any such conversion. Please note that, under current tax law, a conversion of Shares between different Classes will not be deemed to be a realisation for the purposes of capital gains taxation.

**Please note that under UK tax law a switch of Shares in one Fund for Shares in any other Fund is treated as a redemption of the Original Shares and a purchase of New Shares and will, for persons subject to taxation, be a realisation of the Original Shares for the purposes of capital gains taxation, which may give rise to a liability to tax, depending upon the Shareholder's circumstances.**

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

Shareholders may also switch some or all of their Shares of one Class or Fund for Shares of another Class or Fund in another Liontrust Fund. Further details may be obtained from the ACD.

**Please note that (i) no Switches are permitted to any Class A Shares and (ii) any instruction to convert Original Shares for New Shares shall be treated as a Switch.**

### 3.4 Dealing Charges

The price per Share at which Shares are bought, redeemed or switched is the Net Asset Value per Share (as adjusted, in the case of purchase and redemption, by any dilution adjustment which may be imposed under paragraph 3.5). Any initial charge or redemption

charge, (or SDRT on a specific deal, if applicable) is payable in addition to the price or deducted from the proceeds and is taken from the gross subscription or redemption monies.

#### **3.4.1 Initial charge**

The ACD may impose a charge on the purchase of Shares in each Class. The current initial charge is calculated as a percentage of the amount invested by a potential Shareholder in respect of each Fund is set out in Appendix I. The ACD may waive or discount the initial charge at its discretion.

The initial charge (which is deducted from subscription monies) is payable by the Shareholder to the ACD.

The current initial charge of a Class may only be increased in accordance with the Regulations.

From the initial charge received, or out of other of its own resources, the ACD may pay a commission to relevant intermediaries.

#### **3.4.2 Redemption Charge**

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

The ACD may only introduce a redemption charge in accordance with the Regulations. Also, if such a charge was introduced, it would not apply to Shares issued before the date of the introduction (i.e., those not previously subject to a redemption charge).

#### **3.4.3 Charges on Switching**

On the switching of Shares between Funds or Classes in the Company the Instrument of Incorporation authorises the Company to impose a charge on switching. If a redemption charge is payable in respect of the Original Shares, this may become payable instead of, or as well as, the then prevailing initial charge for the New Shares. The charge on switching is payable by the Shareholder to the ACD.

The ACD's current policy is to only levy a charge on switching between Funds that is no more than the initial charge for the new Shares as specified in Appendix I. There is currently no charge for switching Shares in one Class of a Fund for Shares in another Class of the same Fund.

#### **3.4.4 Stamp duty reserve tax ("SDRT")**

SDRT is generally charged on any agreements to transfer Shares of a Fund (other than transactions handled by the ACD) to third parties at a rate of 0.5% of the consideration.

No SDRT charge will be levied on surrenders of Shares unless the surrender is a non-pro-rata in specie redemption. In those cases the underlying stock or marketable securities of the Fund are chargeable to SDRT by reference to the surrendered Shares which constitute the consideration.

The charge to SDRT does not apply to an agreement to transfer Shares where that agreement would have been exempt from stamp duty under certain specified exemptions.



### 3.5 Dilution

The Funds are designed and managed to support longer-term investment; active trading in Shares is discouraged. Short-term or excessive trading into and out of a Fund may harm performance by disrupting portfolio management strategies and by increasing expenses. The ACD may at its discretion refuse to accept applications for, or switching of, Shares where transactions are deemed disruptive, particularly from investors who, in its opinion, have a pattern of short-term or excessive trading or whose trading has been or may be disruptive to a Fund. For these purposes, the ACD may consider an investor's trading history in a Fund or in other funds or accounts managed by the ACD.

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

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

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

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

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

The estimated rates of dilution adjustment, at the date of this Prospectus, excluding any allowance for market impact, are provided below and are split between occasions when the dilution adjustment reflects a net creation of shares (offer basis) and occasions where the dilution adjustment reflects a net cancellation of shares (bid basis).

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

- (a) where a Fund is in continual decline;
- (b) where a Fund is experiencing large levels of net sales relative to its size;
- (c) where there is a net issue or cancellation of Shares in a Fund above the ACD's internal threshold which occurs in the period between one Valuation Point and the following

Valuation Point, whether at the request of a single Shareholder or of a number of Shareholders;

(d) in any other case where the ACD is of the opinion that the interests of Shareholders require the making of a dilution adjustment.

The ACD is entitled to amend at its discretion the threshold value for the purposes of letter (c) above in respect of a Fund by giving 60 days' notice to the Shareholders of the relevant Fund.

As dilution is directly related to the inflows and outflows of monies from a Fund, It is not possible to predict accurately whether dilution is likely to occur and whether dilution adjustment will be applied in the future. However, on a historical basis for the twelve month period ended 31 December 2023, a dilution adjustment was made on the following occasions at the following average rate:

Fund	Offer Basis		Bid Basis	
	Number of occasions	Average rate	Number of occasions	Average rate
Liontrust Global Smaller Companies Fund	N/A	N/A	3	0.13%
Liontrust Emerging Markets Fund	N/A	N/A	N/A	N/A

### 3.6 Money laundering and tax evasion

As a result of legislation in force in the UK to prevent money laundering, the ACD is responsible for compliance with anti money laundering regulations. In order to implement these regulations, in certain circumstances investors may be asked to provide proof of identity when buying or redeeming Shares. Until satisfactory proof of identity is provided, the ACD reserves the right to refuse to issue Shares, pay the proceeds of a redemption of Shares, or pay income on Shares to the investor. In the case of a purchase of Shares where the applicant is not willing to provide the information requested within a reasonable period, the ACD also reserves the right to sell the shares purchased and return the proceeds to the account from which the subscription was made. These proceeds may be less than the original investment.

It is also anticipated that a new corporate criminal offence will come into force in the United Kingdom in 2017. This will target the failure by a 'relevant body' to prevent facilitation of tax evasion. If it can be demonstrated that reasonable prevention procedures were in place which were designed to prevent such facilitation occurring, the relevant body will not be guilty of a criminal offence. The ACD reserves the right to adopt such practices and procedures as it deems necessary to avoid committing an offence on the basis of the enacted form of the legislation.

### 3.7 Transfers

Shareholders are entitled to transfer their Shares to another person or body. All transfers must be in writing in the form of an instrument of transfer approved by the ACD for this purpose. Completed instruments of transfer must be returned to the Registrar in order for the transfer to be registered by the Registrar. The ACD may refuse to allow the registration of a transfer unless any provision for SDRT due has been paid. **Restrictions and Compulsory Transfer and Redemption**

The ACD may from time to time impose such restrictions as it may think necessary for the purpose of ensuring that no Shares are acquired or held by any person in breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory or which would result in the Company incurring any liability to taxation which the Company is not able to recoup itself or suffering any other adverse consequence (including, for the avoidance of doubt, the Company becoming subject to withholding pursuant to the US Foreign Account Tax Compliance Act provisions of the Hiring Incentives to Restore Employment Act, as enacted in Sections 1471-1474 of the US Internal Revenue Code of 1986 and any rules, regulations or other guidance issued thereunder).

In this connection, the ACD may, inter alia, reject in its discretion any application for the purchase, redemption, transfer or switching of Shares.

If it comes to the notice of the ACD that any Shares ("affected Shares"):

- (a) are owned directly or beneficially in breach of any law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or
- (b) would result in the Company incurring any liability to taxation which the Company would not be able to recoup itself or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory); or
- (c) are held in any manner by virtue of which the Shareholder or Shareholders in question is/are not qualified to hold such Shares or if it reasonably believes this to be the case;

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

A Shareholder who becomes aware that he is holding or owns affected Shares shall immediately, unless he has already received a notice as set out above, either transfer all his affected Shares to a person qualified to own them or submit a request in writing to the ACD for the redemption of all his affected Shares.

Where a request in writing is given or deemed to be given for the redemption of affected Shares, such redemption will (if effected) be effected in the same manner as provided for in the Sourcebook.

### **3.8 Issue of Shares in exchange for in specie assets**

The ACD may arrange for the Company to issue Shares in exchange for assets other than cash, but will only do so where the Depositary has taken reasonable care to determine that the Company's acquisition of those assets in exchange for the Shares concerned is not likely to result in any material prejudice to the interests of Shareholders.

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

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

### **3.9 In specie redemptions**

If a Shareholder requests the redemption of Shares the ACD may, where it considers the deal to be substantial in relation to the total size of the Fund concerned or in some way detrimental to the Fund, arrange, having given prior notice in writing to the Shareholder, that, in place of payment for the Shares in cash, the Company transfers property or, if required by the Shareholder, the net proceeds of sale of the relevant property, to the Shareholder. Before the redemption proceeds of the Shares become payable, the ACD must give written notice to the Shareholder that the relevant property or the proceeds of sale of the relevant property will be transferred to that Shareholder so that the Shareholder can require the net proceeds of redemption rather than the relevant property if he so desires.

For this purpose, the ACD may consider a deal to be substantial if the relevant Shares constitute 5% (or a higher percentage if considered appropriate of those in issue in the relevant Fund).

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

### **3.10 Suspension of dealings in the Company**

The ACD may, with the prior agreement of the Depositary, and must without delay if the Depositary so requires temporarily suspend the issue, cancellation, sale and redemption of Shares in any or all of the Funds where due to exceptional circumstances it is in the interests of all the Shareholders in the relevant Fund or Funds.

The ACD and the Depositary must ensure that the suspension is only allowed to continue for as long as is justified having regard to the interests of Shareholders.

The ACD will notify Shareholders as soon as is practicable after the commencement of the suspension, including details of the exceptional circumstances which have led to the suspension, in a clear, fair and not misleading way and giving Shareholders details of how to find further information about the suspension. The ACD or the Depositary will immediately inform the FCA of the reasons for any suspension and will follow up as soon as practical with written explanations. The ACD or the Depositary will also inform the regulator in each EEA State in which the relevant Fund is made available for sale.

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

During the suspension none of the provisions of the Sourcebook relating to Dealing will apply, but the ACD will comply with as much of the provisions of the Sourcebook relating to "Valuation and pricing" during the period of suspension as is practicable in light of the suspension.

Suspension will cease as soon as practicable after the exceptional circumstances leading to the suspension have ceased but the ACD and the Depositary will formally review the suspension at least every 28 days and will inform the FCA of the review and any change to the information given to Shareholders.

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

### **3.11 Deferred redemption of Shares**

In times of high redemptions, where requested redemptions exceed 10% of a Fund's value, to protect the interests of continuing Shareholders, the ACD may defer redemptions at a particular Valuation Point on a Business Day, to the Valuation Point on the next Business Day. This will allow the ACD to match the sale of Scheme Property to the level of redemptions, and should reduce the impact of dilution on a Fund. Subject to sufficient liquidity being raised at the next Valuation Point all deals relating to the earlier Valuation Point will be completed before those relating to the later Valuation Point are considered.

### **3.12 Governing law**

All deals in Shares are governed by English law.

## **4. VALUATION OF THE COMPANY**

### **4.1 General**

The price of a Share is calculated by reference to the Net Asset Value of the Fund to which it relates, and there can only be a single price for any Share at any time. The Net Asset Value per Share of a Fund is calculated at each Valuation Point.

The ACD may at any time during a Business Day carry out an additional valuation if it considers it desirable to do so. The ACD shall inform the Depositary of any decision to carry out any such additional valuation. Valuations may be carried out for effecting a scheme of amalgamation or reconstruction which do not create a Valuation Point for the purposes of dealings. Where permitted and subject to the Regulations, the ACD may, in certain circumstances (for example where a significant event has occurred since the closure of a market) substitute a price with a more appropriate price which in its opinion reflects a fair and reasonable price for that investment. The regular valuation point may be changed in accordance with the Sourcebook.

The ACD will, upon completion of each valuation, notify the Depositary of the price of Shares, of each Class of each Fund and the amount of any dilution adjustment imposed, applicable in respect of any purchase or redemption of Shares.

A request for dealing in Shares will be held over and processed at the next Valuation Point, using the Net Asset Value per Share calculated as at that Valuation Point.

### **4.2 Calculation of the Net Asset Value**

The value of the property of the Company or of a Fund (as the case may be) shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions:

4.2.1 All the Scheme Property (including receivables) is to be included, subject to the following provisions.

4.2.2 Property which is not cash (or other assets dealt with in paragraph 4.2.2.4 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:

4.2.2.1 Units or shares in a collective investment scheme:

- (a) if a single price for buying and selling units or shares is quoted, at that price; or
- (b) if separate buying and selling prices are quoted, at the average of the two prices provided the buying price has been reduced by any initial charge included therein and the selling price has been increased by any exit or redemption charge attributable thereto; or
- (c) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists or, if the most recent price available does not reflect the ACD's best estimate of the value of the units or shares, at a value which, in the opinion of the ACD, is fair and reasonable;

4.2.2.2 Any other transferable security:

- (a) if a single price for buying and selling the security is quoted, at that price; or

- (b) if separate buying and selling prices are quoted, at the average of the two prices; or
  - (c) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no price exists or, if the most recent price available does not reflect the ACD's best estimate of the value of the security, at a value which, in the opinion of the ACD, is fair and reasonable;
- 4.2.2.3 Scheme Property other than that described in paragraphs 4.2.2.1 and 4.2.2.2 above, at a value which, in the opinion of the ACD, represents a fair and reasonable price;
- 4.2.2.4 Cash and amounts held in current and deposit accounts and in other time related deposits shall be valued at their nominal values.
- 4.2.3 There will be a deduction of an estimated amount for anticipated tax liabilities at that point in time including (as applicable and without limitation) capital gains tax, income tax, corporation tax, VAT, stamp duty, SDRT and any foreign taxes or duties.
- 4.2.4 There will be a deduction of an estimated amount for any liabilities payable out of the Scheme Property and any tax or duty thereon, treating periodic items as accruing from day to day.
- 4.2.5 There will be a deduction of the principal amount of any outstanding borrowings whenever repayable and any accrued but unpaid interest on borrowings.
- 4.2.6 Property which is a contingent transaction shall be treated as follows:
  - 4.2.6.1 if it is 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. If the Scheme Property is an off exchange option the method of valuation shall be agreed between the ACD and the Depositary;
  - 4.2.6.2 if it is an off exchange future, include it at the net value of closing out in accordance with a valuation method agreed between the ACD and the Depositary;
  - 4.2.6.3 if it is any other form of contingent liability transaction, include it at the mark-to-market value (whether as a positive or negative value). If the Scheme Property is an off exchange derivative, include it at a valuation method agreed between the ACD and the Depositary.
- 4.2.7 In determining the value of the Scheme Property, all instructions given to issue or cancel Shares shall be assumed to have been carried out (and any cash paid or received) whether or not this is the case.
- 4.2.8 Subject to paragraphs 4.2.9 and 4.2.10 below, agreements for the unconditional sale or purchase of Scheme 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 if, in the opinion of the ACD, their omission will not materially affect the final net asset amount.
- 4.2.9 Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph 4.2.8.

- 4.2.10 All agreements are to be included under paragraph 4.2.8 which are, or ought reasonably to have been, known to the person valuing the property.
- 4.2.11 Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.
- 4.2.12 Add any other credits or amounts due to be paid into the Scheme Property.
- 4.2.13 Add a sum representing any interest or any income accrued due or deemed to have accrued but not received.

#### **4.3 Price per Share in each Fund and each Class**

The price per Share at which Shares are bought or are redeemed is the Net Asset Value per Share (as adjusted by any dilution adjustment imposed under paragraph 3.5). Any initial charge or redemption charge, (or SDRT on a specific deal, if applicable) is payable in addition to the price or deducted from the proceeds and is taken from the gross subscription or redemption monies.

Each allocation of income made in respect of any Fund at a time when more than one Class is in issue in respect of that Fund shall be done by reference to the relevant Shareholder's proportionate interest in the income property of the Fund in question calculated in accordance with the Instrument of Incorporation.

#### **4.4 Pricing basis**

The ACD deals on a forward pricing basis. A forward price is the price calculated at the next Valuation Point after the purchase or redemption is deemed to be accepted by the ACD.

#### **4.5 Publication of Prices**

All Share class prices will be published daily on our website at [www.liontrust.co.uk](http://www.liontrust.co.uk). For reasons beyond the control of the ACD, these might not necessarily be the current prices.

All Share class prices will also be available on demand by dialling 0344 892 0349. The lines will be open on weekdays from 9am to 5pm UK time.



## 5. **RISK FACTORS**

Potential investors should consider the following risk factors before investing in the Company (or in the case of specific risks applying to specific Funds, in those Funds).

### 5.1 **General**

The investments of the Company are subject to normal market fluctuations and other risks inherent in investing in securities. The solvency of organisations with whom the Fund may invest cannot be guaranteed and any difficulty may adversely affect performance. Over time, inflation may erode the value of investments. There can be no assurance that any appreciation in the value of investments will occur. The value of investments and the income derived from them may fall as well as rise and investors may not recoup the original amount they invest in the Company. There is no certainty that the investment objective of any Fund will actually be achieved and no warranty or representation is given to this effect. The level of any yield for a Fund may be subject to fluctuations and is not guaranteed.

The entire market of a particular asset class or geographical sector may fall, having a more pronounced effect on funds heavily invested in that asset class or region.

If the income received by a Fund is insufficient to pay the management charges then this amount will be deducted from capital and this will erode the capital value of the Fund.

### 5.2 **Effect of Initial Charge or Redemption Charge**

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

In particular, where a redemption charge is payable, investors should note that the percentage rate at which the redemption charge is calculated is based on the market value rather than the initial value of the Shares. If the market value of the Shares has increased the redemption charge will show a corresponding increase. Currently there is no redemption charge levied on Shares.

The Shares therefore should be viewed as medium to long term investments(5 years or more).

### 5.3 **Dilution and SDRT provision**

Investors should note that in certain circumstances a dilution adjustment may be applied on their purchase or redemption of Shares (see paragraph 3.5 “Dilution”) or a provision for SDRT may be applied on the purchase, redemption or transfer of Shares (see paragraph 3.4.4 “Stamp Duty Reserve Tax”). Where a dilution adjustment is not applied, the Fund in question may incur dilution which may constrain capital growth.

### 5.4 **Suspension of Dealings in Shares**

Investors are reminded that in certain circumstances their right to purchase or redeem Shares (including a redemption by way of switching) may be suspended (see paragraph 3.10 “Suspension of dealings in the Company”).

### 5.5 **Liabilities of the Company**

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

## 5.6 Tax

The favourable tax treatment of ISAs may not continue in the future. Any effect tax may have on an investment may vary between investors and may change in the future.

## 5.7 Currency Exchange Rates

Currency fluctuations may adversely affect the value of a Fund's investments and the income thereon and, depending on an investor's currency of reference, currency fluctuations may adversely affect the value of his investment in Shares.

## 5.8 Performance Risk

There will be a variation in the performance between different funds with similar objectives due to the different assets selected. Funds will also diverge from their benchmarks depending on these selections. There is no guarantee of the performance of your investment.

## 5.9 Concentration Risk

The risk of concentration may arise when a Fund is predominantly invested in a single country or geographic area or has limited industry diversification. Concentration risk can also occur when a fund is invested in a limited number of securities. Lower diversification and active stock selection can result in greater than average investment in individual companies. Such concentration can give rise to more risk than where investments are spread over a large number of companies. Whilst this may increase the potential gains, this concentration of exposure and lack of diversification may also substantially increase the risk of loss to the fund.

## 5.10 Liquidity Risk

Liquidity Risk is the possibility that a number of investments in a fund cannot be liquidated in a timely manner at a reasonable price. The value of securities is subject to greater fluctuation if they are not regularly traded.

## 5.11 Derivatives

**The funds may invest in derivatives for the purposes of Efficient Portfolio Management. Such investment is not intended to increase the risk profiles of the Funds.**

Subject to the ACD obtaining and maintaining the requisite permissions from the FCA under the Financial Services and Markets Act 2000 and **on the giving of 60 days' notice to all Shareholders in any affected Funds, and subject to the provisions relating to derivatives transactions specific to each Fund described in Appendix I, in addition to EPM, certain types of derivatives and forward transactions as set out in this section 9 may be effected for such Funds. In the opinion of the ACD, such use of derivatives will not affect the overall risk profile however it may lead to a higher volatility in the Share price of the Fund.**

## 5.12 Credit risk

Investments may be adversely affected if any of the institutions with which money is deposited, or which is a counterparty of a Fund, suffers insolvency, other financial difficulties or otherwise fails to perform its financial obligations towards a Fund: each Fund will therefore be exposed to the credit risk of parties with whom it trades and will bear the risk of settlement default. Credit risk also arises from the uncertainty about the 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.

#### 5.13 **Legal and documentation risk**

The Funds are exposed to the risk that, in the event of counterparty default or a dispute, the ACD may be unable to enforce or rely on rights or obligations arising under its contractual arrangements with its brokers and/or counterparties.

#### 5.14 **Derivatives for hedging exposure**

For each Fund, derivatives may be used to hedge against various risks as permitted by the OEIC Regulations and the Sourcebook. The use of derivatives for hedging in a rising market may restrict potential gains.

#### 5.15 **Settlement Risk**

All investments in securities are transacted through brokers who have been approved by the ACD as an acceptable counterparty. There is a risk of loss if a counterparty fails to perform its financial or other obligations to a Fund, 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 a Fund 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 a Fund meets its settlement obligations but the counterparty fails before meeting its obligations.

#### 5.16 **Emerging and Frontier Markets**

The Funds may invest directly in the securities of companies incorporated in or operating in emerging and frontier markets or indirectly in other Funds which themselves invest in emerging markets. Consideration should be given to the following areas when investing into the Funds:

5.16.1 **Economic Concerns** – Investments in emerging and frontier markets may be more volatile than investments in more developed markets. Some of these markets may have relatively unstable governments or economies. The risks of expropriation, nationalisation and social, political and economic instability are greater in emerging and frontier markets than in more developed markets. In addition economies may be based on only a few industries and securities markets that trade only a limited number of securities.

5.16.2 **Regulatory and Reporting** – The accounting, auditing and financial reporting standards in many emerging and frontier markets are different from UK Standards. There is a higher risk of fraudulent accounting, misleading financial reporting and conflicts of interest. Furthermore, many emerging and frontier markets do not have well developed regulatory systems and disclosure standards may be less stringent than those of developed markets.

5.16.3 **Settlement and Custody Risk** – There may be delays in settlement and/or uncertainty in relation to the ownership of a Fund's investments which could affect the Fund's liquidity and which may lead to investment losses. Settlement processes may be less standardised, less automated and more prone to errors. In respect of currencies of certain emerging countries and frontier market countries, it is not possible to undertake currency hedging techniques.

5.16.4 **Credit** – Where the value of an investment depends on a party (which could be a company, government or other institution) fulfilling an obligation to pay, there exists a risk that that obligation will not be satisfied. This risk is greater the weaker

the financial strength of the counter party. The capital value of a Fund could be affected by any actual or feared breach of a counter party's obligations, while the income of the Fund would be affected only by an actual failure to pay, which is known as a default.

**5.16.5 Pricing and Liquidity** – There is a risk that the price at which an investment is valued may not be realisable in the event of sale. This could be due to a mis-estimation of the investment's value or due to a lack of liquidity in the relevant emerging or frontier market. As a result at times, the ACD may have to delay acting on instructions to sell investments. Reasons for reduced liquidity in frontier markets include that they often have limits for foreign investor ownership and frontier market companies tend to float only part of their equity, so there is only a limited supply of available securities.

**5.16.6 Transaction Costs** - in many markets, relatively high local transaction fees and commissions inflate trading costs which may erode asset performance.

**5.16.7 Currency risk** - investors into a frontier market fund need to be aware that they face a higher risk of investment exposure to large currency fluctuations than more developed markets.

## **5.17 Smaller Companies**

The Funds may invest in smaller companies which may be less liquid than the securities of larger companies, as a result of inadequate trading volume or restrictions on trading. Securities in smaller companies may possess greater potential for capital appreciation, but also involve risks, such as limited product lines, markets and financial or managerial resources and trading in such securities may be subject to more abrupt price movements than trading in the securities of larger companies.

## **5.18 Concentrated Portfolios**

The Funds will each hold a limited number of investments (fewer than 100 securities). If one of these investments falls in value, this could have a greater impact on the relevant Fund's value than if it held a larger number of investments.

## **5.19 Fixed Interest Securities**

Fixed-interest securities are particularly affected by changes in interest rates and inflation. If interest rates go up, the value of capital may fall, and vice versa. Inflation will also decrease the real value of capital. The value of a fixed-interest security will fall in the event of the default or reduced credit rating of the issuer. Generally, the higher the yield, the higher the perceived credit risk of the issuer. High yield bonds with lower credit ratings (also known as sub-investment grade bonds) are potentially more risky (higher credit risk) than investment grade bonds. A sub-investment grade bond has a Standard & Poor's credit rating of below BBB or equivalent. This Fund will invest in both investment grade and sub-investment grade securities.

## **5.20 Segregated Liability**

As explained in paragraph 2.2.1, under the OEIC Regulations, each Fund is a segregated portfolio of assets and those assets can only be used to meet the liabilities of, or claims against, that Fund. Whilst the provisions of the OEIC Regulations provide for segregated liability between Funds, the concept segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known whether a foreign court would give effect to the segregated liability and cross investment provisions contained in the OEIC Regulations. Therefore, it is not possible to be certain that the assets of a Fund will always be completely insulated from the liabilities of another fund of the Company in every circumstance.

## 6. MANAGEMENT AND ADMINISTRATION

### 6.1 Regulatory Status

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

### 6.2 Authorised Corporate Director

#### 6.2.1 General

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

The Members of the ACD are as follows:

- K Damsell
- M Donald
- M F Kearney
- 
- A C Morrison
- C Prince
- Liontrust Investment Funds Limited
- Liontrust Asset Management Plc

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

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

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

The ACD has delegated carries out investment management for the Funds to Liontrust Investment Partners LLP (the Investment Adviser) which is authorised and regulated by the FCA. The Investment Adviser is an indirect subsidiary of Liontrust Asset Management PLC. There is an Investment Management Agreement between the ACD and the Investment Adviser dated 1 January 2018.

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

The appointment of the Investment Adviser as investment adviser may be terminated by either party upon not less than 6 months' written notice after the first anniversary of the effective date of the Investment Management Agreement and may be terminated by either party at any time in certain other circumstances. The Investment Management Agreement contains indemnities from the Company in favour of the Investment Adviser and provides limitations on the Investment Adviser's liability to the Company.

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

The ACD has delegated administration and registration services and accounting functions to The Bank of New York Mellon (International) Limited.

Details of the Directors' other directorships and any significant business activities of the directors not connected with the business of the ACD are available upon request.

#### 6.2.2 **Terms of Appointment:**

The appointment of the ACD has been made under an agreement which had effect from 15 June 2020 between the Company and the ACD, as amended from time to time (the "ACD Agreement"). The ACD Agreement is available to Shareholders on request.

Pursuant to the ACD Agreement, the ACD manages and administers the affairs of the Company in accordance with the Regulations, the Instrument of Incorporation and this Prospectus. The ACD Agreement incorporates detailed provisions relating to the ACD's responsibilities. It also excludes the ACD from liability to the Company or any Shareholder for any error of fact, law or judgment or any action lawfully taken or omitted to be taken by the ACD, the investment performance or profitability of any Fund or the success or failure of the investment objective and policy of any Fund, the taxation consequences of the retention, purchase or sale of any investment or anything properly and reasonably done by the ACD on the instructions of the Depositary unless arising as a direct consequence of the negligence, wilful default, breach of duty or bad faith of the ACD in the performance of its duties and obligations under the ACD Agreement. Any liability for defaults of a person to whom it has delegated certain functions is also limited to the extent permitted by the Regulations.

The Company has agreed to indemnify the ACD (for itself and its delegates) against claims and expenses that arise in respect of their duties, except where there is fault on its or their part of the kind referred to above or to the extent that it is a liability which has been recovered from another person or the ACD's insurers.

Details of the fees payable to the ACD are set out in paragraph 7 "Charges payable to the ACD" below.

The ACD or any associate or any affected person is also under no obligation to account to the Depositary, the Company or the Shareholders for any profit it makes on the issue or re-issue or cancellation of Shares which it has redeemed.

The Company has no directors other than the ACD. The ACD is the manager of certain authorised unit trusts and open-ended investment companies details of which are set out in Appendix IV.

The FCA Rules regarding remuneration have been implemented primarily to ensure that relevant members of staff are not incentivised, by way of their remuneration package, to take excessive risks when managing funds. The ACD has approved and adopted a remuneration policy (the “Remuneration Policy”) which explains how the ACD complies with the FCA Rules and which staff are covered. Details of the up-to-date Remuneration Policy, including a description of how remuneration and benefits are calculated, the identities of the persons responsible for awarding such remuneration and benefits and the composition of the remuneration committee can be accessed at: [www.liontrust.co.uk](http://www.liontrust.co.uk). A paper copy of these details is also available free of charge from the ACD upon request.

### 6.3 The Depositary

#### 6.3.1 General

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

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

The registered and head office address is at 160 Queen Victoria Street, London, EC4V 4LA.

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

#### 6.3.2 Terms of Appointment:

The ACD is required to enter into a written contract with the Depositary to evidence its appointment. The Depositary was appointed under an agreement dated 15 June 2020 (the “Depositary Agreement”), pursuant to which the ACD and the Depositary agree to carry out various functions in order to comply with, and facilitate compliance with, the requirements of the UCITS Directive. The Depositary Agreement may be terminated by not less than 90 days written notice by any party provided that no such notice shall take effect until the appointment of a successor to the Depositary.

### 6.4 Depositary's functions

The Depositary has been entrusted with following main functions:

- 6.4.1 ensuring that the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with applicable law and the management regulations/articles of incorporation.
- 6.4.2 ensuring that the value of the Shares is calculated in accordance with applicable law and the management regulations/articles of incorporation.
- 6.4.3 carrying out the instructions of the ACD unless they conflict with applicable law and the management regulations/articles of incorporation.

- 6.4.4 ensuring that in transactions involving the assets of the Fund any consideration is remitted within the usual time limits.
- 6.4.5 ensuring that the income of the UCITS is applied in accordance with applicable law and the management regulations/articles of incorporation.
- 6.4.6 monitoring of the Fund's cash and cash flows
- 6.4.7 safe-keeping of the Fund's assets, including the safekeeping of financial instruments to be held in custody and ownership verification and record keeping in relation to other assets.

## 6.5 **Depositary's liability**

In carrying out its duties the Depositary shall act honestly, fairly professionally, independently and solely in the interests of the Company and its Shareholders.

In the event of a loss of a financial instrument held in custody, determined in accordance with the UCITS Directive, and in particular Article 18 of the UCITS Regulation, the Depositary shall return financial instruments of identical type or the corresponding amount to the Company without undue delay.

The Depositary shall not be liable if it can prove that the loss of a financial instrument held in custody has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary pursuant to the UCITS Directive.

In case of a loss of financial instruments held in custody, the Shareholders may invoke the liability of the Depositary directly or indirectly through ACD provided that this does not lead to a duplication of redress or to unequal treatment of the Shareholders.

The Depositary will be liable to the Fund for all other losses suffered by the Fund as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the UCITS Directive.

The Depositary shall not be liable for consequential or indirect or special damages or losses, arising out of or in connection with the performance or non-performance by the Depositary of its duties and obligations.

## 6.6 **Delegation**

The Depositary has full power to delegate the whole or any part of its safe-keeping functions but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Depositary's liability shall not be affected by any delegation of its safe-keeping functions under the Depositary Agreement.

Information about the safe-keeping functions which have been delegated and the identification of the relevant delegates and sub-delegates are contained in Appendix VII to this Prospectus.

## 6.7 **Conflicts of Interest**

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

As a global financial services provider, one of the Depositary's fundamental obligations is to manage conflicts of interest fairly and transparently. As a regulated business, the



Depositary is required to prevent, manage and, where required, disclose information regarding any actual or potential conflict of interest incidents to relevant clients.

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

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

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

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

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

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

#### Delegation

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

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

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

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

## **6.8 The Administrator**

On behalf of the Company the ACD has appointed the Administrator, The Bank of New York Mellon (International) Limited, to provide certain administration services. The Administrator's registered office is 160 Queen Victoria Street, London, EC4V 4LA.

## **6.9 The Registrar**

### **6.9.1 General**

On behalf of the Company the ACD has also appointed The Bank of New York Mellon (International) Limited to act as registrar to the Company.

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

### **6.9.2 Register of Shareholders**

The Register of Shareholders will be maintained by the Registrar at the address of its registered office as noted above, and may be inspected at that address during normal business hours by any Shareholder or any Shareholder's duly authorised agent.

The plan register (being a record of persons who subscribe for Shares through ISA plans) can be inspected at the office of the Administrator.

## **6.10 The Auditors**

The auditors of the Company are KPMG, 11th Floor, 15 Canada Square, Canary Wharf, London, E14 5GL.

## **6.11 Fund Accountants**

The ACD has delegated the function of fund accounting to The Bank of New York Mellon (International) Limited, 160 Queen Victoria Street, London, EC4V 4LA.

## **6.12 Legal Advisers**

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

## **6.13 Conflicts of Interest**

The ACD, and other companies within the Liontrust group may, from time to time, act as investment managers or advisers to other funds or sub-funds which follow similar investment objectives to those of the Funds. It is therefore possible that the ACD may in the course of their business have potential conflicts of interest with the Company or a particular Fund. The ACD will, however, have regard in such event to its obligations under the ACD Agreement and, in particular, to its obligation to act in the best interests of the

Company so far as practicable, having regard to its obligations to other clients, when undertaking any investment business where potential conflicts of interest may arise.

The ACD has produced a conflicts of interest policy that ensures that where the ACD considers a conflict of interest may arise which could not be managed, it may decline to act, or the conflict may be disclosed to enable those affected to make an informed decision.

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

## 7. FEES AND EXPENSES

### Charges payable to the ACD

#### 7.1 Administration Fees

Ordinary operating expenses incurred by the Fund may be paid out of the Scheme Property of the relevant Fund(s). To protect the unitholders from fluctuations in these expenses, the ACD has agreed to meet these operating expenses and to be reimbursed out of the Scheme Property at a flat rate per annum of the net asset value of the relevant Fund ("**Administration Fees**"), the current amount of these Administration Fees for each Fund are set out in Appendix I.

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

The Administration Fee shall accrue daily based on the prior day net asset value of each Fund and shall be paid monthly to the ACD out of Scheme Property on or as soon as is practicable after the last business day of the relevant calendar month. The Administration Fee will be calculated taking account of any applicable discount as set out in the table below, based on the net asset value of the Fund on the last business day of the previous month.

Net asset value	Discount to be applied to the
Below £500 million	0.000%
£500 million to £1 billion	0.010%
£1 billion to £2 billion	0.020%
£2 billion to £3 billion	0.030%
£3 billion to £4 billion	0.040%
£4 billion to £5 billion	0.050%
Over £5 billion	0.060%

The above discounts will not apply in circumstances that the Administration Fees after the applicable discount would be below 0.06%. For example, if the Administration Fees for a Fund before any volume discount is 0.10% then the lowest it can go with the application of a volume discount is 0.06%. If the Administration Fees for a Fund before any volume discount is 0.05% then the volume discounts will not apply as the Administration Fee is already below 0.06%. If the resultant discount to be applied drops below zero then the discount to be applied to the Administration Fee is 0.000%.

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

Expenses are allocated between capital and income in accordance with the Regulations. However, the approach for a given Fund is set out in Appendix I. Where expenses are deducted in the first instance from income if and only if this is insufficient, deductions will be made from capital (save for any charge made in respect of SDRT under paragraph 3.4.4 “Stamp Duty Reserve Tax”). If deductions were made from capital, this would result in capital erosion and constrain growth.

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

- a. The fees, expenses and disbursements payable to each service provider (being the Depositary, Registrar, Fund Accountant and Auditor);
- b. Custody fees and transaction charges
- c. Any costs incurred in modifying the instrument of Incorporation and/or the prospectuses and/or Key Investor Information Documents;
- d. Any costs incurred in respect of meetings of shareholders and communications with shareholders, including the costs of the postage;
- e. The fees of FCA under Chapter 10 of the Fees Manual;
- f. Any fees, expenses or disbursements of any investment, legal or other professional adviser of the Fund and those of the Fund’s sub-advisers;
- g. All administration costs of the Funds, including but not limited to the costs of making and receiving payments to shareholders and any administration fees in relation to any derivative instruments, such as Collateral Management Fees;
- h. All costs in developing, purchasing and maintaining systems required to operate the Funds, including software; and
- i. VAT or any similar tax is payable in respect of the above.

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

derived from or in connection with dealings in the units of such Fund, any transaction in such Fund's property or the supply of services to such Fund.

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

## **7.2 Annual Management Charge**

In payment for carrying out its duties and responsibilities the ACD is entitled to take an annual fee out of each Fund as set out in Appendix I. The annual management charge will accrue on a daily basis in arrears by reference to the Net Asset Value of the Fund based on the previous day's Net Asset Value of the Scheme Property of the relevant Fund and is payable monthly in arrears. The current annual management charges for the Funds (expressed as a percentage per annum of the Net Asset Value of each Fund) are set out in Appendix I.

## **7.3 Other Fees and Expenses**

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

- a. brokers' commission, fiscal charges and other disbursements which are:
  - i. necessary to be incurred in effecting transactions for the Funds, and
  - ii. normally shown in contract notes, confirmation notes and difference accounts as appropriate;
- b. interest on borrowing permitted under the Funds and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;
- c. taxation and duties payable in respect of the property of the Funds or the issue of units;
- d. liabilities on unitisation, amalgamation or reconstruction arising in certain circumstances specified by the COLL Sourcebook; and
- e. VAT or any similar tax is payable in respect of the above

## 8. SHAREHOLDER MEETINGS AND VOTING RIGHTS

8.1 The Company does not hold Annual General Meetings.

### 8.2 Class and Fund Meetings

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

### 8.3 Requisitions of Meetings

The ACD may requisition a general meeting at any time.

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

### 8.4 Notice and Quorum

Shareholders will receive at least 14 days' notice of a general meeting and are entitled to be counted in the quorum and vote at such meeting either in person or by proxy. The quorum for a meeting is two Shareholders, present in person or by proxy. The quorum for an adjourned meeting is one person entitled to be counted in a quorum. Notices of meetings and adjourned meetings will be sent to Shareholders at their registered addresses.

### 8.5 Voting Rights

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

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

A Shareholder 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 shareholders, the vote of the most senior who votes, whether in person or by proxy must be accepted to the exclusion of the votes of the other joint shareholders. For this purpose seniority must be determined by the order in which the names stand in the Register of Shareholders.

Except where the Sourcebook or the Instrument of Incorporation require an extraordinary resolution (which needs at least 75% of the votes cast at the meeting to be in favour if the resolution is to be passed) any resolution required by the Sourcebook will be passed by a simple majority of the votes validly cast for and against the resolution.

Where all the Shares in a Fund are registered to, or held by, the ACD or its associates and they are therefore prohibited from voting and a resolution (including an extraordinary resolution) is required to conduct business, it shall not be necessary to convene such a meeting and a resolution may, with the prior written agreement of the Depositary to the

process, instead be passed with the written consent of Shareholders representing 50% or more, or for an extraordinary resolution 75% or more, of the Shares in issue.

The ACD may not be counted in the quorum for a meeting and neither the ACD nor any associate (as defined in the Sourcebook) of the ACD is entitled to vote at any meeting of the Company except in respect of Shares which the ACD or associate holds on behalf of or jointly with a person who, if the registered Shareholder, would be entitled to vote and from whom the ACD or associate has received voting instructions.

“Shareholders” in this context means Shareholders entered on the register at a time to be determined by the ACD and which is a reasonable time before notices of meetings are sent out.

#### **8.6 Variation of Class of Fund rights**

The rights attached to a Class or Fund may not be varied without the sanction of an extraordinary resolution passed at a meeting of Shareholders of that Class or Fund.



## 9. TAXATION

### 9.1 General

The information below is a general guide based on current United Kingdom tax law and HM Revenue and Customs (“**HMRC**”) practice, all of which are subject to change. It summarises the tax position of the Company and of investors who are United Kingdom resident and hold Shares as investments. The tax position of an investor will depend on the individual circumstances of that investor and may be subject to change in future. Prospective investors who are in any doubt about their tax position, or who may be subject to tax in a jurisdiction other than the United Kingdom, are recommended to take professional advice.

### 9.2 The Company

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

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

Each Fund, however, is liable to United Kingdom corporation tax on most sources of income (other than, inter alia, dividends treated as being exempt under Part 9A of the Corporation Tax Act 2009 (“**CTA 2009**”) and the franked portion of dividend distributions from United Kingdom authorised unit trusts and other United Kingdom open-ended investment companies), net of allowable management expenses (and, in relevant cases, the gross amount of any interest distributions made by the Fund). Dividends treated as being exempt under Part 9A CTA 2009 and the franked portion of dividend distributions from United Kingdom authorised unit trusts and other United Kingdom open-ended investment companies will be franked investment income of the Fund.

Where a Fund suffers foreign tax on income received, some or all of that tax may in some instances be offset against any corporation tax payable by the Fund on that income by way of double tax relief.

If at any time in an accounting period the investments of any Fund comprise more than 60 per cent. (by value) in “qualifying investments” that Fund may elect to treat its distributions as a payment of interest (as opposed to a dividend) for UK tax purposes. Such a Fund is referred to in this Prospectus as a “Bond” fund (though the term does not appear in UK tax legislation). Qualifying investments are, broadly, debt-like instruments and include the holding of shares in a master fund (whether incorporated in the UK or offshore) that itself holds more than 60% of its investments in debt-like instruments. If any Fund were to be treated as paying an interest distribution, it would normally be able to deduct the amount of that distribution in computing its taxable income for corporation tax purposes, thereby reducing or eliminating its liability to corporation tax for the period in question.

Any Fund that is not a “Bond” Fund is referred to in this Prospectus as an “Equity” Fund. Details of whether a particular Fund is an “Equity” Fund or a “Bond” Fund for tax purposes are set out in Appendix I.

### 9.3 Shareholders

#### 9.3.1 Income - Equity Funds

Funds which are so called “Equity” Funds for the purposes of tax will pay any distributable income as dividend distributions (which will be automatically retained in the Fund in the case of accumulation Shares).

For individual Shareholders, the dividend tax allowance is £1,000. Income tax is now applied to dividend income above that allowance at rates of 8.75% for basic rate taxpayers, 33.75% for higher rate tax payers and 39.35% for additional rate tax payers.

Corporate Shareholders who receive dividend distributions may have to divide them into two parts; a “franked” portion and an “unfranked” portion (in which case the division will be indicated on the tax voucher). In broad terms, the portion treated as franked will be such proportion as is equal to the proportion of the total income of the Fund (brought into account when determining the distribution for the period in question) which consists of dividend income received which is treated as exempt under Part 9A CTA 2009. The “franked” portion of the payment is treated as dividend income, on which the United Kingdom resident corporate Shareholder is not chargeable to corporation tax (unless the Shareholder is deemed to be a dealer in securities by HMRC). No reclaim of tax credits can be made in relation to the “franked” portion of a dividend distribution.

The remainder, “unfranked” portion, of the distribution will be received as an annual payment after deduction of income tax at the basic rate, and corporate Shareholders may, depending on their circumstances, be liable to corporation tax on the grossed up amount, but with credit for the 20% income tax treated as having been deducted. Any repayment of the income tax credit is limited to the corporate Shareholder’s share of the Fund’s liability to corporation tax for the distribution period in question.

Non-United Kingdom resident Shareholders will generally not be entitled to reclaim any part of the tax credit on the dividend distribution from HMRC although it will normally satisfy their United Kingdom tax liability on that income. They may also be able to offset the tax credit against their liability to tax in their own country.

### 9.3.2 **Income - Bond Funds**

Funds which are so-called “Bond” Funds for the purposes of tax may pay interest distributions (which will be automatically retained in the case of accumulation Shares).

From 6 April 2017, as a result of section 888C of the Income Tax Act 2007, interest distributions are made without any deduction for income tax.

This means that individual Shareholders will be obliged to include the full amount of the distribution on their tax returns and pay tax accordingly (at 20% in the case of basic rate taxpayers, 40% in the case of higher rate taxpayers or 45% in the case of additional rate taxpayers). UK individual tax payers may be eligible for a tax free allowance of £1,000 (basic rate tax payers) or £500 (higher rate tax payers). Additional rate tax payers are not entitled to any tax free allowance on interest income.

For UK tax paying corporate Shareholders who are not financial traders, the interest distribution will be treated as a non-trading loan relationship credit.

### 9.3.3 **Income equalisation**

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

#### 9.3.4 Gains

Shareholders who are resident in the United Kingdom for tax purposes may, depending on their personal circumstances, be liable to capital gains tax or, if a corporate Shareholder, corporation tax on chargeable gains arising from the redemption, transfer or other disposal of Shares (including an exchange of Shares in one Fund for Shares in another Fund but not on Switches between Classes within a Fund).

Corporate Shareholders in the “Bond” Funds who are subject to corporation tax must treat their Shareholding as a creditor relationship subject to a fair value basis of accounting. Accordingly, a corporate Shareholder may, depending on its own circumstances, incur a charge to corporation tax on an unrealised increase in the value of its holding (and, likewise, obtain relief against corporation tax for an unrealised reduction in the value of its holding).

Part of any increase in value of accumulation Shares represents the accumulation of income (including income equalisation but excluding tax credit). These amounts may be added to the acquisition cost when calculating the capital gain realised on their disposal.

#### 9.3.5 Withholding Tax

The Company does not intend to make any deductions by way of withholding tax on payments or distributions to Shareholders unless required by law.

#### 9.3.6 Reporting of tax information

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

The International Tax Compliance Regulations 2015 give effect to:

- (i) reporting obligations under the OECD’s Common Reporting Standard for Automatic Exchange of Information (the “**CRS**”). The Company is required to identify accounts maintained for account holders who are tax resident in the EU or jurisdictions with which the UK has entered into an agreement to automatically exchange tax information and collect and report such information to HMRC; and
- (ii) an intergovernmental agreement between the US and the United Kingdom in relation to the US Foreign Account Tax Compliance Act (“**FATCA**”). FATCA is designed to help the Internal Revenue Service (the “**IRS**”) combat US tax evasion. It requires financial institutions, such as the Company (or the Funds), 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 Company (or a Fund) to US withholding taxes on certain US-sourced income and gains.

The International Tax Compliance (Crown Dependencies and Gibraltar) Regulations 2014 (the “**CDOT Regulations**”) impose a separate reporting regime for investors from several of the UK’s overseas territories: Jersey, Guernsey, Isle of Man and Gibraltar. The CDOT Regulations implement the UK’s intergovernmental agreements with these territories. From 31 December 2017 these agreements will be revoked and replaced by the CRS. HMRC have confirmed that accounts will only need to be reported once on the common return where they are reportable under both the CDOT Regulations and the CRS.

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

Investors may be asked to provide additional information to the ACD to enable the Company (or each Fund) to satisfy these obligations. Failure to provide requested information may subject an investor to liability for any resulting penalties, U.S. withholding taxes, tax information reporting and/or mandatory redemption, transfer or other termination of the investor's interest in its Shares. It is possible that other countries will enact similar legislation which will be implemented in the UK.

*Withholding tax liability*

To the extent the Company (or a Fund) is subject to withholding tax as a result of:

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

(each a “**Chargeable Event**”),

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

Each Shareholder agrees to indemnify the Fund and the ACD and its delegates/agents including the Administrator for any loss caused by such investor arising to the Fund and the ACD and/or its delegates/agents by reason of them becoming liable to account for tax in any jurisdiction on the happening of a Chargeable Event (as defined above).

## 10. WINDING UP OF THE COMPANY OR A FUND

The Company will not be wound up except as an unregistered company under Part V of the Insolvency Act 1986 or under the Sourcebook. A Fund may only be wound up under the Sourcebook.

Where the Company or a Fund is to be wound up under the Sourcebook, such winding up may only be commenced following approval by the FCA. The FCA may only give such approval if the ACD provides a statement (following an investigation into the affairs of the Company) either that the Company will be able to meet its liabilities within 12 months of the date of the statement or that the Company will be unable to do so. The Company may not be wound up under the Sourcebook if there is a vacancy in the position of ACD at the relevant time.

The Company may be wound up or a Fund must be terminated under the Sourcebook:

- 10.1 if an extraordinary resolution to that effect is passed by Shareholders; or
- 10.2 when the period (if any) fixed for the duration of the Company or a particular Fund by the Instrument of Incorporation expires, or any event occurs on the occurrence of which the Instrument of Incorporation provides that the Company or a particular Fund is to be wound up (for example, if the share capital of the Company or (in relation to any Fund) the Net Asset Value of the Fund is below £3 million, or if a change in the laws or regulations of any country means that, in the ACD's opinion, it is desirable to terminate the Fund); or
- 10.3 on the date stated in any agreement by the FCA to a request by the ACD for the revocation of the authorisation order in respect of the Company or for the termination of the relevant Fund.

On the occurrence of any of the above:

- 10.4 the provisions of the Sourcebook relating to "Dealing", "Valuation and Pricing" and "Investment and borrowing powers" will cease to apply to the Company or the relevant Fund;
- 10.5 the Company will cease to issue and cancel Shares in the Company or the relevant Fund and the ACD shall cease to sell or redeem Shares or arrange for the Company to issue or cancel them for the Company or the relevant Fund;
- 10.6 no transfer of a Share shall be registered and no other change to the Register of Shareholders shall be made without the sanction of the ACD;
- 10.7 where the Company is being wound up, the Company shall cease to carry on its business except in so far as it is beneficial for the winding up of the Company;
- 10.8 the corporate status and powers of the Company and subject to 10.4 to 10.7 above, the powers of the Depositary shall continue until the Company is dissolved.

The ACD shall, as soon as practicable after the Company or the Fund falls to be wound up, realise the assets and meet the liabilities of the Company and, after paying out or retaining adequate provision for all liabilities properly payable and retaining provision for the costs of winding up, arrange for the Depositary to make one or more interim distributions out of the proceeds to Shareholders proportionately to their rights to participate in the property of the Company or the Fund. If the ACD has not previously notified Shareholders of the proposal to wind up the Company or terminate the Fund, the ACD shall, as soon as practicable after the commencement of winding up of the Company or the termination of the Fund, give written notice of the commencement to Shareholders. When the ACD has caused all of the property to be realised and all of the liabilities of the Company or the particular Fund to be realised, the ACD shall arrange for the Depositary to make a final distribution to Shareholders on or prior to the date on which the final

account is sent to Shareholders of any balance remaining in proportion to their holdings in the Company or the particular Fund.

As soon as reasonably practicable after completion of the winding up of the Company or the particular Fund, the Depositary shall notify the FCA that the winding up has been completed.

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

Following the completion of a winding up of either the Company or a Fund, the ACD must prepare a final account showing how the winding up took place and how the property was distributed. The auditors of the Company shall make a report in respect of the final account stating their opinion as to whether the final account has been properly prepared. This final account and the auditors' report must be sent to the FCA and to each Shareholder (or the first named of joint Shareholders) on it within two months of the completion of the winding up or termination.

## 11. GENERAL INFORMATION

### 11.1 Accounting Periods

The Annual Accounting Period of the Company ends each year on 31 December (the Accounting Reference Date) with an Interim Accounting Period ending on 30 June.

The ACD may even out the payments of income within an accounting period by carrying forward income otherwise distributable with a view to augmenting amounts to be paid out at a later date. Details of the Funds for which this policy is currently considered are set out in Appendix I.

### 11.2 Income Allocations

Some Funds may have interim and final income allocations and other Funds may have quarterly income allocations and some Funds may only have final income allocation dates (see Appendix I). For each of the Funds income is allocated in respect of the income available at each accounting date.

In relation to income Shares, distributions of income for each Fund in which income Shares are issued are paid by BACS directly into a Shareholder's bank account on or before the relevant income distribution date in each year as set out in Appendix I. A re-investment facility is available whereby Shareholders may request the ACD to re-invest distributions of income. Further information on the re-investment facility is available to Shareholders from the ACD upon request.

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

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

The amount available for distribution in any accounting period is calculated by taking the aggregate of the income received or receivable for the account of the relevant Fund in respect of that period, and deducting the charges and expenses of the relevant Fund paid or payable out of income in respect of that accounting period. The ACD then makes such other adjustments as it considers appropriate (and after consulting the Company's auditors as appropriate) in relation to taxation, income equalisation, income unlikely to be received within 12 months following the relevant income distribution date, income which should not be accounted for on an accrual basis because of lack of information as to how it accrues, transfers between the income and capital account and other matters.

With the agreement of the Depositary individual amounts of income of £10 or less may not be paid.

### 11.3 Annual Reports

The annual report of the Company will be published within four months from the end of each Annual Accounting Period and the half yearly report will be published within two months of the end of each Interim Accounting Period. Reports will be made available to each Shareholder registered or entitled to be registered at the end of the relevant accounting period and to any other person on request.

### 11.4 Notices and Documents

Notices and documents provided to a Shareholder will be posted to the registered address of the Shareholder. All notices and documents are sent at the risk of the Shareholder.

## 11.5 Documents of the Company

The following documents may be inspected free of charge during normal business hours on any Business Day at the offices of the ACD at 2 Savoy Court, London, WC2R 0EZ:

- 11.5.1 the most recent prospectus of the Company;
- 11.5.2 the most recent annual and half yearly reports of the Company;
- 11.5.3 the Instrument of Incorporation (and any amending documents); and
- 11.5.4 the material contracts referred to below.

Shareholders may obtain copies of the above documents from the ACD. The ACD may make a charge at its discretion for copies of documents, with the exception of the annual and half-yearly reports, the Prospectus and the Instrument of Incorporation which are available to Shareholders and potential Shareholders free of charge.

## 11.6 Material Contracts

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

- 11.6.1 the ACD Agreement between the Company and the ACD; and
- 11.6.2 the Depositary Agreement between the Company, the Depositary and the ACD.

Details of the above contracts are given under section 6 "Management and Administration".

## 11.7 Provision of Investment Advice

All information concerning the Company and about investing in Shares of the Company is available from the ACD at 2 Savoy Court, London, WC2R 0EZ. The ACD is not authorised to give investment advice and persons requiring such advice should consult a professional financial adviser. All applications for Shares are made solely on the basis of the current prospectus of the Company, and investors should ensure that they have the most up to date version.

## 11.8 Telephone Recordings

Please note that the ACD may record telephone calls for training and monitoring purposes and to confirm investors' instructions.

## 11.9 Complaints Handling

Complaints can be made in writing, Shareholders may submit their concerns to: Compliance Department, Liontrust Fund Partners LLP, PO Box 373, Darlington, DL1 9RQ.

The ACD aims to resolve all complaints as quickly as possible. Where the ACD cannot resolve the problem by close of business on the third business day after the complaint is received, the ACD will acknowledge the complaint in writing and give notice of who is handling the complaint.

If a complaint cannot be resolved within 4 weeks of receipt, the ACD will provide a written update.

If the ACD has not satisfactorily dealt with a complaint within 8 weeks, you can refer the matter to the Financial Ombudsman Service at Exchange Tower, Harbour Exchange



Square, London E14 9SR, telephone 0800 023 4567 or at [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk).

The ACD will handle complaints in line with its complaints procedure and the FCA rules governing complaints. A copy of the ACD's complaints procedure is available on request.

#### **11.10 Risk Management**

The ACD will provide upon the request of a Shareholder further information relating to:

- 11.10.1 the quantitative limits applying in the risk management of any Fund;
- 11.10.2 the methods used in relation to 11.10.1; and
- 11.10.3 any recent development of the risk and yields of the main categories of investment.

#### **11.11 Best Execution**

When executing orders on behalf of the Company in relation to financial instruments, the ACD will take all reasonable steps to achieve "best execution" by following policy and procedures which are designed to obtain the best possible execution result, taking into consideration the nature of Company's orders, the priorities the Company places upon filing the orders and the market in question and which provides, in the reasonable opinion of the ACD, the best balance across a range of sometimes conflicting factors. The ACD's order execution policy is available on the ACD's website, [www.liontrust.co.uk](http://www.liontrust.co.uk). Alternatively Shareholders can contact the ACD's customer service helpline 0344 892 0349 and request a copy of the policy.

#### **11.12 Voting Strategy**

Information on the ACD's strategy for exercising the Company's voting rights in relation to its underlying investments is available to Shareholders upon request.

#### **11.13 Fee sharing and soft commissions**

The Funds may enter into fee sharing agreements and soft commission arrangements which are permissible under the Regulations.

Under soft commission arrangements, the ACD's affiliates may from time to time have entered into arrangements with brokers, under which the brokers will provide or procure services or other benefits which can be reasonably expected to assist in the provision of investment services. No direct payment is made for these services. Any transactions conducted under these arrangements are done so on a best execution basis as required by the FCA, and in accordance with other applicable FCA rules. More detailed information on soft commission arrangements is available on request.

The ACD may on occasion share fees and commission with external agents, intermediaries or introducers. Details of any such shared fees or commission may be disclosed in contract notes or are otherwise available on request.

**APPENDIX I****FUND DETAILS**

<b>Name:</b>	<b>Liontrust Global Smaller Companies Fund</b>
<b>Product Reference Number:</b>	635226
<b>Type of Fund:</b>	UCITS scheme.
<b>Investment Objective:</b>	The investment objective of Liontrust Global Smaller Companies Fund is to generate long term (5 years or more) capital growth.
<b>Investment Policy:</b>	<p>The Fund invests at least 80% in shares of small sized companies across the world. These are companies which, at the time of purchase, have a market capitalisation of under £10 billion.</p> <p>The Fund may also invest up to 20% in companies that are not small sized companies, as well as in other eligible asset classes.</p> <p>Other eligible asset classes are collective investment schemes (which may include Liontrust managed funds), other transferable securities, cash or near cash, deposits and money market instruments.</p> <p>Derivatives and forward transactions may be used by the ACD for efficient portfolio management.</p> <p>It is the intention to be near-fully invested at all times, however, the Fund has the facility to take tactical positions in cash or near cash, and to use efficient portfolio management, should the ACD feel it appropriate.</p> <p>The portfolio will be managed to ensure that the Fund is at all times eligible to qualify for, and to be included in, an Individual Savings Account.</p> <p>For a definition of terms please refer to the glossary.</p>
<b>Investment Strategy:</b>	The Fund invests in securities using a combination of economic, industry and stock specific analysis.

**Performance Benchmark:**

<b>For total return purposes</b>	<b>Benchmark Category</b>	<b>Benchmark Type</b>
MSCI ACWI Small Cap	Comparator	Index
IA Global	Comparator	Fund Sector

<b>Rationale for choice of benchmark:</b>	<p>Given the Fund invests in global companies the ACD believes it is appropriate for investors to compare the performance of the Fund versus the relevant IA sector which in this case is the IA Global sector.</p> <p>In addition to the sector the ACD believes it is also appropriate for investors to compare the performance of the Fund versus the MSCI ACWI Small Cap, this being the benchmark index that most appropriately matches the investment universe of the fund.</p>	
<b>Typical Investor</b>	<p>The Fund is suitable for investors who aim for capital growth from their investment. Investors should be able to invest for five years or more and should understand the risks and the investment objective and policy of the Fund.</p>	
<b>Transactions in derivatives</b>	<p>The ACD may use derivatives for the purpose of EPM (including hedging) as set out in section 10 of Appendix III <b>or on the giving of 60 days' notice to all Shareholders in Fund, in addition to EPM (including hedging), certain types of derivatives and forward transactions, as set out in section 9 of Appendix III, may be effected for the Fund,</b> subject to the ACD obtaining and maintaining the requisite permissions from the FCA under the Financial Services and Markets Act 2000. If the ACD elects to use derivatives in this way, whilst it will not affect the overall risk profile it may lead to a higher volatility in the Share price of the Fund.</p>	
<b>Final accounting date:</b>	31 December.	
<b>Interim accounting date:</b>	30 June.	
<b>Income distribution date:</b>	The last day of February.	
<b>ISA and Junior ISA status:</b>	Qualifying Investment for stocks and shares component.	
<b>Shares Classes and type of Shares:</b>	Net Accumulation Shares - Class C.	
<b>Initial charge:</b>	Nil	
<b>Redemption charge:</b>	Nil	
<b>Switching charge:</b>	Nil	
<b>Annual Management Charge*:</b>	Class C:	0.75%
<b>Administration Fee (per annum)*</b>	0.12%	
<b>Charges taken from Income</b>	Yes	
<b>Investment minima**:</b>	Class C	

Lump sum	£250,000
Holding	£250,000
Top-up	N/A
Regular Savings Plan	N/A
Redemption	None providing minimum holding is maintained
<b>Share Capital Limit</b>	£100,000,000
<b>Valuation Point</b>	12.00 noon on each Business Day.
<b>Status of Fund for tax purposes:</b>	The Fund is an Equity Fund for the purposes of tax.

\*Information on fees and charges are set out under paragraph – “Fees and Expenses”.

**\*\* The ACD may waive the minimum levels at its discretion.**

<b>Name:</b>	<b>Liontrust Emerging Markets Fund</b>
<b>Product Reference Number:</b>	635228
<b>Type of Fund:</b>	UCITS scheme.
<b>Investment Objective:</b>	The investment objective of Liontrust Emerging Markets Fund is to generate long term (5 years or more) capital growth.
<b>Investment Policy:</b>	<p>The Fund invests at least 80% in shares of emerging market companies. These are companies in countries which, at the time of purchase, appear anywhere in the MSCI Emerging Markets Index.</p> <p>The Fund may also invest up to 20% in other companies outside of emerging markets, as well as in other eligible asset classes.</p> <p>Other eligible assets classes are collective investment schemes (which may include Liontrust managed funds), other transferable securities, cash or near cash, deposits and money-market instruments.</p> <p>Derivative instruments and forward transactions may be used for efficient portfolio management.</p> <p>It is the intention to be near-fully invested at all times, however, the Fund has the facility to take tactical positions in cash or near cash, and to use efficient portfolio management, should the ACD feel it appropriate.</p> <p>The portfolio will be managed to ensure that the Fund is at all times eligible to qualify for, and to be included in, an Individual Savings Account.</p> <p>For a definition of terms please refer to the glossary.</p>
<b>Investment Strategy:</b>	The Fund invests in a mix of companies that may provide growth opportunities, attractive valuations, or special situations. Special situations can exist where companies are out of favour, misunderstood or where management changes or takeovers are expected.

**Performance Benchmark:**

<b>For total return purposes</b>	<b>Benchmark Category</b>	<b>Benchmark Type</b>
MSCI Emerging Markets	Comparator	Index

IA Global Emerging Markets	Comparator	Fund Sector
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**Rationale for choice of benchmark:**

Given the Fund invests in emerging market companies the ACD believes it is appropriate for investors to compare the performance of the Fund versus the relevant IA sector which in this case is the IA Global Emerging Markets Sector.

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

**Typical Investor**

The Fund is suitable for investors who aim for capital growth from their investment. Investors should be able to invest for five years or more and should understand the risks and the investment objective and policy of the Fund

**Transactions in derivatives**

The ACD may use derivatives for the purpose of EPM (including hedging) as set out in section 10 of Appendix III **or on the giving of 60 days' notice to all Shareholders in Fund, in addition to EPM (including hedging), certain types of derivatives and forward transactions, as set out in section 9 of Appendix III, may be effected for the Fund**, subject to the ACD obtaining and maintaining the requisite permissions from the FCA under the Financial Services and Markets Act 2000. If the ACD elects to use derivatives in this way, whilst it will not affect the overall risk profile it may lead to a higher volatility in the Share price of the Fund.

**Final accounting date:**

31 December.

**Interim accounting date:**

30 June.

**Income distribution date:**

The last day of February.

**ISA and Junior ISA status:**

Qualifying Investment for stocks and shares component.

**Shares Classes and type of Shares:**

Income Shares – Class E\*\*\*\*

Net Accumulation Shares - Class C,

**Initial charge:**

Nil

**Redemption charge:**

Nil

<b>Switching charge:</b>	Nil	
<b>Annual Management Charge*:</b>	Class C:	0.75%
	Class E (Income Only)****	0.55%

**Administration Fee (per annum)\*** 0.14%

**Charges taken from Income** Yes

<b>Investment minima**:</b>	<b>Class C</b>	<b>Class E****</b>
Lump sum	£250,000	£50,000,000
Holding	£250,000	£50,000,000
Top-up	£100	N/A
Regular Savings Plan	£50	N/A
Redemption	None providing minimum holding is maintained	None providing minimum holding is maintained

**Share Capital Limit** N/A

**Valuation Point** 12.00 noon on each Business Day.

**Status of Fund for tax purposes:** The Fund is an Equity Fund for the purposes of tax.

\*Information on fees and charges are set out under paragraph – “Fees and Expenses”.

\*\* The ACD may waive the minimum levels at its discretion.

\*\*\* These Share Classes are not currently available.

\*\*\*\* Class E Shares are only available to persons who satisfy certain conditions for investment as set out in the ACD’s terms of reference which are available upon request.





## APPENDIX II

### ELIGIBLE SECURITIES MARKETS AND ELIGIBLE DERIVATIVES MARKETS

All the Funds may deal through securities markets which are regulated markets (as defined in the glossary to the FCA Handbook) or markets established in an EEA State which are regulated, operate regularly and are open to the public.

Each Fund may also deal through the securities markets and derivatives markets indicated below (subject to their respective investment objective and policy):

#### Securities Markets:

Argentina	Buenos Aires SE
Australia	Australian Stock Exchange
Botswana	Botswana Stock Exchange
Brazil	B3 (Brasil Bolsa Balcao S.A)
Bulgaria	Bulgarian Stock Exchange
Canada	The Canadian Ventures Exchange
Canada	Montreal Stock Exchange
Canada	Toronto Stock Exchange
Canada	Winnipeg Stock Exchange
Chile	Bolsa DeCommercio De Santiago
Chile	Bolsa Electronica De Chile
China	Shanghai Stock Exchange
China	Stock Exchange of China
Colombia	Columbia SE
Croatia	Zagreb SE
Czech Republic	Prague Stock Exchange
Estonia	Tallinn Stock Exchange
Europe	EASDAQ
Hong Kong	Hong Kong Growth Enterprise
Hong Kong	Hong Kong Stock Exchange
Hungary	Budapest Stock Exchange
India	Bombay Stock Exchange

India	National Stock Exchange of India
Indonesia	Indonesian Stock Exchange
Japan	Fukuoka Stock Exchange
Japan	Hiroshima Stock Exchange
Japan	JASDAQ
Japan	Nagoya Stock Exchange
Japan	Niigata Stock Exchange
Japan	Osaka Stock Exchange
Japan	Sapporo Stock Exchange
Japan	Tokyo Stock Exchange
Japan	Tokyo Over-the-Counter
Kenya	Nairobi Stock Exchange
Korea	Korea Exchange
Kuwait	Boursa Kuwait (Kuwait Stock Exchange)
Latvia	Riga SE
Lithuania	NASDAQ OMX Vilnius
Malaysia	Bursa Malaysia
Mexico	Bolsa Mexicana de Valores
Morocco	Casablanca Stock Exchange
New Zealand	New Zealand Exchange Limited
Peru	Bolsa de Valores de Lima
Philippines	Philippine Stock Exchange
Poland	Warsaw Stock Exchange
Puerto Rico	Most equities are traded on the U.S. exchanges (NYSE, AMEX, NASDAQ)
Qatar	Doha Securities Market (DSM)
Romania	Bucharest SE
Saudi Arabia	Saudi Stock Exchange (Tadawul)
Singapore	Stock Exchange of Singapore

Slovakia	Bratislava SE
Slovenia	Ljubijana SE
South Africa	Johannesburg Stock Exchange
South Africa	Stock Exchange of South Africa
South Korea	Korea Exchange
Sri Lanka	Colombo Stock Exchange
Switzerland	Swiss Exchange (Basle, Geneva and Zurich)
Taiwan	Taiwan Stock Exchange
Taiwan	Taipei Stock Exchange
Thailand	Stock Exchange of Thailand
Turkey	Istanbul Stock Exchange
Ukraine	PFTS Ukraine Stock Exchange
United Arab Emirates	Abu Dhabi Securities Exchange
United Kingdom	The Alternative Investment Market
United States	Boston Stock Exchange
United States	Cincinnati Stock Exchange
United States	Midwest Stock Exchange
United States	NASDAQ
United States	New York Stock Exchange
United States	OTC
United States	Pacific Stock Exchange
United States	Philadelphia Stock Exchange
Venezuela	Bolsa de Valores de Caracas (BVC)

**Derivatives Markets:**

Australia	Sydney Futures Exchange
Austria	Austrian Futures & Options Exchange
Belgium	Belgian Futures & Options Exchange
Brazil	BOVESPA

Bulgaria	Bulgarian Stock Exchange
Canada	Montreal Stock Exchange
Canada	Toronto Stock Exchange
Chile	Santiago Stock Exchange
China	Shanghai Futures Exchange
Denmark	Copenhagen Stock Exchange
Finland	Finnish Options Market
France	Marché à Terme International de France
France	Marché des Options Négociables de Paris
Germany	EUREX
Germany	German Futures Exchange
Hong Kong	Hong Kong Futures Exchange
India	NSCCL (Futures and Options Segment)
Ireland	Irish Futures and Options Exchange
Italy	Mercato Italiano Futures Exchange
Japan	Osaka Securities Exchange
Japan	Tokyo Stock Exchange
Japan	Tokyo International Financial Futures Exchange
Lithuania	NASDAQ OMX Vilnius
Mexico	Mexican Derivatives Exchange
Netherlands	EOE Financieel Termijnmarkt
Netherlands	Financieel Termijnmarkt
Singapore	Singapore International Monetary Exchange
South Africa	SAFEX
Spain	Barcelona Futures & Options Market
Spain	Madrid Futures & Options Market
Sweden	OM Stockholm Stock Exchange
Sweden	Swedish Options Market
Switzerland	EUREX

Ukraine	PFTS Ukraine Stock Exchange
United Kingdom	LIFFE
United Kingdom	London Securities & Derivatives Exchange
United States	Chicago Board Option Exchange
United States	Chicago Board of Trade
United States	New York Futures Exchange
United States	American Stock Exchange
United States	Chicago Mercantile Exchange
United States	Pacific Stock Exchange
United States	Philadelphia Stock Exchange
United States	OTC

## APPENDIX III

### INVESTMENT AND BORROWING POWERS OF THE COMPANY

#### 1. General rules of investment

The Scheme Property of each Fund will be invested with the aim of achieving the investment objective of that Fund but subject to the limits set out in the Fund's investment policy and the limits set out in that part of the Sourcebook dealing with investment and borrowing powers and this Prospectus. These limits apply to each Fund as summarised below.

##### 1.1 Prudent spread of risk

The ACD must ensure that, taking account of the investment objectives and policies of each Fund, the Scheme Property of each Fund aims to provide a prudent spread of risk.

##### 1.2 Cover

1.2.1 Where the Sourcebook allows a transaction to be entered into or an investment to be retained only (for example, investment in warrants and nil and partly paid securities and the general power to accept or underwrite) if possible obligations arising out of the investment transactions or out of the retention would not cause any breach of any limits in the Sourcebook, it must be assumed that the maximum possible liability of the Fund under any other of those rules has also to be provided for.

1.2.2 Where a rule in the Sourcebook permits an investment transaction to be entered into or an investment to be retained only if that investment transaction, or the retention, or other similar transactions, are covered:

1.2.2.1 it must be assumed that in applying any of those rules, the Fund must also simultaneously satisfy any other obligation relating to cover; and

1.2.2.2 no element of cover must be used more than once.

##### 1.3 Transferable Securities

1.3.1 A transferable security is an investment falling within article 76 (Shares etc), article 77 (instruments creating or acknowledging indebtedness), article 78 (government and public securities), article 79 (instruments giving entitlement to investments) and article 80 (certificates representing certain securities) of the Regulated Activities Order.

1.3.2 An investment is not a transferable security if the title to it cannot be transferred, or can be transferred only with the consent of a third party.

1.3.3 In applying paragraph 1.3.2 of this Appendix to an investment which is issued by a body corporate, and which is an investment falling within articles 76 (shares, etc) or 77 (instruments creating or acknowledging indebtedness) of the Regulated Activities Order, the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored.

1.3.4 An investment is not a transferable security unless:

1.3.4.1 the liability of the holder is limited to the amount paid in respect of the transferable security;

1.3.4.2 its liquidity does not compromise the ability of the ACD to comply with its obligation to redeem any Shares;

1.3.4.3 reliable valuation and appropriate information is available for it in accordance with the Sourcebook; and

1.3.4.4 it is negotiable and its risks are adequately captured by the risk management process of the ACD.

1.3.5 An investment will also be considered to be a transferable security if it fulfils the criteria set out above and is backed by or linked to the performance of other assets, which may differ from those in which a UCITS scheme can invest.

## **2. UCITS schemes - general**

2.1 Subject to the investment objectives and policy of a Fund, the Scheme Property of a Fund must, except where otherwise provided in the Sourcebook, only consist of any or all of:

2.1.1 transferable securities;

2.1.2 approved money-market instruments;

2.1.3 derivatives and forward transactions;

2.1.4 deposits; and

2.1.5 units in collective investments schemes.

2.2 Transferable securities and approved money-market instruments held within a Fund must (subject to paragraph 2.3 of this Appendix) be admitted to or dealt on an eligible market as described below or certain other approved money-market instruments of a regulated issuer or recently issued transferable securities permitted under the Sourcebook.

2.3 Not more than 10% in value of the Scheme Property of a Fund is to consist of transferable securities and approved money-market instruments, which are not approved securities.

2.4 Not more than 5% in value of the Scheme Property of a Fund may consist of warrants.

2.5 The requirements on spread of investments generally and in relation to investment in government and public securities do not apply until the expiry of a period of six months after the date of effect of the authorisation order in respect of the Fund (or on which the initial offer commenced if later) provided that the requirement to maintain prudent spread of risk in paragraph 1.1 of this Appendix is complied with.

2.6 A UCITS scheme may also with the express consent of the FCA invest in approved money market instruments that satisfy the criteria provided in the Sourcebook.

## **3. Eligible markets regime: purpose**

3.1 To protect investors the markets on which investments of a Fund are dealt in or traded on should be of an adequate quality ("eligible") at the time of acquisition of the investment and until it is sold.

3.2 Where a market ceases to be eligible, investments on that market cease to be approved securities. The 10% restriction on investing in non approved securities applies and exceeding this limit because a market ceases to be eligible will generally be regarded as an inadvertent breach.

3.3 A market is eligible for the purposes of the rules if it is:

3.3.1 a regulated market as defined in the FCA Handbook; or

- 3.3.2 a market in an EEA State which is regulated, operates regularly and is open to the public.
- 3.4 A market not falling within paragraph 3.3 of this Appendix is eligible for the purposes of the Sourcebook if:
  - 3.4.1 the ACD, after consultation and notification with the Depositary, decides that market is appropriate for investment of, or dealing in, the Scheme Property of a Fund;
  - 3.4.2 the market is included in a list in the Prospectus; and
  - 3.4.3 the Depositary has taken reasonable care to determine that:
    - 3.4.3.1 adequate custody arrangements can be provided for the investment dealt in on that market; and
    - 3.4.3.2 all reasonable steps have been taken by the ACD in deciding whether that market is eligible.
- 3.5 In paragraph 3.4.1, a market must not be considered appropriate unless it is regulated, operates regularly, is recognised, is open to the public, is adequately liquid and has adequate arrangements for unimpeded transmission of income and capital to or for the order of investors.
- 4. **Spread: general**
  - 4.1 This rule on spread does not apply to government and public securities.
  - 4.2 For the purposes of this requirement companies included in the same group for the purposes of consolidated accounts as defined in accordance with Directive 83/349/EEC or in the same group in accordance with international accounting standards are regarded as a single body.
  - 4.3 Not more than 20% in the value of the Scheme Property of a Fund is to consist of deposits with a single body.
  - 4.4 Not more than 5% in value of the Scheme Property of a Fund is to consist of transferable securities or approved money-market instruments issued by any single body, except that the limit of 5% is raised to 10% in respect of up to 40% in value of the Scheme Property of a Fund. For these purposes certificates representing certain securities are treated as equivalent to the underlying security.
  - 4.5 The exposure to any one counterparty in an OTC derivative transaction must not exceed 5% in value of the Scheme Property of a Fund. This limit is raised to 10% where the counterparty is an Approved Bank.
  - 4.6 Not more than 20% in value of the Scheme Property of a Fund is to consist of transferable securities and approved money-market instruments issued by the same group.
  - 4.7 The FCA Handbook provides that not more than 20% in value of the Scheme Property of a Fund is to consist of the units of any one collective investment scheme. Each of the Funds has its own limit as to the extent to which it will invest in other collective investment schemes as set out in Appendix I. This limit can be raised in accordance with the Sourcebook.
  - 4.8 The FCA Handbook provides that in applying the limits in 4.3 and 4.5, not more than 20% in value of the Scheme Property of a Fund is to consist of any combination of two or more of the following:



- transferable securities or approved money-market instruments issued by; or
- deposits made with; or
- exposures from OTC derivatives transactions made with;

a single body.

4.9 The Sourcebook provides that:

- 4.9.1 The ACD must ensure that counterparty risk arising from an OTC derivative is subject to the limits set out in 4.5 and 4.8 of this paragraph.
- 4.9.2 When calculating the exposure of a Fund to a counterparty in accordance with paragraph 4.5, the ACD must use the positive mark-to-market value of the OTC derivative contract with that counterparty.
- 4.9.3 The ACD may net the OTC derivative positions of a Fund with the same counterparty, provided they are legally entitled to enforce netting arrangements with the counterparty on behalf of a Fund.
- 4.9.4 The agreements in 4.9.3 above are only permissible with respect to OTC derivatives with the same counterparty and not in relation to any other exposures a Fund may have with that same counterparty.
- 4.9.5 The ACD may reduce the exposure of the Scheme Property to a counterparty of an OTC derivative through the receipt of collateral. Collateral received must be sufficiently liquid so that it can be sold quickly at a price that is close to its presale valuation.
- 4.9.6 The ACD must take collateral into account in calculating exposure to counterparty risk in accordance with the limits in paragraph 4.5 when it passes collateral to an OTC counterparty on behalf of the UCITS scheme.
- 4.9.7 Collateral passed in accordance with paragraph 4.9.6 above may be taken into account on a net basis only if the ACD is able to legally enforce netting arrangements with this counterparty on behalf of a Fund.
- 4.9.8 The ACD must calculate the issuer concentration limits referred to in paragraph 4.5 on the basis of the underlying exposure created through the use of the OTC derivatives pursuant to the commitment approach.
- 4.9.9 In relation to the exposure arising from OTC derivatives as referred to in paragraph 4.8, the ACD must include any exposure to OTC derivative counterparty risk in the calculation.

5. **Spread: government and public securities**

- 5.1 In general not more than 35% in value of the property of the Company may be invested in government and public securities issued by any one issuer provided that the issuers are among the following:
  - (a) an EEA State;
  - (b) a local authority of an EEA State;
  - (c) a non-EEA State; or
  - (d) a public international body to which one or more EEA States belong.

Subject to this restriction, there is no limit on the amount of the scheme property of the Company which may be invested in such securities or in any one issue.

- 5.3 The Company or any Fund may invest more than 35% in value of the Scheme Property of a Fund in such securities issued by any one body provided that:
- 5.3.1 the ACD has before any such investment is made consulted with the Depositary and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objectives of the authorised fund;
  - 5.3.2 no more than 30% in value of the Scheme Property consists of such securities of any one issue;
  - 5.3.3 the Scheme Property of a Fund includes such securities issued by that or another issuer, of at least six different issues; and
  - 5.3.4 the disclosures required by the FCA have been made.
- 5.4 More than 35 per cent of the property of the Company or any Fund, as the case may be, may be invested in Government and other public securities issued or guaranteed by the Government of the United Kingdom (including the Scottish Administration, the Executive Committee of the Northern Ireland Assembly, the National Assembly of Wales), the Government 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 or the United States of America.
- 5.5 Notwithstanding paragraph 4.1 and subject to paragraphs 5.2 and 5.3 in applying the 20% limit in paragraph 4.8 with respect to a single body, government and public securities issued by that body shall be taken into account.

## 6. **Investment in collective investment schemes**

- 6.1 The Funds may invest up to 10% of their Scheme Property in units or shares in other collective investment schemes ("Second Scheme") provided that Second Scheme satisfies all of the following conditions and provided that no more than 30% of the value of the UCITS scheme is invested in Second Schemes within 6.1.1.2-6.1.1.4.
- 6.1.1 The Second Scheme must:
- 6.1.1.1 satisfy the conditions necessary for it to enjoy the rights conferred by the UCITS Directive; or
  - 6.1.1.2 be recognised under the provisions of s.272 of the Financial Services and Markets Act 2000; or
  - 6.1.1.3 be authorised as a non-UCITS retail scheme (provided the requirements of Article 19(1)(e) of the UCITS Directive are met); or
  - 6.1.1.4 be authorised in another EEA State provided the requirements of Article 19(1)(e) of the UCITS Directive are met; or
  - 6.1.1.5 be authorised by the competent authority of an OECD member country (other than another EEA State) which has:
    - (a) signed the IOSCO Multilateral Memorandum of Understanding; and
    - (b) approved the scheme's management company, rules and depositary/custody arrangements,

(provided the requirements of article 19 (1)(e) of the UCITS Directive are met).

- 6.1.2 The Second Scheme has terms which prohibit more than 10% in value of the Scheme Property consisting of units in collective investment schemes.
- 6.1.3 Investment may only be made: (i) in other collective investment schemes managed by the ACD or an associate of the ACD; and/or (ii) in another Fund of the Company; if the Fund's Prospectus clearly states that it may enter into such investments and the rules on double charging contained in the Sourcebook are complied with.
- 6.1.4 Where the Second Scheme is an umbrella, the provisions in 6.1.2 and 6.1.3 apply to each sub-fund as if it were a separate scheme.
- 6.2 Subject to this clause 6, the Funds may invest their Scheme Property in collective investment schemes managed or operated by, or whose authorised corporate director is, the ACD of the Funds or one of its associates.

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

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

## **8. Investment in approved money-market instruments**

- 8.1 A Fund may invest in approved money-market instruments which are normally dealt in on the money market, are liquid and whose value can be accurately determined at any time.
- 8.2 A money-market instrument shall be regarded as normally dealt in on the money market if it:
  - 8.2.1 has a maturity at issuance of up to and including 397 days;
  - 8.2.2 has a residual maturity of up to and including 397 days;
  - 8.2.3 undergoes regular yield adjustments in line with money market conditions at least every 397 days; or
  - 8.2.4 has a risk profile, including credit and interest rate risks, corresponding to that of an instrument which has a maturity as set out in 8.2.1 or 8.2.2 or is subject to yield adjustments as set out in 8.2.3.
- 8.3 A money-market instrument shall be regarded as liquid if it can be sold at limited cost in an adequately short time frame, taking into account the obligation of the ACD to redeem shares at the request of any qualifying Shareholder. A money-market instrument shall be regarded as having a value which can be accurately determined at any time if accurate and reliable valuations systems, which fulfil the following criteria, are available:
  - 8.3.1 enabling the ACD to calculate a net asset value in accordance with the value at which the instrument held in the portfolio could be exchanged between knowledgeable willing parties in an arm's length transaction; and
  - 8.3.2 based either on market data or on valuation models including systems based on amortised costs.
- 8.4 A money-market instrument that is normally dealt in on the money market and is admitted to or dealt in on an eligible market shall be presumed to be liquid and have a value which

can be accurately determined at any time unless there is information available to the ACD that would lead to a different determination.

- 8.5 A Fund may also invest in an approved money market instrument if (where applicable) the appropriate information as set out in the Sourcebook is available, the issue or the issuer is regulated for the purposes of protecting investors and savings and if the instrument is issued or guaranteed by a central authority of an EEA State, a regional or local authority of an EEA State, the European Central Bank or a central bank of an EEA State, the European Union or the European Investment Bank, a non EEA State or, in the case of a federal state, one of the members making up the federation, a public international body to which one or more EEA States belong, or issued by a body, any securities of which are dealt in on an eligible market, or issued or guaranteed by an establishment which is subject to prudential supervision in accordance with criteria defined by Community law or subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by Community law.

## 9. Derivatives

- 9.1 **At the date of this Prospectus, the Company may use derivatives transactions for the purposes of Efficient Portfolio Management, as described in section 10 of this Appendix III.**

- 9.2 Subject to the ACD obtaining and maintaining the requisite permissions from the FCA under the Financial Services and Markets Act 2000 and on the giving of 60 days' notice to all Shareholders in any affected Funds, and subject to the provisions relating to derivatives transactions specific to each Fund described in Appendix I, in addition to EPM, certain types of derivatives and forward transactions as set out in this section 9 may be effected for such Funds. In the opinion of the ACD, whilst such use of derivatives will not affect the overall risk profile, it may lead to a higher volatility in the Share price of any Fund (potential investors should consider the risk factors in paragraph 5.8).

- 9.3 The use of derivatives will be for the purposes of EPM (including hedging) and/or meeting the investment objectives of the Fund(s) however, it is envisaged that the use of such instruments will not affect the risk profile of the Funds.

- 9.4 The use of derivatives by the Company shall be limited to:

9.4.1 transactions in approved derivatives (i.e. effected on or under the rules of an eligible derivatives market); and

9.4.2 permitted over the counter transactions in derivatives.

- 9.5 Eligible derivatives markets are those which the ACD after consultation with the Depositary, has decided are appropriate for the purpose of investment of or dealing in the property with regard to the relevant criteria set out in the Sourcebook and the formal guidance on eligible markets issued by the FCA as amended from time to time. The eligible derivatives markets for the Funds are set out in Appendix II.

- 9.6 The underlying assets of a transaction in derivatives must consist of any one or more of the following (to which the relevant Fund is dedicated):

- permitted transferable securities;
- permitted approved money-market instruments;
- permitted deposits;
- permitted derivatives;
- permitted collective investment schemes;

- financial indices (which satisfy the criteria set out in the Sourcebook);
  - interest rates;
  - foreign exchange rates; and
  - currencies.
- 9.7 Any transaction in a derivative must not cause a Fund to diverge from its investment objectives and a transaction must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more of: transferable securities, approved money-market instruments, collective investment scheme shares or units and derivatives provided that a sale is not to be considered as uncovered if the conditions of the FCA Handbook (Requirement to cover sales) are satisfied.
- 9.8 Any forward transaction must be made with an Eligible Institution or an Approved Bank.
- 9.9 Where a Fund invests in derivatives the exposure to the underlying assets must not exceed the limits set out above although, where a Fund invests in an index based derivative, provided the index is a relevant index in accordance with the FCA Handbook and the ACD takes account of the rules relating to a prudent spread of risk, the underlying constituents of the index do not have to be taken into account for such purposes. Where a transferable security or money market instrument embeds a derivative, this must be taken into account for the purposes of calculating any limit in the relevant part of the FCA Handbook.
- 9.10 The global exposures relating to derivatives for the Funds may not exceed the Net Asset Value of the Scheme Property.
- 9.11 A transaction in a derivative or forward transaction which will or could lead to a delivery of property for the account of the Fund may only be entered into if the property can be held by the Fund and the ACD has taken reasonable care to ensure that delivery of the property under the transaction will not result in a breach of the FCA Handbook.
- 9.12 Except in relation to deposits, no agreement by or on behalf of a Fund to dispose of Scheme Property or rights may be made unless the obligation to make the disposal and any other similar obligation could immediately be honoured by the Fund by delivery of property or the assignment of rights and the property or rights are owned by the Fund at the time of the agreement.
- 9.13 Any transaction in an over the counter derivative must be:
- 9.13.1 with an approved counterparty; a counterparty to a transaction in derivatives is approved only if the counterparty is an Eligible Institution, an Approved Bank or a person whose permission (including any requirements or limitations) as published in the FCA Register or whose Home State authorisation permits it to enter into the transaction as a principal off-exchange;
  - 9.13.2 on approved terms; the terms of the transaction in derivatives are approved only if the ACD carries out, at least daily, a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and which does not rely only on market quotations by the counterparty and the ACD can enter into one or more further transactions to sell, liquidate or close out that transaction at any time at its fair value; and
  - 9.13.3 capable of reliable valuation; a transaction in derivatives is capable of reliable valuation only if the ACD, having taken reasonable care, determines that, throughout the life of the derivative, it will be able to value the investment concerned with reasonable accuracy on the basis of an up-to-date market value which the ACD and Depositary have agreed is reliable or if the market value is

not available, on the basis of a pricing model as agreed between the ACD and Depositary and is subject to verifiable valuation.

- 9.14 A transferable security or approved money-market instrument will embed a derivative where it contains a component whereby some or all of the cash flows that otherwise would be required by the transferable security or approved money-market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, and therefore vary in a way similar to a stand-alone derivative; has a significant impact on the net profile and pricing; and its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract.

- 9.15 A derivative includes an instrument which fulfils the criteria set out in the Sourcebook.

## 10. **Efficient Portfolio Management**

- 10.1 Each of the Funds may use derivatives transactions for the purposes of EPM. For the purposes of EPM, derivatives may be used as described in this section 10 but in the opinion of the ACD the use of derivatives for in this manner does not increase the risk profile or the volatility of the Funds.

- 10.2 For the purposes of EPM, the ACD may use its property to enter into hedging or transactions. Permitted EPM transactions (excluding stocklending transactions) are transactions in derivatives (i.e. options, futures or contracts for differences) dealt in or traded on eligible derivative markets, off exchange options or contracts for differences resembling options or synthetic futures in certain circumstances.

There is no limit on the amount of the property of a Fund which may be used for EPM but the transactions must satisfy three broadly based requirements:

- 10.2.1 A transaction must be reasonably believed by the ACD to be economically appropriate to the efficient portfolio management of a Fund. This means that, for transactions undertaken to reduce risk or cost (or both), the transaction alone or in combination will diminish a risk or cost of a kind or Fund is certain (or certain barring events which are not reasonably foreseeable) to derive a benefit from the transaction.

EPM may not include speculative transactions.

- 10.2.2 The purpose of an EPM transaction for a Fund must be to achieve one of the following in respect of the relevant Fund.

- 10.2.2.1 Reduction of risk. This allows for the use of the technique of cross-currency hedging in order to switch all, or part of a Fund's property away from a currency the ACD considers unduly prone to risk, to another currency. This aim also permits the use of tactical asset allocation (please see 10.2.2.2).

- 10.2.2.2 Reduction of cost. The aims of reduction of risk or cost, together or separately, allow the ACD on a temporary basis, (if the ACD feels it is appropriate, in the interests of the clients, and with the aim of reduction of risk and/or cost), to utilise the technique of tactical asset allocation. Tactical asset allocation permits the ACD to undertake a switch in exposure by use of derivatives, rather than through sale and purchase of Scheme Property. If a transaction for the relevant Fund relates to the acquisition or potential acquisition of transferable securities, the ACD must intend that the Fund should invest in transferable securities within a reasonable time and the ACD must

thereafter ensure that, unless the position has itself been closed out, that intention is realised within that reasonable time.

- 10.2.2.3 The generation of additional capital or income for the relevant Fund with a risk level which is consistent with the risk profile of the Fund and the risk diversification rules laid down in the Sourcebook or if there is a case where the ACD reasonably believes that a Fund is certain (or certain barring events which are not reasonably foreseeable) to derive a benefit.

The generation of additional capital or income may arise out of taking advantage of price imperfections or from the receipt of a premium for writing of covered call or covered put options (even if the benefit is obtained at the expense of surrendering the chance or yet greater benefit).

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

- 10.3 Subject to any appropriate approvals, the ACD may in addition to EPM (including hedging), enter into transactions in derivatives for the purpose of meeting the investment objectives of a Fund or Funds. Although such approvals have not yet been sought or granted, in the event that they are granted in relation to a particular Fund or Funds, the ACD may then, having given affected Shareholders notice of at least 60 days, enter into such transactions in derivatives. In the opinion of the ACD, the entering into derivatives transactions of this sort will not increase the risk profile of the Funds.
- 10.4 A Fund may invest in derivatives and forwards transactions as part of its investment policy provided:
- 10.4.1 its global exposure relating to derivatives and forward transactions held does not exceed the net value of the Scheme Property; and
- 10.4.2 its global exposure to the underlying assets does not exceed in aggregate the investment limits laid down in the Sourcebook.
- 10.5 The ACD must calculate the global exposure on at least a daily basis.
- 10.6 Exposure must be calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.
- 10.7 Transactions may be effected in which the ACD has, either directly or indirectly, an interest that may potentially involve a conflict of its obligation to the Company. Where a conflict cannot be avoided, the ACD will have regard to its fiduciary responsibility to act in the best interests of the Company and its investors. The ACD will ensure that investors are treated fairly and that such transactions are effected on terms which are not less favourable to the Company than if the potential conflict had not existed.
- 10.8 Operational costs and fees arising from EPM techniques and/or the use of derivatives are paid for by the relevant Fund. The identity of the entities to which operational costs and fees are paid will be disclosed in the annual report.
11. **Risk management:**
- 11.1 The ACD uses a risk management process, enabling it to monitor and measure as frequently as appropriate the risk of a Fund's positions and their contribution to the overall

risk profile of the Fund. Before using the process, the ACD will notify the FCA of the details of the risk management process.

## 12. **Investment in deposits**

- 12.1 A Fund may invest in deposits only 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.

## 13. **Significant influence**

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

13.1.1 immediately before the acquisition, the aggregate of any such securities held by the Company gives the Company power significantly to influence the conduct of business of that body corporate; or

13.1.2 the acquisition gives the Company that power.

- 13.2 For the purposes of paragraph 13.1 of this Appendix, the Company is to be taken to have power significantly to influence the conduct of business of a body corporate if it can, because of the transferable securities held by it, exercise or control the exercise of 20% or more of the voting rights in that body corporate (disregarding for this purpose any temporary suspension of voting rights in respect of the transferable securities of that body corporate).

## 14. **Concentration**

A UCITS Scheme:

- 14.1 must not acquire transferable securities other than debt securities which:

14.1.1 do not carry a right to vote on any matter at a general meeting of the body corporate that issued them; and

14.1.2 represent more than 10% of these securities issued by that body corporate;

- 14.2 must not acquire more than 10% of the debt securities issued by any single issuing body;

- 14.3 must not acquire more than 25% of the units in a collective investment scheme;

- 14.4 must not acquire more than 10% of the approved money-market instruments issued by any single body;

- 14.5 need not comply with the limits in paragraphs 14.2, 14.3 and 14.4 of this Appendix if, at the time of the acquisition, the net amount in issue of the relevant investment cannot be calculated.

## 15. **Schemes replicating an index**

- 15.1 Notwithstanding paragraph 4 of this Appendix, a Fund may invest up to 20% in value of the Scheme Property in shares and debentures which are issued by the same body where the stated investment policy is to replicate the composition of a relevant index as defined below.

- 15.2 The 20% limit can be raised for a particular Fund up to 35% in value of the Scheme Property, but only in respect of one body and where justified by exceptional market conditions.



- 15.3 In the case of a Fund replicating an index the Scheme Property of a Fund need not consist of the exact composition and weighting of the underlying in the relevant index where deviation from this is expedient for reasons of poor liquidity or excessive cost to the scheme in trading in an underlying investment.
- 15.4 The indices referred to above are those which satisfy the following criteria:
- 15.4.1 the composition is sufficiently diversified due to the fact that its components adhere to the spread and concentration requirements as set out in the Sourcebook;
  - 15.4.2 the index represents an adequate benchmark for the market to which it refers because the index provider uses a recognised methodology which generally does not result in the exclusion of a major issuer of the market to which it refers; and
  - 15.4.3 the index is published in an appropriate manner which is accessible to the public and the index provider is independent from the index replicating Fund.
- 15.5 Replication of the composition of a relevant index shall be understood to be a reference to replication of the composition of the underlying assets of that index, including the use of techniques and instruments permitted for the purpose of efficient portfolio management.
- 17. Cash and near cash**
- 17.1 Cash and near cash must not be retained in the Scheme Property of a Fund except to the extent that, where this may reasonably be regarded as necessary in order to enable:
- 17.1.1 the pursuit of the Fund's investment objectives; or
  - 17.1.2 redemption of units; or
  - 17.1.3 efficient management of the Fund in accordance with its investment objectives; or
  - 17.1.4 other purposes which may reasonably be regarded as ancillary to the investment objectives of the Fund.
- 17.2 During the period of the initial offer the Scheme Property of the Fund may consist of cash and near cash without limitation.
- 18. General**
- 18.1 It is not intended that any Fund will have an interest in any immovable property or tangible movable property.
- 18.2 It is envisaged that the Funds will normally be fully invested but there may be times that it is appropriate not to be fully invested when the ACD reasonably regards this as necessary in pursuit of the investment objective and policy, redemption of Shares, efficient management of a Fund or any one purpose which may reasonably be regarded as ancillary to the investment objectives of a Fund.
- 18.3 No Fund may invest in the Shares of another Fund within the Company.
- 18.4 Where the Company invests in or disposes of units or shares in another collective investment scheme which is managed or operated by the ACD or an associate of the ACD, the ACD must pay to the Company by the close of business on the fourth Business Day the amount of any initial charge in respect of a purchase, and in the case of a sale, any charge made for the disposal.

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

**19. Underwriting**

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

**20. Borrowing powers**

- 20.1 The ACD may, on the instructions of the Company and subject to the Sourcebook, borrow money from an Eligible Institution or an Approved Bank for the use of the Company on terms that the borrowing is to be repayable out of the Scheme Property.
- 20.2 Borrowing must be on a temporary basis, must not be persistent, and in any event must not exceed three months without the prior consent of the Depositary, which may be given only on such conditions as appear appropriate to the Depositary to ensure that the borrowing does not cease to be on a temporary basis.
- 20.3 The ACD must ensure that borrowing does not, on any Business Day, exceed 10% of the value of each Fund.
- 20.4 These borrowing restrictions do not apply to “back to back” borrowing for currency hedging purposes (i.e. borrowing permitted in order to reduce or eliminate risk arising by reason of fluctuations in exchange rates).

**21. Stock lending and Repo contracts**

- 21.1 Stock lending is an arrangement where the Company or the Depositary delivers securities which are the subject of the transaction in return for which it is agreed that securities of the same kind and amount be redelivered to the Company or the Depositary at a later date. The Company or the Depositary at the time of delivery receives collateral to cover against the risk of the future redelivery not being completed. There is no limit on the value of the scheme property of the Company which may be the subject of repo contracts or stock lending arrangements. A repo contract is an agreement between a seller and buyer for the purchase or sale of securities, under which the seller agrees to repurchase the securities or equivalent securities, or the buyer agrees to resell the securities or equivalent securities, at an agreed date and, usually, at a stated price.
- 21.2 The Company, or the Depositary at the Company's request, may only enter into stock lending transactions (involving a disposal of securities in a Fund and re-acquisition of equivalent securities) or repo contract when it reasonably appears to the Company or ACD to be appropriate to do so with a view to generating additional income for the relevant Fund with an acceptable degree of risk. Such transactions must comply with conditions set out in the COLL Sourcebook, which require (inter alia) that:
1. the stock lending transaction must be of a kind described in Section 263B of the Taxation of Chargeable Gains Act 1992;
  2. the terms of the agreement under which the Depositary is to re-acquire the securities for the account of the Company must be acceptable to the Depositary and in accordance with good market practice;

3. the counterparty must be acceptable in accordance with the COLL Sourcebook; and

4. the high quality and liquid collateral obtained must be acceptable to the Depositary and must also be adequate and sufficiently immediate as set down in the COLL Sourcebook.

21.3 For each Fund the income received is split between the Fund and the custodian who will manage the Stock lending activity. The current split of the income received is that the custodian will receive 30% and the Fund will receive the balance.

**APPENDIX IV****LIST OF OTHER AUTHORISED COLLECTIVE INVESTMENT SCHEMES  
OPERATED BY THE ACD****Authorised Unit Trusts**

The ACD is the manager of the following authorised unit trusts:

- Liontrust Balanced Fund
- Liontrust European Dynamic Fund
- Liontrust Special Situations Fund
- Liontrust UK Growth Fund
- Liontrust UK Micro Cap Fund
- Liontrust UK Smaller Companies Fund

The ACD is also the authorised corporate director of the following Open-Ended Investment Companies:

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

**APPENDIX V****DIRECTORY****The Company and Head Office:**

Liontrust Investment Funds II  
2 Savoy Court, London, WC2R 0EZ

**Authorised Corporate Director:**

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

**Investment Adviser**

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

**Depository:**

The Bank of New York Mellon (International) Limited  
160 Queen Victoria Street, London, EC4V 4LA

**Dealing, Registrar & Administrator:**

The Bank of New York Mellon (International) Limited, 160 Queen Victoria Street, London, EC4V 4LA

**Pricing & Valuation:**

The Bank of New York Mellon (International) Limited  
160 Queen Victoria Street, London, EC4V 4LA

**Legal Advisers to the Company:**

Macfarlanes LLP  
20 Cursitor Street, London EC4A 1LT

**Auditors:**

KPMG  
11th Floor,  
15 Canada Square,  
Canary Wharf,  
London  
E14 5GL

## APPENDIX VI

### PAST PERFORMANCE

The table below shows the performance of each Fund to 31 December for the preceding five years. The performance figures are net of fees and charges. Where the table states "N/A", there is no information or only partial information available for the share class in question for the relevant time period.

**The past performance shown in this table should not be seen as an indication of future performance.**

<b>Fund and Share Class</b>	<b>% Cumulative Growth 1 Year to 31 Dec 2023</b>	<b>% Cumulative Growth 1 Year to 31 Dec 2022</b>	<b>% Cumulative Growth 1 Year to 31 Dec 2021</b>	<b>% Cumulative Growth 1 Year to 31 Dec 2020</b>	<b>% Cumulative Growth 1 Year to 31 Dec 2019</b>
Liontrust Emerging Markets C Acc GBP	2.89	-16.06	-7.78	16.65	15.55
Liontrust Global Smaller Companies C Acc* GBP	20.78	-27.07	7.97	47.99	20.05

Source: Morningstar Direct, in sterling with no initial charges, net income reinvested.

For retail investors invested in a share class which is denominated in a currency other than that of the EEA State in which the retail investor is resident, the return may increase or decrease as a result of currency fluctuations.

\*Please note that in relation to this Fund the investment objective and policy changed in June 2016, with the effect that the current investment objective and policy is considerably different from that prior to June 2016.

Please see Appendix I for the Funds' objectives and below for an explanation of investor profiles.

#### Investor profiles:

Each Fund described in this Prospectus is marketable to all investors. Due to the nature of the investments held, the performance of the Funds may be volatile. The investor must be able to accept significant temporary losses, thus the Funds are suitable for investors who can afford to set aside capital for 5 years or more. The ACD recommends that investors seek suitable advice from an authorised independent intermediary before investing, if necessary. In addition, investors should review the Fund KIID before investing.

## APPENDIX VII

### DEPOSITARY DELEGATIONS

The Depositary has delegated those safekeeping duties set out in Article 22(5)(a) of the UCITS Directive to The Bank of New York Mellon SA/NV and The Bank of New York Mellon, whom it has appointed as its global sub-custodian.

At the date of this prospectus the global sub-custodian has appointed local sub-custodians as listed below.

Country/Market	Subcustodian	Address
<b>Argentina</b>	The Branch of Citibank, N.A. in the Republic of, Argentina	Ciudad de Buenos Aires
<b>Australia</b>	Citigroup Pty Limited	Melbourne
<b>Australia</b>	The Hongkong and Shanghai Banking Corporation Limited	Hong Kong
<b>Austria</b>	UniCredit Bank Austria AG	Vienna
<b>Bahrain</b>	HSBC Bank Middle East Limited	Kingdom of Bahrain
<b>Bangladesh</b>	The Hongkong and Shanghai Banking Corporation Limited	Hong Kong
<b>Belgium</b>	The Bank of New York Mellon SA/NV	Brussels
<b>Bermuda</b>	HSBC Bank Bermuda Limited	Hamilton
<b>Botswana</b>	Stanbic Bank Botswana Limited	Gaborone
<b>Brazil</b>	Citibank N.A., Brazil	Sao Paulo
<b>Brazil</b>	Itaú Unibanco S.A.	Sao Paulo
<b>Bulgaria</b>	Citibank Europe plc, Bulgaria Branch	Sofia
<b>Canada</b>	CIBC Mellon Trust Company (CIBC Mellon)	Toronto
<b>Cayman Islands</b>	The Bank of New York Mellon	New York
<b>Channel Islands</b>	The Bank of New York Mellon	New York
<b>Chile</b>	Banco Santander	Santiago
<b>China</b>	HSBC Bank (China) Company Limited	Shanghai
<b>Colombia</b>	Cititrust Colombia S.A. Sociedad Fiduciaria	Bogota
<b>Costa Rica</b>	Banco Nacional de Costa Rica	San José
<b>Croatia</b>	Privredna banka Zagreb d.d.	Zagreb
<b>Cyprus</b>	Citibank Europe Plc, Greece Branch	Athens
<b>Czech Republic</b>	Citibank Europe plc, organizacni slozka	Prague

<b>Denmark</b>	Skandinaviska Enskilda Banken AB (Publ)	Stockholm
<b>Egypt</b>	HSBC Bank Egypt S.A.E.	Cairo
<b>Estonia</b>	SEB Pank AS	Tallinn
<b>Euromarket</b>	Clearstream Banking S.A.	Luxembourg
<b>Euromarket</b>	Euroclear Bank SA/NV	Brussels
<b>Finland</b>	Skandinaviska Enskilda Banken AB (Publ)	Stockholm
<b>France</b>	BNP Paribas Securities Services S.C.A.	Pantin
<b>France</b>	The Bank of New York Mellon SA/NV	Brussels
<b>Germany</b>	The Bank of New York Mellon SA/NV	Frankfurt
<b>Ghana</b>	Stanbic Bank Ghana Limited	Accra
<b>Greece</b>	Citibank Europe Plc, Greece Branch	Athens
<b>Hong Kong</b>	Citibank N.A. Hong Kong	Hong Kong
<b>Hong Kong</b>	Deutsche Bank AG	Hong Kong
<b>Hong Kong</b>	The Hongkong and Shanghai Banking Corporation Limited	Hong Kong
<b>Hungary</b>	Citibank Europe plc. Hungarian Branch Office	Budapest
<b>Iceland</b>	Landsbankinn hf.	Reykjavik
<b>India</b>	Deutsche Bank AG	Mumbai
<b>India</b>	The Hongkong and Shanghai Banking Corporation Limited	Hong Kong
<b>Indonesia</b>	Deutsche Bank AG	Jakarta
<b>Ireland</b>	The Bank of New York Mellon	New York
<b>Israel</b>	Bank Hapoalim B.M.	Tel Aviv
<b>Italy</b>	The Bank of New York Mellon SA/NV	Brussels
<b>Japan</b>	Mizuho Bank, Ltd.	Tokyo
<b>Japan</b>	MUFG Bank, Ltd.	Tokyo
<b>Jordan</b>	Bank of Jordan	Amman
<b>Kazakhstan</b>	Citibank Kazakhstan Joint-Stock Company	Almaty
<b>Kenya</b>	Stanbic Bank Kenya Limited	Nairobi
<b>Kuwait</b>	HSBC Bank Middle East Limited, Kuwait	Safat
<b>Latvia</b>	AS SEB banka	Kekavas novads
<b>Lithuania</b>	AB SEB bankas	Vilnius
<b>Luxembourg</b>	Euroclear Bank SA/NV	Brussels
<b>Malawi</b>	Standard Bank PLC	Lilongwe



<b>Malaysia</b>	Standard Chartered Bank Malaysia Berhad (SCB)	Kuala Lumpur
<b>Malta</b>	The Bank of New York Mellon SA/NV	Frankfurt
<b>Mauritius</b>	The Hongkong and Shanghai Banking Corporation Limited	Ebene
<b>Mexico</b>	Banco Nacional de México S.A. Integrante del Grupo Financiero Banamex	Ciudad de Mexico
<b>Mexico</b>	Banco S3 CACEIS Mexico, S.A., Institución de Banca Multiple	Ciudad de Mexico
<b>Morocco</b>	Citibank Maghreb S.A.	Casablanca
<b>Namibia</b>	Standard Bank Namibia Limited	Kleine Kuppe, Windhoek
<b>Netherlands</b>	The Bank of New York Mellon SA/NV	Brussels
<b>New Zealand</b>	The Hongkong and Shanghai Banking Corporation Limited	Auckland
<b>Nigeria</b>	Stanbic IBTC Bank Plc.	Lagos
<b>Norway</b>	Skandinaviska Enskilda Banken AB (Publ)	Stockholm
<b>Oman</b>	Standard Chartered Bank Oman branch	Muscat
<b>Pakistan</b>	Deutsche Bank AG	Karachi
<b>Panama</b>	Citibank N.A., Panama Branch	Panama City
<b>Peru</b>	Citibank del Peru S.A.	Lima
<b>Philippines</b>	Standard Chartered Bank, Philippines Branch	Makati City
<b>Poland</b>	Bank Polska Kasa Opieki S.A.	Warszawa
<b>Portugal</b>	Citibank Europe Plc	Dublin
<b>Qatar</b>	Qatar National Bank	Doha
<b>Qatar</b>	The Hongkong and Shanghai Banking Corporation Limited	Hong Kong
<b>Romania</b>	Citibank Europe plc Dublin, Romania Branch	Bucharest
<b>Russia</b>	AO Citibank	Moscow
<b>Russia</b>	PJSC ROSBANK	Moscow
<b>Saudi Arabia</b>	HSBC Saudi Arabia	Riyadh
<b>Serbia</b>	UniCredit Bank Serbia JSC	Belgrade
<b>Singapore</b>	DBS Bank Ltd	Singapore
<b>Singapore</b>	Standard Chartered Bank (Singapore) Limited	Singapore
<b>Slovak Republic</b>	Citibank Europe plc, pobočka zahraničnej banky	Bratislava
<b>Slovenia</b>	UniCredit Banka Slovenija d.d.	Ljubljana
<b>South Africa</b>	Standard Chartered Bank, Johannesburg Branch	Sandton

<b>South Korea</b>	Deutsche Bank AG	Seoul
<b>South Korea</b>	The Hongkong and Shanghai Banking Corporation Limited, Seoul Branch	Seoul
<b>Spain</b>	Banco Bilbao Vizcaya Argentaria, S.A.	Bilbao
<b>Spain</b>	CACEIS Bank Spain, S.A.U.	Madrid
<b>Sri Lanka</b>	The Hongkong and Shanghai Banking Corporation Limited	Hong Kong
<b>Sweden</b>	Skandinaviska Enskilda Banken AB (Publ)	Stockholm
<b>Switzerland</b>	Credit Suisse (Switzerland) Ltd.	Zurich
<b>Switzerland</b>	UBS Switzerland AG	Zurich
<b>Taiwan</b>	HSBC Bank (Taiwan) Limited	Taipei City
<b>Tanzania</b>	Stanbic Bank Tanzania Limited	Dar es Salaam
<b>Thailand</b>	The Hongkong and Shanghai Banking Corporation Limited	Bangkok
<b>Tunisia</b>	Union Internationale de Banques	Tunis
<b>Turkey</b>	Deutsche Bank A.S.	Istanbul
<b>U.A.E.</b>	HSBC Bank Middle East Limited (HBME)	Dubai
<b>U.K.</b>	Depository and Clearing Centre (DCC) Deutsche Bank AG, London Branch	London
<b>U.K.</b>	The Bank of New York Mellon	New York
<b>U.S.A.</b>	The Bank of New York Mellon	New York
<b>U.S.A. Precious Metals</b>	HSBC Bank, USA, N.A.	New York
<b>Uganda</b>	Stanbic Bank Uganda Limited	Kampala
<b>Ukraine</b>	JSC "Citibank"	Kiev
<b>Uruguay</b>	Banco Itaú Uruguay S.A.	Montevideo
<b>Vietnam</b>	HSBC Bank (Vietnam) Ltd	Ho Chi Minh City
<b>WAEMU</b>	Société Générale Côte d'Ivoire	Abidjan
<b>Zambia</b>	Stanbic Bank Zambia Limited	Lusaka
<b>Zimbabwe</b>	Stanbic Bank Zimbabwe Limited	Harare

Note: Benin, Burkina-Faso, Guinea Bissau, Ivory Coast, Mali, Niger, Senegal and Togo are members of the West African Economic and Monetary Union (WAEMU).

## APPENDIX VIII

### GLOSSARY

**Asset** – An item of property with an economic value.

**Asset allocation** – Dividing the money invested in the fund across different investments ('assets'), e.g. in different geographic areas or by industry sectors such as healthcare or financial companies.

**Asset class** – A group of securities that exhibits similar characteristics.

**Bottom up** – An investment approach that focuses on analysing individual shares rather than stock markets.

**Cash** – Legal tender that can be used to exchange goods, debt or services.

**Corporate bonds** – A debt security issued by a corporation and sold to investors.

**Collective Investment Scheme (CIS)** – A fund where money is pooled together with that of other investors. This includes Liontrust managed funds and externally managed funds.

**Deposits** – A sum of money held at a bank that offers interest on the sum deposited.

**Equities** – Shares in a company.

**Fixed income** – A type of investment in which income is received at regular intervals at reasonably predicted levels. This includes corporate bonds, government bonds, investment grade bonds and sub investment grade bonds.

**GICS** – An industry equity classification system developed by MSCI and S&P, two major index providers.

**Government bonds** – A debt security issued by a government and sold to investors.

**Growth** – The increase in value of investments.

**IA Sector** – A sector as defined by the Investment Association with criteria that funds must fulfil in order to be a part of.

**Income** – Money paid out by an investment, such as interest from a bond or a dividend from a share.

**Index** – A measurement of a particular section of a market.

**Index weighting** – The way in which a proportion of the index is allocated to a particular share.

**Investment grade bonds** – Bonds that are judged by ratings agencies as likely to meet payment obligations.

**Market capitalisation** – The total market value of a company's outstanding shares. It is calculated by multiplying the current market price of one share by the number of shares outstanding.

**Money market instruments** – Short term securities and debts sold on money markets.

**Near cash** – Highly liquid assets which can be easily converted into cash.

**Prospectus** – A formal legal document that provides details about an investment offering for sale to the public.

**Sector** – An area of the economy that shares a particular characteristic.

**Securities** – A negotiable financial instrument that holds a monetary value.

**Special situations** – Situations that exist where companies are out of favour, misunderstood or where management changes or takeovers are expected.

**Sub-investment grade bonds** – Bonds that are judged by ratings agencies as less likely to meet payment obligations.

**Top down** – An investment approach that looks at the big picture first, e.g. the economy, then at the detail, like how individual shares are performing.

**Transferable securities** – Financial instruments that can be exchanged between two parties.