



Prospectus

7IM Specialist Investment Funds

(An open-ended investment company incorporated with limited liability and registered in England and Wales under registered number IC000767)

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

Seven Investment Management LLP, the authorised corporate director of the Company, is the person responsible for the information contained in this Prospectus. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained herein does not contain any untrue or misleading statement or omit any matters required by the Collective Investment Schemes Sourcebook to be included in it. Seven Investment Management LLP accepts responsibility accordingly.

This document constitutes the Prospectus for 7IM Specialist Investment Funds which has been prepared in accordance with the Collective Investment Schemes Sourcebook.

This Prospectus is dated, and is valid as at 15 September 2023.

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

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IMPORTANT INFORMATION

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

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

The UK government has enacted legislation enabling it to comply with its obligations in relation to international tax compliance including the United States provisions commonly known as "FATCA". As a result the Company may need to disclose the name, address, taxpayer identification number, date and place of birth, and investment information relating to certain investors in the Sub-Funds (including, where the investor is an entity, its controlling persons) to HM Revenue & Customs, who will in turn exchange this information with their overseas counterparts in relevant jurisdictions.

By signing the application form to subscribe for Shares, each prospective Shareholder is agreeing to provide information upon request to the Company or its agent. If a Shareholder does not provide the necessary information, the Company will be required to report it to HM Revenue & Customs.

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 in the United States of America under any applicable legislation. They may not be offered or sold in the United States of America, any state of the United States of America or in its territories and possessions or offered or sold to US persons. The Company and the ACD have not been and will not be registered in the United States of America under any applicable legislation.

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, (a summary of which is included in this Prospectus), are binding on each of the Shareholders and a copy of the Instrument of Incorporation is available on request from Seven Investment Management LLP.

This Prospectus has been issued for the purpose of section 21 of the Financial Services and Markets Act 2000 by Seven Investment Management 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 and ACD cannot be bound by an out of date prospectus when a new version has been issued and investors should check with Seven Investment Management LLP that this is the most recently published prospectus.

The Company and each of the Sub-Funds are marketable to all eligible investors provided they can meet the minimum subscription levels. The Sub-Funds may be suitable for investors who see collective investment schemes as a convenient way of participating in investment markets. They may be suitable for investors wishing to achieve defined investment objectives. Such investors must have experience with, or understand, products where their capital is at risk. The Sub-Funds may not be suitable for cautious investors. Investors must be able to accept some risk to their capital, thus the Sub-Funds may be suitable for investors who are looking to set aside the capital for at least 5 years. If you are uncertain whether these products are suitable for you, please contact a professional adviser.

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

1. **DEFINITIONS**

“ACD”	Seven Investment Management LLP, the authorised corporate director of the Company
“ACD Agreement”	an agreement between the Company and the ACD
“Administrator”	Northern Trust Global Services SE (UK) Branch whose principal place of business is at 50 Bank Street, London E14 5NT
“Approved Bank”	<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"> (i) the Bank of England; or (ii) the central bank of a member state of the OECD; or (iii) a bank; or (iv) a building society; or (v) a bank which is supervised by the central bank or other banking regulator of a member state of the OECD; or <p>(b) if the account is opened elsewhere:</p> <ul style="list-style-type: none"> (i) a bank in (a); or (ii) a credit institution established in an EEA State other than in the United Kingdom and duly authorised by the relevant Home State Regulator; or (iii) a bank which is regulated in the Isle of Man or the Channel Islands; or (iv) a bank supervised by the South African Reserve Bank
“Asset Allocation Consultant”	Any asset allocation consultant as may be appointed from time to time
“Associate”	any other person whose business or domestic relationship with the ACD or the ACD’s associate might reasonably be expected to give rise to a community of interest between them which may involve a conflict of interest in dealings with third parties
“Auditor”	BDO LLP, or such other entity as is appointed to act as auditor to the Company from time to time
“Business Day”	a day on which the London Stock Exchange is open. If the London Stock Exchange is closed as a result of a holiday or for any other reason, or there is a holiday elsewhere or other reason which impedes the calculation of the fair market value of the Sub-Fund’s portfolio of securities or a significant portion thereof, the ACD may decide that any Business Day shall not be construed as such

“Class” or “Classes”	in relation to Shares, means (according to the context) all of the Shares related to a single Sub-Fund or a particular class or classes of Share related to a single Sub-Fund
“COLL”	refers to the appropriate chapter or rule in the COLL Sourcebook
“the COLL Sourcebook”	the Collective Investment Schemes Sourcebook issued by the FCA as amended from time to time
“Company”	7IM Specialist Investment Funds
“Dealing Day”	Monday to Friday where these days are Business Days
“Depository”	Northern Trust Investor Services Limited or such other entity as is appointed to act as Depository
“Director” or “Directors”	the directors of the Company from time to time (including the ACD)
“EEA”	the European Economic Area
“EEA State”	a member state of the European Union and any other state which is within the European Economic Area
“EEA UCITS Scheme”	a collective investment scheme established in accordance with the UCITS Directive in an EEA State
“Efficient Portfolio Management” or “EPM”	for the purposes of this Prospectus, means an investment technique where derivatives are used for one or more of the following purposes: reduction of risk, reduction of cost or generation of additional capital or income for a Fund with a risk level which is consistent with the risk profile of a Fund and the risk diversification rules laid down in COLL
“Eligible Institution”	one of certain eligible institutions as defined in the glossary of definitions to the FCA Handbook
“EUWA”	the European Union (Withdrawal) Act 2018
“the FCA”	the Financial Conduct Authority or any other regulatory body which may assume its regulatory responsibilities from time to time
“the FCA Handbook”	the FCA Handbook of Rules and Guidance, as amended from time to time
“Financial Instrument”	financial instruments specified in Section C of Annex 1 to Directive 2014/65/EU of the European Parliament and of the Council that are to be held in custody by or on behalf of the Company
“the Financial Services Register”	the public record, as required by section 347 of the Financial Services and Markets Act 2000 (The public record) of every: <ul style="list-style-type: none"> (a) authorised person; (b) AUT; (c) ICVC; (d) recognised scheme; (e) recognised investment exchange; (f) recognised clearing house;

	(g)	individual to whom a prohibition order relates;
	(h)	approved person; and
	(i)	person within such other class (if any) as the FCA may determine; except as provided by any transitional provisions
“Home State”	(a)	(in relation to a credit institution) the EEA State in which the credit institution has been authorised in accordance with the Banking Consolidation Directive
	(b)	(in relation to an investment firm):
	(i)	where the investment firm is a natural person, the EEA State in which his head office is situated;
	(ii)	where the investment firm is a legal person, the EEA State in which its registered office is situated or, if under its national law it has no registered office, the EEA State in which its head office is situated;
	(c)	(in relation to a market) the EEA State in which the registered office of the body which provides trading facilities is situated or, if under its national law it has no registered office, the EEA State in which that body’s head office is situated;
“ICVC”		investment company with variable capital
“Instrument of Incorporation”		the instrument of incorporation of the Company as amended from time to time
“IOSCO”		the International Organisation of Securities Commissions.
“Net Asset Value” or “NAV”		the value of the Scheme Property of the Company or of any Sub-Fund (as the context may require) less the liabilities of the Company (or of the Sub-Fund concerned) as calculated in accordance with the Instrument of Incorporation
“OEIC Regulations”		the Open-Ended Investment Companies Regulations 2001 as amended or re-enacted from time to time
“OTC or over-the counter derivative”		a derivative transaction which is not traded on an investment exchange
“Privacy Notice”		the privacy notice describing our use of your personal data (as amended from time to time) available on request or through our website at the following web page: https://www.7im.co.uk/7IM-Funds-Privacy-Notice
“Register”		the register of Shareholders of the Company
“Registrar”		Northern Trust Global Services SE (UK Branch) or such other entity as is appointed to act as Registrar to the Company from time to time
“Regulated Activities Order”		the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544) as amended or remade from time to time

“Regulations”	the OEIC Regulations, the UCTIS Regulations and the FCA Handbook (including the COLL Sourcebook), as amended Regulations
“Scheme Property”	the scheme property of the Company or a Sub-Fund (as appropriate) required under the COLL Sourcebook to be given for safekeeping to the Depositary
“Share” or “Shares”	a share or shares in the Company (including larger denomination shares, and smaller denomination shares equivalent to one thousandth of a larger denomination share)
“Shareholder”	a holder of registered Shares in the Company
“Sub-Fund” or “Sub-Funds”	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
“Switch”	the exchange where permissible of Shares of one Class or Sub-Fund for Shares of another Class or Sub-Fund
“UCITS”	an Undertaking for Collective Investment in Transferable Securities which is a UCITS Scheme or an EEA UCITS Scheme
“UCITS Directive”	The Council Directive of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (No 2009/65/EC), as amended, which applies to EEA UCITS Schemes
“UCITS Regulations”	the COLL Sourcebook and Collective Investment Schemes (Amendment etc) (EU Exit) Regulations 2019 No.325 including any amendments or updates made in relation thereto
“UCITS Scheme”	a UK UCITS, as defined below
“UK”	the United Kingdom of Great Britain and Northern Ireland
“UK UCITS”	means, in accordance with sections 236A and 237 of the Financial Services and Markets Act 2000, a collective investment scheme which may consist of several sub-funds, which is either an authorised unit trust scheme, an authorised contractual scheme, or an authorised open-ended investment company with the sole object of collective investment of capital raised from the public in transferable securities or other liquid financial assets, operating on the principle of risk-spreading, with units which are, at the request of holders, repurchased or redeemed, directly or indirectly, out of those undertakings’ assets, and which has identified itself as a UCITS in its prospectus and has been authorised accordingly by the FCA
“US Person”	is a person described in either of the following two categories: (a) any individual or entity included in the definition of “US person” under Rule 902 of Regulation S under the US Securities Act of 1933, as amended (“1933 Act”), or (b) any individual or entity excluded from the definition of a “Non-United States person” as used in US Commodity Futures Trading Commission (“CFTC”) Rule 4.7. For the avoidance of doubt, a person is excluded from this definition of US Person only if they do not satisfy any of the definitions of “U.S. person” in Regulation S and qualify as a “Non-United States person” under CFTC Rule 4.7.



For purposes of these definitions, “United States” means the United States of America, its states, territories or possessions, or an enclave of the United States government, its agencies or instrumentalities.

To the extent permitted by the Regulations, the ACD may amend the definition of “US Person” as used in this Prospectus without notice to Shareholders as necessary in order best to reflect then-current applicable US law and regulation.

Regulation S definition of US Person

1. Pursuant to Regulation S of the 1933 Act, “U.S Person” includes the following:

- (i) any natural person resident in the United States;
- (ii) any partnership or corporation organised or incorporated under the laws of the United States;
- (iii) any estate of which any executor or administrator is a US person;
- (iv) any trust of which any trustee is a US person;
- (v) any agency or branch of a foreign entity located in the United States;
- (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person;
- (viii) any partnership corporation

if:

(A) organised or incorporated under the laws of any non-US jurisdiction; and

(B) formed by a US Person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(A) under the 1933 Act) who are not natural persons, estates or trusts.

2. Notwithstanding (1) above, any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US Persons by a dealer or other professional fiduciary organised, incorporated, or (if an individual) resident in the United States shall not be deemed a “US Person”.

3. Notwithstanding (1) above, any estate of which any professional fiduciary acting as executor or administrator is a US Person shall not be deemed a “US Person” if:

- (i) an executor or administrator of the estate who is not a US Person has a sole or shared investment discretion with respect to the assets of the estate; and
- (ii) the estate is governed by non-US law.

4. Notwithstanding (1) above, any trust of which any professional fiduciary acting as trustee is a US Person shall not be deemed a “US Person” if a trustee who is not a US Person has sole or shared



investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person.

5. Notwithstanding (1) above, an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country shall not be deemed a “US Person”.

6. Notwithstanding (1) above, any agency or branch of a US Person located outside the United States shall not be deemed a “US Person” if:

- (i) the agency or branch operates for valid business reasons; and
- (ii) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located.

7. The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organisations as specified in Rule 902(k)(2)(vi) of Regulation S under the 1933 Act, and their agencies, affiliates and pension plans shall not be deemed “US Persons”.

CFTC “Non-United States persons” definition

CFTC Rule 4.7 currently provides in relevant part that the following persons are considered “Non- United States persons”:

1. a natural person who is not a resident of the United States;
2. a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a non-US jurisdiction and which has its principal place of business in a non-US jurisdiction;
3. an estate or trust, the income of which is not subject to US income tax regardless of source;
4. an entity organised principally for passive investment such as a pool, investment company or similar entity, provided, that shares/units or participation in the entity held by persons who do not qualify as Non-United States persons or otherwise as qualified eligible persons (as defined in CFTC Rule 4.7(a)(2) or (3)) represent in the aggregate less than ten per cent. of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by persons who do not qualify as Non- United States persons in a pool with respect to which the operator is exempt from certain requirements of Part 4 of the CFTC’s regulations by virtue of its participants being Non-United States persons; and
5. a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States.

“Valuation Point”

the point, on a Dealing Day 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 Sub-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 is 12 noon London time on each Dealing Day with the exception of Christmas Eve and New Year's Eve or a bank holiday in England and Wales, or the last Business Day prior to those days annually where the valuation may be carried out at a time agreed in advance between the ACD and the Depositary

“VAT” value added tax

2. DETAILS OF THE COMPANY

2.1 General information

2.1.1 General

7IM Specialist Investment Funds (the Company) is an investment company with variable capital incorporated in England and Wales under registered number IC000767 and authorised by the Financial Conduct Authority with effect from 23 September 2009. The FCA's product reference number (“PRN”) for the Company is 501576. The PRN for each Sub-Fund is set out in Appendix I below. 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 the Shares.

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

The ACD is also the manager of certain 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 1 Angel Court, London, EC2R 7HJ.

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 Sub-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 Sub-Funds.

Shares in the Company may be marketed in other countries outside of the UK, subject to the Regulations, and any regulatory constraints in those other countries, if the ACD so decides. At present Shares in the Company are not marketed outside of the UK.

Each of the Sub-Funds of the Company is designed and managed to support longer-term investment and active trading is discouraged. Short-term or excessive trading into and out of a Sub-Fund may harm

performance by disrupting portfolio management strategies and by increasing expenses. Information on the typical investor profile for each Sub-Fund is set out in Appendix I. The ACD may at its discretion refuse to accept applications for, or switching of, Shares, especially where transactions are deemed disruptive, particularly from possible market timers or 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 Sub-Fund(s). For these purposes, the ACD may consider an investor's trading history in the Sub-Fund(s) or other Seven Investment Management LLP funds and accounts under common ownership or control.

2.2 **The structure of the Company**

2.2.1 **The Sub-Funds**

The Company is structured as an umbrella company, in that different Sub-Funds may be established from time to time by the ACD with the approval of the FCA. On the introduction of any new Sub-Fund or Class, a revised prospectus will be prepared setting out the relevant details of each Sub-Fund or Class. Please note that approval by the FCA in this context refers only to approval under the OEIC Regulations 2001 (as amended) and does not in any way indicate or suggest endorsement or approval of the Sub-Funds as an investment.

The Company is a UK UCITS.

The assets of each Sub-Fund will be treated as separate from those of every other Sub-Fund and will be invested in accordance with the investment objective and investment policy applicable to that Sub-Fund. Investment of the assets of each of the Sub-Funds must comply with the COLL Sourcebook and the investment objective and policy of the relevant Sub-Fund. Details of the Sub-Funds, including their investment objectives and policies, are set out in Appendix I.

The eligible securities markets and eligible derivatives markets on which the Sub-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 Sub-Fund is set out in Appendix III.

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

Subject to the above, each Sub-Fund will be charged with the liabilities, expenses, costs and charges of the Company attributable to that Sub-Fund, and within each Sub-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 Sub-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 Sub-Funds.

Please also see paragraph 5.6 below "Liabilities of the Company and the Sub-Funds".

2.2.2 **Shares**

Classes of Share within the Sub-Funds

Shares will be issued in larger and smaller denominations. There are 1,000 smaller denomination Shares to each larger denomination 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 Sub-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 Sub-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 agreement of the Depositary and in accordance with the Instrument of Incorporation and the Regulations.

The currency in which each new Class of Shares will be denominated 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 Sub-Fund will be invested in the specific pool of assets constituting that Sub-Fund. The Company will maintain for each current Sub-Fund a separate pool of assets, each invested for the exclusive benefit of the relevant Sub-Fund.

To the extent that any Scheme Property, 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 Sub-Fund only, the ACD will allocate such Scheme Property, assets, costs, charges or expenses between Sub-Funds in a manner which is fair to all Shareholders of the Company.

Each Sub-Fund may issue income and accumulation Shares in a number of Classes. Further details of the Shares presently available for each Sub-Fund, including details of their criteria for subscription and fee structure, are set out in Appendix I.

A Regular Savings Plan is available on certain Classes of Share on certain Sub-Funds. Details of which Share Classes and Sub-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 Sub-Fund on the relevant interim and/or annual accounting dates. This is reflected in the price of an accumulation Share.

The Instrument of Incorporation allows gross income and gross accumulation Shares to be issued, as well as net income and net accumulation Shares, but currently no gross Shares are in issue. 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. Gross Shares are income or accumulation Shares where, in accordance with relevant tax law, distribution or allocation of income is made without any tax being deducted or accounted for by the Company. All references in this Prospectus are to net Shares unless otherwise stated.

Where a Sub-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 Sub-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 Sub-Fund for Shares of another Class within the same Sub-Fund or for Shares of the same or another Class within a different Sub-Fund of the Company. Details of this switching facility and the restrictions are set out in paragraph 3.10 "Switching".

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

3. BUYING, REDEEMING AND SWITCHING SHARES

3.1 The dealing office of the ACD is normally open from 9.00 a.m. to 5.30 p.m. (London time) on each Business Day. The ACD may vary these times at its discretion. Requests to deal in Shares may also be made by telephone on each Business Day (at the ACD's discretion) between 9.00 a.m. and 5.30 p.m. (London time) directly to the office of the ACD (telephone: 0333 300 0354 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.

3.2 The ACD will accept instructions to transfer or renunciation of title to shares on the basis of an authority communicated by electronic means and sent by the shareholder or delivered on their behalf by a person that is authorised by the FCA or regulated in another jurisdiction by an equivalent supervisory authority, subject to:

3.3 prior agreement between the ACD and the person making the communication as to:

3.3.1 the electronic media by which such communications may be delivered; and

3.3.2 how such communications will be identified as conveying the necessary authority; and;

3.3.3 assurance from any person who may give such authority on behalf of the investor that they will have obtained the required appointment in writing from the shareholder.

3.4 Telephone calls may be recorded by the ACD and the Administrator, their delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for records keeping, security and/or training purposes, please see clause 12.8 for further information. The ACD may also, at its discretion, introduce further methods of dealing in Shares in the future.

3.5 In its dealings in Shares of the Sub-Funds the ACD is dealing as principal. The ACD does not actively seek to make a profit from dealing in Shares as principal but does so in order to facilitate the efficient management of the Company. The ACD is not accountable to Shareholders for any profit it makes from dealing in Shares as principal.

3.6 Money laundering

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, investors will 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 or is unable to provide the information requested within a reasonable period, the ACD also reserves the right to sell the Shares purchased and return the proceeds to the account from which the subscription was made. These proceeds may be less than the original investment.

3.7 Automatic Exchange of Information

In order to comply with the legislation implementing the United Kingdom's obligations under various intergovernmental agreements relating to the automatic exchange of information to improve international tax compliance (including the United States provisions commonly known as FATCA), the Company (or its agent) will collect and report information about Shareholders for this purpose, including information to verify their identity and tax status.

Each Shareholder agrees to provide the Company or its agent with information and documentation prescribed by applicable law and such additional documentation reasonably requested by the Company or its agent as may be necessary for the Company to comply with its obligations under automatic exchange of information.

Where required by applicable law, the Company or its agent may report account information about Shareholders to HMRC, who may in turn exchange this information with tax authorities in other jurisdictions.

3.8 Buying Shares

3.8.1 Procedure

Shares may be bought directly from the ACD or through a professional adviser or other intermediary. In addition, the ACD may from time to time make arrangements to allow Shares to be bought through other communication media. For details of dealing charges see paragraph 3.11 below. Application forms may be obtained from the ACD.

Valid applications to purchase Shares in a Sub-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 application, except in the case where dealing in a Sub-Fund has been suspended as set out in paragraph 3.16.

Settlement for the purchase of shares may only be made by electronic transfer. Settlement is due within four 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.

The ACD, at its discretion, has the right to cancel a purchase deal if settlement is materially overdue (being more than five Business Days, , of receipt of an application form or other

instruction) and any loss arising on such cancellation shall be the liability of the applicant. The ACD is not obliged to issue Shares unless it has received cleared funds from an investor.

The ACD reserves the right to charge interest at 4% above the prevailing Bank of England base rate, on the value of any settlement received later than the fourth Business, following the Valuation Point. No interest will be paid on funds held prior to investment. Shares that have not been paid for cannot be redeemed.

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 will reject applications for Shares from U.S. Persons.

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 one 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.

3.8.2 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 Valuation Point by reference to which the price is determined, together with, where appropriate, a notice of the applicant's right to cancel.

Registration of Shares can only be completed by the ACD upon receipt of any required registration details. These details may be supplied in writing to the ACD or by returning to the ACD the properly completed registration form and copy of the confirmation.

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

3.8.3 Regular Savings Plan

The ACD may make available certain Classes of Shares of any Sub-Fund through the Regular Savings Plan (details of current Classes of Shares and Sub-Funds which are available are shown in Appendix I). Further information on how to invest through the Regular Savings Plan is available from the Administrator.

3.8.4 Minimum subscriptions and holdings

The minimum initial subscriptions, subsequent subscriptions and holdings levels for each Class of Share in a Sub-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.

3.9 Redeeming Shares

3.9.1 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 Sub-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 Sub-Fund has been suspended as set out in paragraph 3.16.

A redemption instruction in respect 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.

Telephone calls may be recorded by the ACD and the Administrator, their delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for records keeping, security and/or training purposes. Please see clause 12.8 for further information.

For details of dealing charges see paragraph 3.11 below.

3.9.2 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 electronic 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.

No interest will be paid on funds held whilst the ACD awaits receipt of all relevant documentation necessary to complete a redemption. Shares that have not been paid for cannot be redeemed.

3.9.3 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 Sub-Fund to be redeemed is less than the minimum stated in respect of the appropriate Class in the Sub-Fund in question (see Appendix I).

3.10 **Switching**

- 3.10.1 Subject to any restrictions on the eligibility of investors for a particular Share Class, a Shareholder in a Sub-Fund may at any time Switch all or some of his Shares of one Class or Sub-Fund (“the Original Shares”) for Shares of another Class or Sub-Fund (“the New Shares”) in the Company. 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.
- 3.10.2 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) before switching is effected. Telephone calls may be recorded by the ACD and the Administrator, their delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for records keeping, security and/or training purposes. Please see clause 12.8 for further information.
- 3.10.3 The ACD may at its discretion make a charge on the switching of Shares between Sub-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 3.11.3 “Charges on Switching”.
- 3.10.4 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 on a Dealing Day in the Sub-Fund or Sub-Funds concerned to be dealt with at the prices at the Valuation Point on that Dealing Day or at such other Valuation Point as the ACD at the request of the Shareholder giving the relevant instruction may agree. Switching requests received after a Valuation Point will be held over until the next day which is a Dealing Day in each of the relevant Sub-Fund or Sub-Funds.
- 3.10.5 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 COLL Sourcebook.
- 3.10.6 Please note that under UK tax law a switch of Shares in one Sub-Fund for Shares in any other Sub-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 disposal 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.
- 3.10.7 A Shareholder who switches Shares in one Sub-Fund for Shares in any other Sub-Fund (or who switches between Classes of Shares) will not be given a right by law to withdraw from or cancel the transaction.

3.11 **Dealing charges**

The price per Share at which Shares are bought, redeemed or switched is the Net Asset Value per Share. Any initial charge or redemption charge, (or dilution levy 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.

3.11.1 **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 Sub-Fund as 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 its other resources, the ACD may pay a commission to relevant intermediaries.

3.11.2 **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).

3.11.3 **Charges on switching**

On the switching of Shares between Sub-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 Sub-Funds that is no more than the excess of the initial charge applicable to New Shares over the initial charge applicable to the Original Shares. The ACD does not currently make a charge on switching between Sub-Funds or Share classes.

3.11.4 **Dilution levy**

The actual cost of purchasing, selling or switching underlying investments in a Sub-Fund may deviate from the mid-market value used in calculating its Share price, due to dealing charges, taxes, and any spread between buying and selling prices of the Sub-Fund's underlying investments. These dealing costs could have an adverse effect on the value of a Sub-Fund, known as "dilution". In order to mitigate the effect of dilution the Regulations allow the ACD to make a dilution levy on the purchase, redemption or Switch of Shares in a Sub-Fund. A dilution levy is a separate charge of such amount or at such rate as is determined by the ACD to be made for the purpose of reducing the effect of dilution. This amount is not retained by the ACD, but is paid into the relevant Sub-Fund.

The dilution levy is calculated by reference to the costs of dealing in the underlying investments of the relevant Sub-Fund, including any dealing spreads, commission and transfer taxes.

The need to charge a dilution levy will depend on the volume of purchases and redemptions. It is not possible to predict accurately whether dilution would occur at any point in time.

The ACD's policy is that it may require a dilution levy on the purchase and redemption of Shares if, in its opinion, the existing Shareholders (for purchases) or remaining Shareholders (for redemptions) might otherwise be adversely affected. For example, the dilution levy may be charged in the following circumstances: where the Scheme Property of a Sub-Fund is in continual decline; on a Sub-Fund experiencing large levels of net purchases relative to its size; on "large deals" (typically being a purchase or redemption of Shares to a size exceeding 5% of the Net Asset Value of the relevant Sub-Fund); in any case where the ACD is of the opinion that the interests of existing or remaining Shareholders require the imposition of a dilution levy.

This policy is intended to mitigate the dilutive effect of Shareholder transactions on the future growth of the Company.

Based on future projections and on its experience of managing the Company, the ACD is unlikely to impose a dilution levy unless it considers that the dealing costs relating to a Shareholder transaction are significant and will have a material impact on the relevant Sub-Fund.

If a dilution levy is required then, based on future projections the estimated rate of such a levy would be up to 0.75%.

The ACD, in its absolute discretion, may waive or reduce the dilution levy. The ACD may alter its current dilution policy in accordance with the procedure set out in the Regulations.

3.11.5 **Stamp duty reserve tax (“SDRT”)**

There is generally no charge to SDRT when Shareholders surrender or redeem their Shares.

However, where the redemption is satisfied by a non-pro rata in specie redemption, then a charge to SDRT may apply.

3.12 **Transfers of shares requiring registrations**

Shareholders are entitled to transfer their Shares to another person or body that is eligible to invest in Shares. 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 ACD in order for the transfer to be registered by the ACD. The ACD will not register a transfer to a U.S. Person or any other person or entity that is not qualified to hold Shares.

3.13 **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. 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”):

- 3.13.1 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
- 3.13.2 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
- 3.13.3 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;
- 3.13.4 are owned by a Shareholder who is registered in a jurisdiction (where the Company is not registered or recognised by the relevant competent authority) whereby communication with that Shareholder by the ACD, on behalf of the Company, might constitute a breach of the regulations in that jurisdiction (unless specific action is taken by the ACD to prevent such a communication constituting a breach); or
- 3.13.5 are owned by a Shareholder who is a U.S. Person.

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 COLL Sourcebook. If any Shareholder upon whom such a notice is served does not within 30 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 COLL Sourcebook.

3.14 **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 Sub-Fund in exchange for assets the holding of which would be inconsistent with the investment objective or policy of that Sub-Fund.

3.15 **In specie redemptions**

3.15.1 If a Shareholder requests the redemption of Shares the ACD may, where it considers that deal to be substantial in relation to the total size of a Sub-Fund or in some way detrimental to a Sub-Fund, arrange for scheme property having the appropriate value to be transferred to the Shareholder (an "in specie transfer"), in place of payment for the Shares in cash. Before the redemption is effected, the ACD must give written notice to the Shareholder of the intention to make an in specie transfer.

3.15.2 The ACD will select the property to be transferred in consultation with the Depositary. The ACD and Depositary 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.

3.16 **Suspension of dealings in the Company**

3.16.1 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 Sub-Funds where due to exceptional circumstances it is in the interests of all the Shareholders in the relevant Sub-Fund or Sub-Funds.

3.16.2 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.

3.16.3 The ACD or the Depositary (as appropriate) will immediately inform the FCA of the suspension and the reasons for it and will follow this up as soon as practicable with written confirmation of the suspension and the reasons for it to the FCA and the regulator in each EEA state where the Company is offered for sale.

3.16.4 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 suspensions.

3.16.5 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.

- 3.16.6 During the suspension none of the obligations in COLL 6.2 (Dealing) will apply but the ACD will comply with as much of COLL 6.3 (Valuation and Pricing) during the period of suspension as is practicable in light of the suspension.
- 3.16.7 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.
- 3.16.8 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.

3.17 **Overseas transfers**

The ACD may transfer your personal information to countries located outside of the EEA.

This may happen when the ACD's servers, suppliers and/or service providers are based outside of the EEA. The data protection laws and other laws of these countries may not be as comprehensive as those that apply within the EEA. In these instances the ACD will take steps to ensure that your privacy rights are respected. Details relevant to you may be provided upon request.

3.18 **Electronic Verification**

The Money Laundering (Amending) Regulations 2007, the Proceeds of Crime Act 2002, the Senior Management Arrangements Systems & Controls Source book and Joint Money Laundering Steering Group guidance notes (which are updated from time to time) state that the ACD must check your identity and the source of the money invested. The ACD may also request verification documents from parties associated with you. In some cases, documentation may be required for officers performing duties on behalf of bodies corporate. The checks may include an electronic search of information held about you (or your associated party) on the electoral roll and using credit reference agencies. The credit reference agency may check the details you (or your associated party) supply against any particulars on any database (public or otherwise) to which they have access and may retain a record of that information although this is only to verify identity and will not affect your (or your associated party's) credit rating.

They may also use your (or your associated party's) details in the future to assist other companies for verification purposes. If you apply for shares you are giving the ACD permission to ask for this information in line with the Data Protection Act 1998. If you invest through a financial adviser they must fill an identity verification certificate on your behalf and send it to the ACD with your application.

3.19 **Governing law**

All deals in Shares are governed by the law of England and Wales.

4. **VALUATION OF THE COMPANY**

4.1 **General**

The price of a Share is calculated by reference to the Net Asset Value of the Sub-Fund to which it relates. The Net Asset Value per Share of a Sub-Fund is currently calculated at 12.00 p.m. (London time) (this being the Valuation Point) on each Dealing Day.

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

“Late Trading” is defined as the acceptance of a subscription, redemption or Switch order received after the Fund’s applicable valuation point for that Dealing Day. Late Trading is not permitted. A request for dealing in Shares must be received by the Valuation Point on a particular Dealing Day in order to be processed on that Dealing Day. A dealing request received after this time will be held over and processed on the next Dealing Day, using the Net Asset Value per Share calculated as at the Valuation Point on that next Dealing Day.

4.2 Calculation of the Net Asset Value

The value of the Scheme Property will 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 Scheme Property which is not cash (or other assets dealt with in paragraph 4.2.3 below) or a contingent liability transaction shall be valued as follows and the prices used will (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 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 investments:
 - (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 recent price exists or if the most recent price available does not reflect the ACD’s best estimate of the value, at a value of the security, which in the opinion of the ACD, is fair and reasonable;
 - 4.2.2.3 Scheme Property other than that described in 4.2.2.1 and 4.2.2.2 above at a value which, in the opinion of the ACD, is fair and reasonable.
- 4.2.3 Cash and amounts held in current, deposit and margin accounts and in other time related deposits shall be valued at their nominal values.
- 4.2.4 Scheme Property which is a contingent liability transaction shall be treated as follows:
 - 4.2.4.1 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;
 - 4.2.4.2 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;

- 4.2.4.3 if it is any other form of contingent liability transaction, include it at the net value of margin on closing out (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.
- 4.2.5 In determining the value of the Scheme Property, all instructions given to issue or cancel Shares shall be assumed (unless the contrary is shown) to have been carried out (and any cash payment paid or received) and all consequential action required by the Regulations or this Instrument of Incorporation shall be assumed (unless the contrary has been shown) to have been taken.
- 4.2.6 Subject to paragraphs 4.2.7 and 4.2.8 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.
- 4.2.7 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 4.2.9.
- 4.2.8 All agreements are to be included under paragraph 4.2.9 which are, or ought reasonably to have been, known to the person valuing the Scheme Property.
- 4.2.9 Deduct an estimated amount for anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the property of the Fund; on realised capital gains in respect of previously completed and current accounting periods; and on income where liabilities have accrued) including (as applicable and without limitation) capital gains tax, income tax, corporation tax, VAT, stamp duty reserve tax, stamp duty and any foreign taxes or duties.
- 4.2.10 Deduct 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.
- 4.2.11 Deduct the principal amount of any outstanding borrowings whenever repayable and any accrued but unpaid interest on borrowings.
- 4.2.12 Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.
- 4.2.13 Add any other credits or amounts due to be paid into the Scheme Property.
- 4.2.14 Add a sum representing any interest or any income accrued due or deemed to have accrued but not received.
- 4.2.15 Currencies or values in currencies other than Sterling shall be converted at the relevant valuation point at a rate of exchange that is not likely to result in any material prejudice to the interests of shareholders or potential shareholders.

4.3 **Price per Share in each Sub-Fund and each Class**

The price per Share at which Shares are bought or are redeemed is the Net Asset Value per Share. Any initial charge or redemption charge, (or dilution levy 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 Sub-Fund at a time when more than one Class is in issue in respect of that Sub-Fund shall be done by reference to the relevant Shareholder's proportionate interest in the income property of the Sub-Fund in question calculated in accordance with the Instrument of Incorporation.

4.4 Fair value pricing

- 4.4.1 Where the ACD has reasonable grounds to believe that:
 - 4.4.1.1 no reliable price exists for a security (including a unit/share in a collective investment scheme) at a Valuation Point; or
 - 4.4.1.2 the most recent price available does not reflect the ACD's best estimate of the value of the security (including a unit/share in a collective investment scheme) at the Valuation Point;
 - 4.4.1.3 it can value an investment at a price which, in its opinion, reflects a fair and reasonable price for that investment (the fair value price).
- 4.4.2 The circumstances which may give rise to a fair value price being used include:
 - 4.4.2.1 no recent trade in the security concerned; or
 - 4.4.2.2 suspension of dealings in the security concerned; or
 - 4.4.2.3 the occurrence of a significant event since the most recent closure of the market where the price of the security is taken.
- 4.4.3 In determining whether to use such a fair value price, the ACD will include in their consideration but need not be limited to:
 - 4.4.3.1 the type of authorised fund concerned;
 - 4.4.3.2 the securities involved;
 - 4.4.3.3 whether the underlying collective investment schemes may already have applied fair value pricing;
 - 4.4.3.4 the basis and reliability of the alternative price used; and
 - 4.4.3.5 the ACD's policy on the valuation of Scheme Property as disclosed in this Prospectus.

4.5 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. Shares in the Company are single priced.

Prices of Shares in the Sub-Funds are expressed in pounds sterling.

4.6 Publication of Prices

The prices of all Shares are published on www.fundlistings.com and the ACD's website: www.7im.co.uk. Alternatively, the prices of all Shares may be obtained by calling 0333 300 0354 during the ACD's normal business hours. As the ACD deals on a forward pricing basis, the price that appears in these sources will not necessarily be the same as the one at which investors can currently deal. The ACD may also, at its sole discretion, decide to publish certain Share prices in other third party websites or publications but the ACD does not accept responsibility for the accuracy of the prices published in, or for the non-publication of prices by, these sources for reasons beyond the control of the ACD.

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 Sub-Funds, in those Sub-Funds).

5.1 **General**

The investments of the Company are subject to normal market fluctuations and other risks inherent in investing in securities. There can be no assurance that any appreciation in the value of investments will occur. The value of investments and the income derived from them may fall as well as rise and investors may not recoup the original amount they invest in the Company. There is no certainty that the investment objective of the Sub-Funds will actually be achieved and no warranty or representation is given to this effect. The level of any yield for a Sub-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. There will be a variation in performance between funds with similar objectives due to the different assets selected.

5.2 **Effect of Initial Charge**

Where an initial charge or redemption is imposed, an investor who realises his Shares 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.

5.3 **Dilution**

A Sub-Fund may suffer a reduction in the value of its Scheme Property due to dealing costs incurred when buying and selling investments. To offset this dilution effect the ACD may require the payment of a dilution levy in addition to the price of Shares when bought or as a deduction when sold.

5.4 **Charges to Capital**

Where the investment objective of a Sub-Fund is to treat the generation of income as a higher priority than capital growth, or the generation of income and capital growth have equal priority, all or part of the ACD's fee may be charged against capital instead of against income. The treatment of the ACD's fee may increase the amount of income (which may be taxable) available for distribution to Shareholders in the Sub-Fund concerned however, this may erode capital and may constrain capital growth. Investors should note that the ACD's fee for the Funds will be taken entirely from capital which will erode capital and may constrain capital growth.

5.5 **Suspension of Dealings in Shares**

Investors are reminded that in certain circumstances their right to redeem Shares (including a redemption by way of switching) may be suspended.

5.6 **Liabilities of the Company and Sub-Funds**

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

5.7 **Currency Exchange Rates**

The assets of a Sub-Fund and any income paid on those assets, may be denominated in a currency other than the base currency of the Sub-Fund. Changes in the exchange rate between the base currency and the currency of an asset may cause the value of the assets to fall as well as rise even if there is no change

in the value of such assets in their local currency. This may also cause additional volatility in the Sub-Fund's price. It may not be possible or practical to hedge against such exchange rate risk.

5.8 **Derivatives**

The ACD may employ more sophisticated derivatives longer term in the pursuit of the investment objectives of a Sub-Fund, as stated in this Prospectus, and in accordance with its risk management policy. This means that the Net Asset Value of the Sub-Fund may at times be highly volatile (in the absence of compensating investment techniques). However, it is the ACD's intention that a Sub-Fund owing to its portfolio composition, or the portfolio management techniques used, will not have volatility over and above the general market volatility of the markets of its underlying investments. The risk profile of a Sub-Fund may be higher than it would otherwise have been as a consequence of the use of derivatives as described above.

The ACD may also employ derivatives with the aim of reducing the risk profile of a Sub-Fund, reducing costs or generating additional capital or income, in accordance with Efficient Portfolio Management ("EPM").

To the extent that derivative instruments are utilised for hedging purposes (reduction of the risk profile of a Sub-Fund), the risk of loss to a Sub-Fund may be increased where the value of the derivative instrument and the value of the security or position which it is hedging prove to be insufficiently correlated.

For more information in relation to investment in derivatives, please see paragraphs 17 and 18 in Appendix III.

5.9 **Credit and Fixed Interest Securities**

Fixed interest securities or instruments that track the returns of fixed interest indices, are particularly affected by trends 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 rate of interest, 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. BBB is described as having adequate capacity to meet financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the bond issuer to meet its financial commitments.

5.10 **Warrants**

Up to 5% of a Sub-Fund may be invested in warrants. Whilst warrants may be utilised for the management of investment risk they can also be volatile. A warrant allows within a subscribed period the right to apply for shares, debentures, loan stock or government securities from the issuer of the underlying security. A small movement in the price of the underlying security results in a disproportionately large movement, favourable or unfavourable in the price of the warrant.

Taxation

Tax laws currently in place may change in the future which could affect the value of your investments. See the section headed 'Taxation' for further details about taxation of the Sub-Fund(s). Please note that the tax treatment of investors depends on their individual circumstances and may be subject to change in the future.

5.11 **Inflation and interest rates**

The real value of any returns that an investor may receive from a Sub-Fund could be affected by interest rates and inflation over time.

5.12 **Custody**

There may be a risk of loss where the assets of the Sub-Funds are held in custody that could result from the insolvency, negligence or fraudulent action of a custodian or sub-custodian.

5.13 **Liquidity**

Depending on the types of assets the Company invests in there may be occasions where there is an increased risk that a position cannot be liquidated in a timely manner at a reasonable price. In case of a large redemption request, the Funds may consequently not be able to sell certain assets to meet the redemption requirement or may not be able to sell certain assets at levels close to current valuation price.

5.14 **Investment risk**

Shares of a Sub-Fund might be suitable for investors that are comfortable that the value of investments in such Sub-Fund can go down as well as up, that capital may be at risk and that performance varies over time and returns are not guaranteed.

Investors should be aware that there is no protection of capital and no guaranteed return and investors can lose the amount invested. Accordingly, Shares of a Sub-Fund are not suitable for:

a Shareholder who does not have sufficient resources to bear any loss resulting from the investment;

Shareholders who are not prepared to take any risk with their money or put their capital at risk;

any Shareholder looking for guaranteed income or a guaranteed total return.

5.15 **Counterparty risk in Over-the-Counter (“OTC”) Markets**

A Sub-Fund may enter into transactions in over-the-counter markets, which will expose a Sub-Fund to the credit of its counterparties and their ability to satisfy the terms of such contracts. For example, a Sub-Fund may enter into agreements or use other derivative techniques, each of which expose a Sub-Fund to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, a Sub-Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Company seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. In such circumstances, investors may be unable to cover any losses incurred.

5.16 **Efficient Portfolio Management (EPM) techniques**

A Sub-Fund may make use of EPM techniques (including derivatives, stock lending and reverse repurchase transactions) to reduce risk and/or costs in the Sub-Fund(s) and to generate additional capital or income for the Company in a manner which is economically appropriate and with an acceptable level of risk. Further details on these techniques can be found in paragraphs 18 and 42 of Appendix III.

In adverse situations, however, the use of EPM techniques may be ineffective and the Company may suffer significant loss as a result. A Sub-Fund's ability to use EPM strategies may be limited by market conditions, regulatory limits and tax considerations.

EPM techniques may involve the company for the account of a Sub-Fund entering into derivative transactions or securities lending transactions with a counterparty where there may be a risk that a counterparty will wholly or partially fail to honour its contractual obligations. To mitigate that risk, the counterparties to these transactions may be required to provide collateral to the Company. The counterparty will forfeit its collateral if it defaults on the transaction. However, in the event of counterparty default, if the collateral is in the form of securities, there is a risk that when it is sold it will realise insufficient cash to settle the counterparty's liability to the Company. This may result in losses for the Company.

There is no guarantee that a Sub-Fund will achieve the objective for which the Company entered into a transaction in relation to EPM. Stock lending transactions may, in the event of a default by the counterparty, result in the securities lent being recovered late or only in part. This may result in losses for the Sub-Fund.

6. **MANAGEMENT AND ADMINISTRATION**

6.1 **Regulatory Status**

The ACD, the Administrator and the Depositary 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 ACD is Seven Investment Management LLP which is a Limited Liability Partnership incorporated in England and Wales on 24 September 2012.

The members of the Board of the LLP are:

Adrian Grace (Executive Chair)

David Young (Non-executive)

Dean Proctor

Duncan Walker

James Lander (Non-executive)

Tom Leader (Non-executive)

No member of the Board is engaged in any business activity significant to and not connected with the business of the ACD.

Registered Office:	1 Angel Court, London EC2R 7HJ.
Principal Place of Business:	1 Angel Court, London EC2R 7HJ.

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

It has therefore delegated to the Administrator and Registrar certain functions relating to the administration and maintenance of the register (as further explained in paragraph 6.4 below).

6.2.2 **Terms of Appointment:**

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

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.

The ACD Agreement may be terminated by either party after not less than six months written notice or earlier upon the happening of certain specified events. The ACD Agreement contains detailed provisions relating to the responsibilities of the ACD and excludes it from any liability to the Company or any Shareholder for any act or omission except in the case of negligence, wilful default, breach of duty or breach of trust in relation to the Company on its part. The ACD Agreement provides indemnities to the ACD to the extent allowed by the Regulations and other than for matters arising by reason of its negligence, wilful default, breach of duty or

breach of trust in the performance of its duties and obligations. Subject to certain limited exceptions set out in the Regulations, the ACD may retain the services of any person to assist it in the performance of its functions.

Details of the fees payable to the ACD are set out in paragraph 7.2 “Charges payable to the ACD” below.

The ACD 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 also the operator of certain open-ended investment companies details of which are set out in Appendix IV.

6.3 The Depositary

6.3.1 General

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

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

The Depositary is responsible for the safekeeping of all the Scheme Property of the Company and must ensure that the Company is managed in accordance with the Instrument of Incorporation and the provisions of the COLL Sourcebook relating to the pricing of, and dealing in, Shares and relating to the income and the investment and borrowing powers of the Sub-Funds. The Depositary is also responsible for monitoring the cash flows of the Sub-Funds, and must ensure that certain processes carried out by the ACD are performed in accordance with the FCA Handbook, this Prospectus and the Instrument of Incorporation.

Northern Trust’s EMEA Data Privacy Notice sets out how the Depositary will process Shareholders’ personal information as a data controller where these details are provided to it in connection with Shareholders’ investment in the Company.

Northern Trust’s EMEA Data Privacy Notice may be updated from time to time and readers should confirm that they hold the latest version which can be accessed at www.northerntrust.com/united-kingdom/privacy/emea-privacy-notice.

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

6.3.2 Terms of Appointment:

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

The Depositary Agreement is terminable on receipt of six months’ written notice given by either party. The Depositary may not retire voluntarily except on the appointment of a new depositary.

Subject to the Regulations, the Depositary has full power under the Depositary Agreement to delegate (and authorise its delegate to sub-delegate) any part of its duties as Depositary. As a general rule, where the Depositary delegates any of its custody functions to a delegate, the Depositary will remain liable for any losses suffered as a result of an act or omission of the delegate as if such loss had arisen as a result of an act or omission of the Depositary. The use of clearing or settlement systems or order routing systems, does not constitute a

delegation by the Depositary of its functions. It has delegated custody services to The Northern Trust Company, London Branch (“the Custodian”).

The Custodian has sub-delegated custody services to sub-custodians in certain eligible markets in which the Company may invest. A list of sub-custodians is given in Appendix VII. Investors should note that the list of sub-custodians in the Prospectus is updated only at each Prospectus review. An up to date list of sub-custodians is maintained by the ACD at 1 Angel Court, London EC2R 7HJ and is available on request.

The Depositary Agreement contains provisions indemnifying the Depositary and limiting the liability of the Depositary in certain circumstances and to the extent permitted under the UCITS Regulations.

The Depositary is entitled to receive remuneration out of the Scheme Property for its services, as explained in paragraph 7.3 “Depositary’s Fees and expenses” below. The Depositary is under no obligation to account to the ACD, the Company or the Shareholders for any profits or benefits it makes or receives that are made or derived from or in connection with its role as depositary.

6.4 The Registrar and Administrator

6.4.1 General

On behalf of the Company the ACD has also appointed Northern Trust Global Services SE (UK Branch) to act as registrar and to provide fund accounting and other administration services to the Company.

The principal place of business of the Registrar in the UK is 50 Bank Street, London E14 5NT.

6.4.2 Register of Shareholders

The Register of Shareholders is kept and maintained at the Registrar’s principal place of business in the UK, but the address for correspondence is Seven Investment Management LLP, Sunderland, SR43 4BG. It may be inspected at the principal place of business of the Registrar during normal business hours by any Shareholder or any Shareholder’s duly authorised agent.

The plan register, where applicable, (being a record of persons who subscribe for Shares through Individual Savings Accounts (ISAs)) can be inspected at the office of the Registrar.

6.5 The Auditors

The auditors of the Company are BDO LLP, whose address is 55 Baker Street, London, W1U 7EU and they are responsible for auditing the annual accounts of the Company and expressing an opinion on certain matters relating to the Company in the annual report including whether its accounts have been prepared in accordance with applicable accounting standards, the Regulations and the Instrument of Incorporation.

6.6 The Consultants

An Asset Allocation Consultant may be employed from time to time to provide consulting services to the ACD in relation to the strategic asset allocation strategy for the 7IM Personal Injury Fund; however the ACD has final decision making authority.

6.7 Stock lending agent

The stock lending agent to the Sub-Funds is The Northern Trust Company. Please refer to paragraph 42 of Appendix III for further information.

6.8 Conflicts of Interest

The ACD and other companies within the ACD’s group may, from time to time, act as investment managers or advisers to other funds or sub-Funds which follow similar investment objectives to those of the Sub-Funds. It is therefore possible that the ACD may in the course of its business have potential conflicts of

interest with the Company or a particular Sub-Fund or that a conflict exists between the Company and other funds managed by the ACD. 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. Where a conflict of interest cannot be avoided, the ACD will ensure that the Company and other collective investment schemes it manages are fairly treated.

The ACD and the Sub-investment advisors maintain written conflicts of interest policies. The ACD acknowledges that there may be some situations where the organisational or administrative arrangements in place for the management of conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the Company or its shareholders will be prevented. Should any such situations arise the ACD will, as a last resort if the conflict cannot be avoided, disclose these to shareholders. Details of the ACD's conflicts of interest policy are available on its website at: www.7im.co.uk.

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

The ACD has delegated certain administrative functions to Northern Trust Global Services PLC, including registrar, fund accounting, valuation, calculation and transfer agency services. Northern Trust Global Services PLC has functionally and hierarchically separated the performance of its depositary functions from its administration tasks delegated to it by the ACD.

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

From time to time conflicts may arise from the appointment by the Depositary of any of its delegates.

The Depositary, and any other delegate, is required to manage any such conflict having regard to the FCA Rules and its duties under the Depositary Agreement.

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

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

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

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

Up to date information regarding (i) the Depositary's name, (ii) the description of its duties and any conflicts of interest that may arise between the Company, the shareholders or the ACD and the depositary, and (iii)

the description of any safekeeping functions delegated by the Depositary, the description of any conflicts of interest that may arise from such delegation, and the list showing the identity of each delegate and sub-delegate, will be made available to Shareholders on request.

7. FEES AND EXPENSES

7.1 Ongoing

All costs, charges, fees or expenses, other than the charges made in connection with the subscription and redemption of Shares (see paragraph 3.11) payable by a Shareholder or out of Scheme Property are set out in this section.

The Company or each Sub-Fund (as the case may be), may, so far as the COLL Sourcebook allows, also pay out of the Scheme Property all relevant costs, charges, fees and expenses including the following:

- 7.1.1 Fees and expenses payable to the Administrator and to the Registrar (including costs relating to periodic risk reporting and trade control and capture services);
- 7.1.2 Fees relating to the provision of market data for the Sub-Funds;
- 7.1.3 broker's commission, fiscal charges (including stamp duty and/or stamp duty reserve tax), transaction charges and other disbursements which are necessary to be incurred in effecting transactions for the Sub-Funds and normally shown in contract notes, confirmation notes and difference accounts as appropriate;
- 7.1.4 fees and expenses in respect of establishing and maintaining the register of Shareholders, including any sub-registers kept for the purpose of the administration of (when applicable) Individual Savings Accounts, are payable quarterly out of the property of the Sub-Funds;
- 7.1.5 any periodic charge of collective investment schemes which are not borne within the annual management charge of such schemes;
- 7.1.6 any costs incurred in or about the listing of Shares in the Company on any Stock Exchange, and the creation, conversion and cancellation of Shares;
- 7.1.7 any costs incurred by the Company in publishing the price of the Shares in a national or other newspaper or any other form of media;
- 7.1.8 any costs incurred in producing and dispatching any payments made by the Company, or the yearly and half-yearly reports of the Company;
- 7.1.9 any fees, expenses or disbursements of any legal or other professional adviser of the Company;
- 7.1.10 any costs incurred in taking out and maintaining an insurance policy in relation to the Company;
- 7.1.11 any costs incurred in respect of meetings of Shareholders convened for any purpose;
- 7.1.12 any payment permitted by clause 6.7.15R of the COLL Sourcebook;
- 7.1.13 interest on borrowings and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;
- 7.1.14 taxation and duties payable in respect of the Scheme Property of the Sub-Funds on the issue or redemption of Shares;
- 7.1.15 the audit fees of the Auditors (including VAT) and any expenses of the Auditors;
- 7.1.16 the fees of the FCA, in accordance with the FCA's Fee Manual, together with any corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which shares in the Company are or may be marketed;

- 7.1.17 any expense incurred in relation to company secretarial duties including the cost of maintenance of minute books and other documentation required to be maintained by the Company;
- 7.1.18 any payments otherwise due by virtue of a change to the Regulations;
- 7.1.19 any costs incurred which are associated with independent risk monitoring or daily “value at risk” or “VaR” calculations (part of the risk monitoring process);
- 7.1.20 any costs incurred in preparing, translating, producing (including printing), distributing and modifying the instrument of incorporation, the prospectus, the Key Investor Information Document (apart from the costs of distributing the Key Investor Information Document) or reports, accounts, statements, contract notes and other like documentation or any other relevant document required under the Regulations;
- 7.1.21 any value added or similar tax relating to any charge or expense set out herein; and
- 7.1.22 any fees in relation to an Asset Allocation Consultant (for 7IM Personal Injury Fund only).

Each Sub-Fund formed after this Prospectus may bear its own direct establishment costs.

With regards to 7IM Personal Injury Fund, if the charges set out above (otherwise payable out of the property of the Sub-Fund) exceed 0.20% of the value of the Sub-Fund they will be met by the ACD (for example, additional allowable charges representing 0.25% of the Sub-Fund would be split so that the Sub-Fund would meet 0.20% and the ACD would meet the remaining 0.05%).

Should the ACD choose to remove this condition you will receive notification as prescribed by the Regulations.

The ACD is also entitled to be paid by the Company out of the Scheme Property any expenses, incurred by the ACD or its delegates of the kinds described above.

Expenses are allocated between capital and income in accordance with the Regulations. However, the approach for a given Sub-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 3.11.5 “Stamp Duty Reserve Tax”). If deductions were made from capital, this would result in capital erosion and constrain growth.

7.2 **Charges payable to the ACD**

7.2.1 *Annual Management Charge*

In payment for carrying out its duties and responsibilities the ACD is entitled to take an annual fee out of each Sub-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 Sub-Fund on the immediately preceding Dealing Day and the amount due for each month is payable on the last Dealing Day of each month. The current annual management charges for the Sub-Funds (expressed as a percentage per annum of the Net Asset Value of each Sub-Fund) are set out in Appendix I.

Investors should note that only the annual management charge and portfolio transactions will be taken from capital. All other fees and other expenses for each Sub-Fund will be taken from income.

7.2.2 *Registration Fees*

The ACD is entitled to receive a fee out of the Scheme Property of the Company for providing registration services, (including establishing and maintaining sub-registers where applicable) out of which the ACD will pay the fees of the Registrar. Such fee is payable quarterly. The current fees payable to the ACD are as follows: 0 -100 Shareholders: £1,500 per annum per Sub-Fund; 101-250 Shareholders: £2,900 per annum per Sub-Fund, greater than 250 Shareholders: £11.50 per annum per Shareholder. A £11.50 charge per annum is also payable per holder on an ISA sub-register.

7.2.3 Expenses

The ACD is also entitled to all reasonable, properly documented, out of pocket expenses incurred in the performance of its duties as set out above.

VAT is payable on the charges or expenses mentioned above, where appropriate.

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

The current annual fee payable to the ACD for a Class may only be increased or a new type of remuneration introduced in accordance with the Regulations.

7.3 Depository's fee and expenses

The Depository is entitled to receive out of Scheme Property by way of remuneration a periodic charge, which will be calculated and accrue daily and be paid monthly as soon as practicable after the end of each month, and certain additional charges and expenses. The rate of the Depository's periodic charge in respect of each Sub-Fund will be such rate or rates as agreed from time to time between the ACD and the Depository in accordance with the COLL Sourcebook. The current rate of the Depository's periodic charge in respect of each Sub-Fund is:

Value of Sub-Fund	Fee
First £50 million	0.015%
From £50 million to £150 million	0.0125%
Greater than £150 million	0.01%

of the value of the Scheme Property. In addition VAT on the amount of the periodic charge will be paid out of Scheme Property.

In the event of the termination of a Sub-Fund, the Depository shall continue to be entitled to a periodic charge in respect of that Sub-Fund for the period up to and including the day on which the final distribution in the termination of the Sub-Fund shall be made or, in the case of a termination following the passing of an extraordinary resolution approving a scheme of arrangement, up to and including the final day on which the Depository is responsible for the safekeeping of the Scheme Property. Such periodic charge will be calculated, be subject to the same terms and accrue and be paid as described above, except that for the purpose of calculating the periodic charge in respect of any day falling after the day on which the termination of the Sub-Fund commences, the value of the Scheme Property shall be its Net Asset Value determined at the beginning of each such day.

The Depository Agreement between the Company and the Depository provides that in addition to a periodic charge the Depository may also be paid by way of remuneration custody fees where it acts as Custodian and other transaction and bank charges. At present the Depository delegates the function of custody of the Scheme Property to The Northern Trust Company.

The remuneration for acting as custodian is calculated at such rate and/or amount as the ACD, the Depository and the Custodian may agree from time to time.

The current remuneration ranges from between 0.0025% per annum to 0.120% per annum of the value of the Scheme Property, plus VAT (if any) calculated at an ad valorem rate determined by the territory or country in which the assets of the Company is held. The current range of transaction charges is between £3 and £120 per transaction plus VAT (if any). Charges for principal investment markets are:

	Transaction charge per trade	Custody charge % per annum of the value of the Scheme Property
UK	£3	0.0025%

United States	£3	0.0025%
Germany	£10	0.0065%
Japan	£10	0.0075%

Custody and transaction charges will be payable monthly in arrears.

In addition to the remuneration referred to above, the Depositary is entitled to receive reimbursement for expenses properly incurred by it in discharge of its duties or exercising any powers conferred upon it in relation to the Company and each Sub-Fund. Such expenses include, but are not restricted to:

- (i) delivery of stock to the Depositary or custodian;
- (ii) custody of assets;
- (iii) collection and distribution of income and capital;
- (iv) submission of tax returns;
- (v) handling tax claims;
- (vi) preparation of the Depositary's annual report;
- (vii) arranging insurance;
- (viii) calling Shareholder meetings and otherwise communicating with Shareholders;
- (ix) dealing with distribution warrants;
- (x) taking professional advice;
- (xi) conducting legal proceedings;
- (xii) such other duties as the Depositary is permitted or required by law to perform.

VAT (if any) in connection with any of the above is payable in addition.

Expenses not directly attributable to a particular Sub-Fund will be allocated between Sub-Funds. In each case such expenses and disbursements will also be payable if incurred by any person (including the ACD or an Associate or nominee of the Depositary or of the ACD) who has had the relevant duty delegated to it pursuant to the COLL Sourcebook by the Depositary.

7.4 Charges payable to an Asset Allocation Consultant for 7IM Personal Injury Fund

If employed, an Asset Allocation Consultant may be paid out of the Scheme Property of 7IM Personal Injury Fund in respect of its consulting services to the ACD. If applicable, such charges will accrue on a daily basis in arrears by reference to the Net Asset Value of the Sub-Fund on the immediately preceding Dealing Day and the amount due for each month is payable on the last Dealing Day of each month. Any Asset Allocation Consultant's fees charged to the Sub-Fund (expressed as a percentage per annum of the Net Asset Value of the Sub-Fund) are currently set out in Appendix I. Investors should note that these charges will be taken from income. These fees may be discharged by the ACD and recharged to the Sub-Fund.

7.5 Allocation of fees and expenses between Sub-Funds

All the above fees, duties and charges (other than those borne by the ACD) will be charged to the Sub-Fund in respect of which they were incurred. This includes any charges and expenses incurred in relation to the Register of Shareholders, except that these will be allocated and charged to each class of Shares on a basis agreed between the ACD and the Depositary.

Where an expense is not considered to be attributable to any one Sub-Fund, the expense will normally be allocated to all Sub-Funds pro rata to the value of the Net Asset Value of the Sub-Funds, although the ACD has discretion to allocate these fees and expenses in a manner which it considers fair to Shareholders generally.

Where income is insufficient to pay charges the residual amount is taken from capital.

Where charges including the Annual Management Charge, periodic charge, depositary's fees and other expenses are deducted from the capital property of a Sub-Fund, this can have the effect of constraining or even eroding capital growth of that Sub-Fund. Refer to Appendix I for details of which Sub-Funds charge fees and expenses to capital.

8. INSTRUMENT OF INCORPORATION

The Instrument of Incorporation is available for inspection at the ACD's offices at 3rd Floor, 1 Angel Court, London EC2R 7HJ.

9. SHAREHOLDER MEETINGS AND VOTING RIGHTS

9.1 Class, Company and Sub-Fund Meetings

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

The Company will not hold annual general meetings.

9.2 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.

9.3 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.

9.4 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 a reasonable date before the notice of meeting is sent out, such date to be decided by the ACD.

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 Shareholder 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.

Except where the COLL 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 COLL Sourcebook will be passed by a simple majority of the votes validly cast for and against the resolution.

The ACD may not be counted in the quorum for a meeting and neither the ACD nor any Associate (as defined in the COLL 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.

Where all the Shares in a Sub-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 at a meeting, it shall not be necessary to convene such a meeting and a resolution may, with the prior written agreement of the Depositary, 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.

“Shareholders” in this context means Shareholders entered on the register at a time to be determined by the ACD and stated in the notice of the meeting which must not be more than 48 hours before the time fixed for the meeting.

9.5 **Variation of Class or Sub-Fund rights**

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

10. **TAXATION**

10.1 **General**

The information below is a general guide based on current United Kingdom law and HM Revenue & Customs practice, which are subject to change. It summarises the tax position of the Sub-Funds and of investors who are United Kingdom resident individuals and hold Shares as investments. The regime for taxation of income and capital gains received by individual investors depends on the tax law applicable to their personal circumstances and/or the place where the Scheme Property is invested. 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.

10.2 **The Sub-Funds**

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

The Sub-Funds are generally exempt from United Kingdom tax on capital gains realised on the disposal of their investments (including interest-paying securities and derivatives) held within them. However, any gains realised on disposing of holdings in non-reporting offshore funds are charged to tax as income and not capital.

Any dividend distribution received by the Sub-Funds (whether directly or through another United Kingdom authorised investment fund) will generally be exempt from corporation tax. Each Sub-Fund will be subject to corporation tax on most other types of income but after deducting allowable management expenses and where relevant the gross amount of interest distributions. Where the Sub-Funds suffers irrecoverable foreign tax on income received, this will generally be a cost to the Sub-Fund, although if the income is also subject to UK taxation it may be set against the relevant UK corporation tax .

The Sub-Funds will make dividend distributions except where more than 60% of a Sub-Fund’s property has been invested throughout the distribution period in interest-paying investments, in which case it may make interest distributions.

10.3 **Shareholders**

Dividend Income

Dividend distributions are paid without deduction of tax.

The first £1,000 of dividends, including dividend distributions from a Sub-Fund, paid to an individual (or, in the case of accumulation shares, retained in a Sub-Fund and reinvested) in the tax year are tax free (the dividend allowance). Where total dividends from all sources paid to an individual (or retained in a fund) are more than the dividend allowance in a tax year then the amount over the allowance is taxable at dividend tax rates which depend on individual circumstances. These rates are (in 2016/17); 0% for an individual with unused personal allowance, 8.5% for a basic rate taxpayer, 33.75% for a higher rate taxpayer, or 39.35% for an additional rate taxpayer.

Interest Income

Where a Sub-Fund pays an interest distribution before April 2017 (which will be automatically retained in the Sub-Fund in the case of accumulation Shares) this will be net of the basic rate of tax. Non-taxpayers may reclaim the tax deducted from interest distributions paid, and starting rate (on savings income) taxpayers may reclaim part of them.

From 6 April 2016 individual taxpayers have been entitled to a £1,000 individual savings allowance in each tax year. To the extent that any interest distribution falls within this allowance then individual taxpayers will also be able to reclaim any tax deducted from those distributions.

From April 2017, no tax will be deducted from any interest distributions, following a Government announcement. As a result, where individuals' interest and interest distributions exceed their personal savings allowances, they will be liable to pay income tax at their highest rates (20% for basic rate, 40% for higher rate and 45% for additional rate taxpayers) on the taxable amount.

Income paid to Shareholders chargeable to Corporation Tax

Corporate Shareholders who receive dividend distributions may have to divide them into two (the division will be indicated on the tax voucher). Any part representing dividends and other income that is not taxable in the Fund will be treated as dividend income (that is, franked investment income) and no corporation tax will be due on it. The remainder will be received as an annual payment after deemed deduction of income tax at the basic rate, and corporate Shareholders may be liable to tax on the grossed up amount, with the benefit of a basic rate deemed income tax credit attached.

In any case where a Sub-Fund's assets are invested over 60% in interest-paying and economically equivalent assets at any time during a corporate Shareholder's accounting period, then the Shareholder must treat their holding as a creditor loan relationship and bring the holding, including all distributions, into account for corporation tax purposes on a fair value basis. This rule will always apply where a Sub-Fund pays interest distributions and may apply if dividend distributions are paid. The loan relationships legislation includes specific rules for cases when this rule starts or stops applying to a company's holding in a Sub-Fund – see the paragraph below on Capital Gains.

10.3.1 Income Equalisation

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

10.3.2 Tax Vouchers

A tax voucher will be issued in line with the income distribution dates set out in Appendix 1. This voucher should be retained for tax purposes as evidence for HM Revenue & Customs.

The ACD reserves the right to charge an administration fee of £10 if a duplicate copy is required. To obtain a duplicate copy you will need to submit your request in writing, to Seven Investment Management LLP, Sunderland SR43 4BG.

10.3.3 **Capital Gains**

Shareholders may be liable to capital gains tax on gains arising from the redemption, transfer or other disposal of Shares. The rate of tax, and available reliefs, will be as applicable from time to time. An exchange of Shares in one Sub-Fund for Shares in another Sub-Fund will normally be treated as a disposal for this purpose.

In the case of accumulation Shares, amounts which have been accumulated should be treated as a further investment in the Shares when calculating a capital gain on disposal.

A UK corporate investor will be liable to corporation tax on any chargeable gains realised on disposal of Shares.

If a UK corporate investor holds shares in a Sub-Fund and during an accounting period of the investor the balance of the Sub-Fund's investment holdings change so that interest-paying and economically-equivalent investments begin to exceed 60% of its total investments at some time in that accounting period, then that investor must apply the loan relationship rules to its holding as from the beginning of that accounting period. Any chargeable gain on the holding computed for the period up to the end of the previous accounting period will be taxable only when the holding is actually realised. If a Sub-Fund that has exceeded the 60% floor in a corporate investor's accounting period or periods should cease to do so in a subsequent one, then corporation tax on chargeable gains will apply as if that corporate investor's shares were acquired for their fair value at the beginning of the first accounting period in which it does not breach the 60% test.

10.3.4 **EU Savings Directive**

Under the EU Council Directive on taxation of savings income member states of the European Union ("Member States") and certain dependent territories are required to report to the tax authorities of other Member States details of payments of interest and other similar income from certain types of collective investment funds (which in the case of a collective investment fund may include income arising as a result of the sale and redemption of the fund's shares) paid by a person who is a "paying agent" for the purposes of the Directive to an individual resident for the purposes of the Directive in another Member State. However, a number of Member States and dependent territories instead impose a system of withholding tax as an alternative to reporting.

In the case of accumulation Shares, net amounts which have been accumulated may be treated as a further investment in the Shares when calculating a capital gain on disposal.

10.3.5 **Automatic Exchange of Information**

In order to comply with the legislation implementing the United Kingdom's obligations under various intergovernmental agreements relating to the automatic exchange of information to improve international tax compliance (including the United States provisions commonly known as FATCA), the Company (or its agent) will collect and report information about Shareholders for this purpose, including information to verify their identity and tax status.

When requested to do so by the Company or its agent, Shareholders must provide information to be passed on to HM Revenue & Customs, and, by them, to any relevant overseas tax authorities.

11. **WINDING UP OF THE COMPANY OR A SUB-FUND**

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

Where the Company is to be wound up or a Sub-Fund is to be terminated under the COLL Sourcebook, such winding up or termination 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 or the Sub-Fund as the case may be) either that the Company or the Sub-Fund will be able to meet its liabilities within 12 months of the date of the statement or that the Company or the Sub-Fund will

be unable to do so. The Company may not be wound up or a Sub-Fund terminated under the COLL Sourcebook if there is a vacancy in the position of ACD at the relevant time.

The Company shall be wound up or a Sub-Fund must be terminated under the COLL Sourcebook:

- 11.1 if an extraordinary resolution to that effect is passed by Shareholders; or
- 11.2 when the period (if any) fixed for the duration of the Company or a particular Sub-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 Sub-Fund is to be wound up (for example, if the Share capital of the Company or (in relation to any Sub-Fund) the Net Asset Value of the Sub-Fund is below £5 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 Sub-Fund); or
- 11.3 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 Sub-Fund.

On the occurrence of any of the above:

- 11.4 COLL 6.2 (Dealing), COLL 6.3 (Valuation and Pricing) and COLL 5 (Investment and borrowing powers) will cease to apply to the Company or the relevant Sub-Fund;
- 11.5 the Company will cease to issue and cancel Shares in the Company or the relevant Sub-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 Sub-Fund;
- 11.6 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;
- 11.7 where the Company is being wound up or a Sub-Fund terminated, the Company or the Sub-Fund shall cease to carry on its business except in so far as it is beneficial for the winding up of the Company or the termination of the Sub-Fund;
- 11.8 the corporate status and powers of the Company and subject to 11.4 to 11.7 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 Sub-Fund falls to be wound up or terminated, realise the assets and meet the liabilities of the Company or the Sub-Fund and, after paying out or retaining adequate provision for all liabilities properly payable and retaining provision for the costs of the winding up or the termination, 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 Scheme Property. If the ACD has not previously notified Shareholders of the proposal to wind up the Company or terminate the Sub-Fund, the ACD shall, as soon as practicable after the commencement of winding up of the Company or the termination of the Sub-Fund, give written notice of the commencement to Shareholders. When the ACD has caused all of the Scheme Property to be realised and all of the liabilities of the Company or the particular Sub-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 Sub-Fund.

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

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

Following the completion of a winding up of the Company or a Sub-Fund, the ACD must prepare a final account showing how the winding up or termination took place and how the Scheme 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 four months of the completion of the winding up or termination.

12. GENERAL INFORMATION

12.1 Accounting Periods

The annual accounting period of the Company ends each year on 31 May (the accounting reference date) with the interim accounting period ending on 30 November.

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 Sub-Funds for which this policy is currently considered are set out in Appendix I.

12.2 Notice to Shareholders

All notices or other documents sent by the ACD to a Shareholder will be sent by normal post to the last address notified in writing to the Company by the Shareholder.

Income Allocations

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

In relation to income Shares, distributions of income for each Sub-Fund in which income Shares are issued are paid by cheque or electronic transfer directly into a Shareholder's bank account on or before the relevant income allocation date in each year as set out in Appendix I.

For Sub-Funds in which accumulation Shares are issued, income will become part of the capital property of the Sub-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 Sub-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 Sub-Fund in respect of that period, and deducting the charges and expenses of the relevant Sub-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 allocation date, income which should not be accounted for on an accrual basis because of lack of information as to how it accrues, transfers between the income and capital account and other matters.

12.3 Annual Reports

The annual short report of the Company will be published within four months from the end of each annual accounting period and the half yearly short report will be published within two months of each interim accounting period. Short reports will be issued free of charge.

A long report containing the full accounts is available to any person free of charge on request.

12.4 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 1 Angel Court, London EC2R 7HJ:

- 12.4.1 the most recent annual and half yearly reports of the Company;
- 12.4.2 the most recent Prospectus of the Company;
- 12.4.3 the Instrument of Incorporation (and any amending documents); and
- 12.4.4 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 (apart from the most recent annual and half yearly long reports of the Company and the Prospectus which are available free of charge to anyone who requests). A paper copy of the Remuneration Policy (as detailed at section 12.15 below) is available free of charge at the registered office of the ACD on request, and up-to-date details of the Remuneration Policy are available at www.7im.co.uk.

12.5 **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:

- 12.5.1 the ACD Agreement between the Company and the ACD as amended from time to time;
- 12.5.2 the Investment Fund Services Agreement between the ACD and the Administrator as amended from time to time ; and
- 12.5.3 the Depositary Agreement between the Company, the Depositary and the ACD as amended from time to time .

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

12.6 **Provision of Investment Advice**

All information concerning the Company and about investing in Shares of the Company is available from the ACD at 1 Angel Court, London EC2R 7HJ. Persons requiring investment advice should consult a professional 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.

12.7 **Telephone Recordings**

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

12.9 **Complaints**

Complaints may be brought in writing to the Administrator (on behalf of the Company) at 50 Bank Street, London E14 5NT, or by email to 7IMinvestorservices@ntrs.com or by telephone to 0333 300 0354.

In the event that an unsatisfactory response is provided, you can refer your complaint to the Financial Ombudsman Service at: Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR. A copy of the ACD's 'Guide to Making a Complaint' is available upon request.

12.10 **Risk Management**

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

- 12.10.1 the quantitative limits applying in the risk management of any Sub-Fund;
- 12.10.2 the methods used in relation to 12.10.1; and
- 12.10.3 any recent development of the risk and yields of the main categories of investment.

12.11 **Indemnity**

The Instrument of Incorporation contains provisions indemnifying the Directors, other officers and the Company's auditors or the Depositary against liability in certain circumstances otherwise than in respect of their negligence, default, breach of duty or breach of trust, and indemnifying the Depositary against liability in certain circumstances otherwise than in respect of its failure to exercise due care and diligence in the discharge of its functions in respect of the Company.

12.12 Strategy for the exercise of voting rights

The ACD has a strategy for determining when and how voting rights attached to ownership of the Scheme Property are to be exercised for the benefit of each Sub-Fund. A summary of this strategy is available from the ACD on request or on the ACD's website at www.7im.co.uk. Voting records and further details of the actions taken on the basis of this strategy in relation to each Sub-Fund are available free of charge from the ACD on request.

12.13 Best Execution

The ACD's order execution policy sets out the factors which the ACD expects to consider when effecting transactions and placing orders in relation to the Company. This policy has been developed in accordance with the ACD's obligations under the Regulations to obtain the best possible result for the Company.

Details of the order execution policy are available on the ACD's website at www.7im.co.uk.

12.14 Inducements

12.14.1 Where Shares in the Company are sold to retail investors who employ the services of a professional adviser the ACD may, in circumstances permitted by the FCA Rules, make commission payments to those professional advisers as follows:

12.14.1.1 initial sales commission for each Sub-Fund, paid out of the initial charge; and/or

12.14.1.2 ongoing commission payments based on the value of the investor's holding.

12.14.2 The ACD may from time to time accept cash and non-monetary benefits from suppliers to the Company or Sub-Funds of fund management services in accordance with the FCA Rules. The ACD is not obliged to account to the Company or to the Shareholders for these payments.

12.14.3 The provision of benefits described above will not result in any additional cost to the Company or the Sub-Funds.

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

12.14.5 Further details of any such inducements may be obtained on request from the ACD.

12.15 Remuneration Policy

12.15.1 The ACD has put in place a remuneration policy (the "Remuneration Policy") that is in accordance with the requirements of SYSC 9E of the FCA. The Remuneration Policy is designed to ensure that the ACD's remuneration practices are consistent with and promote sound and effective risk management, do not encourage risk taking and are consistent with the risk profile of the Funds. The ACD considers the Remuneration Policy to be appropriate to the size, internal operations, nature scale and complexity of the Funds and in line with the risk profile, risk appetite and the strategy of the Funds.

12.15.2 The matters covered by the Remuneration Policy include:

12.15.2.1 An assessment of the individual member of staff's performance;

12.15.2.2 restrictions on the awarding of guaranteed variable remuneration;

12.15.2.3 the balance between fixed and variable remuneration;

12.15.2.4 payment of remuneration in the form of units or shares in the Funds;

12.15.2.5 a mandatory deferral period of at least 3 years for the payment of a substantial portion of the variable remuneration component;

- 12.15.2.6 the reduction or cancellation of remuneration in the case of underperformance.
- 12.15.3 The Remuneration Policy will apply to the fixed and variable (if any) remuneration received by the identified staff.
- 12.15.4 In respect of any investment management delegates, the ACD requires that: (i) the entities to which such activities have been delegated are subject to regulatory requirements on remuneration that are equally as effective as those applicable under the European Securities and Market's (ESMA's) Guidelines on Sound Remuneration Policies under the UCITS Directive and AIFMD the UCITS Regulations; or (ii) appropriate contractual arrangements are put in place with entities to which such activities have been delegated in order to ensure that there is no circumvention of the remuneration rules set out in the ESMA Guidelines or the FCA Handbook.

APPENDIX I

SUB-FUND DETAILS

Name:	7IM Personal Injury Fund
PRN:	63706
Type of Sub-Fund:	UK UCITS
Investment Objective and Policy:	7IM Personal Injury Fund aims to provide a long-term total return (over at least 5 years) from investment in a range of asset classes. The Sub-Fund has been designed to be potentially suitable for investment by or on behalf of individuals who have been granted personal injury awards but is not restricted to such persons.

The Sub-Fund invests at least 80% of its assets in a range of collective investment vehicles and securities, which will give an exposure to a range of asset classes, including (but not limited to) UK and overseas equities, government and corporate bonds and warrants and an indirect exposure to asset classes (including but not limited to) hedge funds, currency and property and also by the use of futures contracts which require cover to be held (typically in the form of money market funds and money market instruments).

Up to 20% of the Sub-Fund will be invested in assets such as cash, and deposits, money market funds and money market instruments, for more general liquidity purposes. This is additional to the holding of such assets as cover for futures contracts as noted above.

Investment will be more focussed on income generating assets such as corporate debt securities but there will be an allocation to growth generating assets such as global equities.

The Sub-Fund will invest in derivatives for efficient portfolio management (EPM) (i.e. to reduce risk or cost and, or to generate extra income) as well as for investment purposes.

In extraordinary market conditions, it may not be appropriate for the Sub-Fund to be invested in funds and other assets as noted above and the Sub-Fund may temporarily invest up to 100% of its total assets in deposits, cash, near cash, treasury bills, government bonds or short-term money market instruments. Examples of extraordinary market conditions include periods of heightened volatility caused by a sudden economic downturn or events such as political unrest, war or bankruptcy of large financial institutions.

Investment Strategy:	<p>The starting point for the Manager's investment process is identifying the best mix of asset classes to create a strategic asset allocation ("SAA") customised for each 7IM risk profile.</p> <p>The SAA is then adapted to financial markets to enhance return and reduce volatility on a tactical basis using 7IM's tactical asset allocation process ("TAA") making temporary and measured departures from the SAA.</p>
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The Sub-Fund's portfolio of assets is constructed predominantly with passive securities, that is, we actively choose third party managers or securities for their own expertise in selecting particular assets, where their objective is to closely track a pre-determined index.

Comparator Benchmark:	The Sub-Fund's performance will be compared to the IA Mixed Investment 0-35% Shares (Net Tax) Sector which has been chosen because it is representative of the type of assets in which the Sub-Fund invests. It is therefore an appropriate comparator for the Sub-Fund's performance.
Final accounting date:	31 May
Interim accounting date:	30 November
Income distribution dates:	31 July (final) 31 January (interim)
Shares Classes and type of Shares:	Class B (Income) Class C (Income and Accumulation) Class D (Accumulation) Class S (Income and Accumulation)
Initial charge:	Class B: 4% Class C: 0% Class D: 4% Class S: 0%
Redemption charge:	Nil
Switching charge:	See paragraph 3.11.3
Annual Management Charge:	Class B: 0.50% Class C: 0.50% Class D: 1.40% Class S: 0.25%

Allocation of charges

Income

Capital

AMC		100%
Ongoing operating costs	100%	
Dealing and registration	100%	
Depositary	100%	
Custody	100%	
Portfolio Transactions (SDRT, broker's commission)		100%

Investment minima:*	Class B	Class C	Class D	Class S
Lump sum	£500,000	£1,000	£1,000	£10,000,000
Holding	£1,000	£1,000	£1,000	£1,000
Top-up	£N/A	£N/A	£N/A	£ N/A
Regular Savings Plan	£N/A	£100	£100***	£N/A
Redemption	£ provided minimum holding maintained	N/A	£ provided minimum holding maintained	N/A
			£N/A provided minimum holding maintained	£ N/A provided minimum holding maintained

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

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*** Regular Savings Plan is now closed to new investors.

Risk Management and Leverage

The Sub-Fund measures risk using the absolute value at risk approach. The Sub-Fund's level of leverage (calculated as the sum of notionals of derivatives used) is expected to be around 100% of the Sub-Fund's Net Asset Value. There may be higher notional leverage levels from time to time, but this is not expected to exceed 260%.

APPENDIX II

ELIGIBLE SECURITIES MARKETS AND ELIGIBLE DERIVATIVES MARKETS

All the Sub-Funds may deal through securities and derivatives 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 Sub-Fund may also deal through the securities markets and derivatives markets indicated below:

Eligible Securities Markets

United States of America	New York Stock Exchange
	The NASDAQ Stock Market (NASDAQ)
	NYSE American
Australia	Australian Securities Exchange (ASX)
Canada	Toronto Stock Exchange (TSX)
China B	Shanghai Stock Exchange
	Shenzhen Stock Exchange
Hong Kong	Hong Kong Exchange
Japan	Tokyo Stock Exchange
New Zealand	New Zealand Exchange (NZX)
Singapore	Singapore Exchange



South Africa

JSE (SAFEX) Limited

Switzerland

SIX Swiss Exchange (SWX)

Eligible Derivatives Markets

United States of America

Chicago Board of Trade

Chicago Board Options Exchange

Chicago Mercantile Exchange

ICE Futures US

NASDAQ PHLX

	New York Mercantile Exchange (NYMEX) NYSE American Options NYSE Arca
Australia	Australian Securities Exchange (ASX)
France	Euronext Paris
Germany	Eurex Deutschland
Hong Kong	Hong Kong Exchange
Japan	Osaka Securities Exchange Tokyo Stock Exchange
The Netherlands	Euronext Amsterdam
South Africa	JSE (SAFEX) Limited
Switzerland	Eurex Zurich
UK	ICE Futures Europe

APPENDIX III

INVESTMENT AND BORROWING POWERS OF THE COMPANY

1. General

The Scheme Property of a Sub-Fund will be invested with the aim of achieving the investment objective of that Sub-Fund but subject to the limits set out in a Sub-Fund's investment policy and the limits set out in Chapter 5 of the COLL Sourcebook ("COLL 5") and this Prospectus. These limits apply to each Sub-Fund as summarised below.

From time to time and in particular during periods of uncertain or volatile markets, the ACD may choose to hold a substantial proportion of the property of the Sub-Funds in money-market instruments and/or cash deposits.

Normally, a Sub-Fund will be fully invested save for an amount to enable redemption of Shares, efficient management of a Sub-Fund in relation to its strategic objective and other purposes which may be reasonably regarded as ancillary to the investment objectives of the Sub-Funds.

This amount will vary depending upon prevailing circumstances and although it would normally not exceed 10% of the total value of a Sub-Fund, however, there may be times when the ACD considers stock markets or assets to be overpriced or that a period of instability exists which presents unusual risks. In such cases or during such periods, a higher level of liquidity may be maintained and, if considered prudent, the amount of cash or near cash instruments held would be increased. Unless market conditions were deemed unusually risky, the increased amount and period would not be expected to exceed 30% and six months respectively.

It is not intended that the Sub-Funds will have any interest in any immovable property or tangible movable property.

1.1 Prudent spread of risk

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

1.2 Cover

1.2.1 Where the COLL Sourcebook allows a transaction to be entered into or an investment to be retained only (for example, investment in 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 COLL 5, it must be assumed that the maximum possible liability of a Sub-Fund under any other of those rules has also to be provided for.

1.2.2 Where the COLL 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, a Sub-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.

2. UCITS Schemes - general

2.1 Subject to the investment objective and policy of a Sub-Fund, the Scheme Property of a Sub-Fund must, except where otherwise provided in COLL 5, only consist of any or all of:

2.1.1 transferable securities;

2.1.2 approved money-market instruments;

2.1.3 permitted units in collective investments schemes;

2.1.4 permitted derivatives and forward transactions; and

2.1.5 permitted deposits.

2.2 It is not intended that the Sub-Funds will have an interest in any immovable property or tangible movable property.

3. Transferable Securities

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.

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.

3.3 In applying paragraph 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.

3.4 An investment is not a transferable security unless the liability of the holder of it to contribute to the debts of the issuer is limited to any amount for the time being unpaid by the holder of it in respect of the investment.

3.5 A Sub-Fund may invest in a transferable security only to the extent that the transferable security fulfils the following criteria:

3.5.1 the potential loss which a Sub-Fund may incur with respect to holding the transferable security is limited to the amount paid for it;

3.5.2 its liquidity does not compromise the ability of the ACD to comply with its obligation to redeem Shares at the request of any qualifying Shareholder under the FCA Handbook;

3.5.3 reliable valuation is available for it as follows:

3.5.3.1 in the case of a transferable security admitted to or dealt in on an eligible market, where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers;

3.5.3.2 in the case of a transferable security not admitted to or dealt in on an eligible market, where there is a valuation on a periodic basis which is derived from information from the issuer of the transferable security or from competent investment research;

3.5.4 appropriate information is available for it as follows:

3.5.4.1 in the case of a transferable security admitted to or dealt in on an eligible market, where there is regular, accurate and comprehensive information available to the market on the transferable security or, where relevant, on the portfolio of the transferable security;

3.5.4.2 in the case of a transferable security not admitted to or dealt in on an eligible market, where there is regular and accurate information available to the ACD on the transferable security or, where relevant, on the portfolio of the transferable security;

3.5.5 it is negotiable; and

3.5.6 its risks are adequately captured by the risk management process of the ACD.

3.6 Unless there is information available to the ACD that would lead to a different determination, a transferable security which is admitted to or dealt in on an eligible market shall be presumed:

3.6.1 not to compromise the ability of the ACD to comply with its obligation to redeem Shares at the request of any qualifying Shareholder; and

3.6.2 to be negotiable.

3.7 No more than 5% of the Scheme Property of a Sub-Fund may be invested in warrants.

4. **Closed end funds constituting transferable securities**

4.1 A unit or a share in a closed end fund shall be taken to be a transferable security for the purposes of investment by a Sub-Fund, provided it fulfils the criteria for transferable securities set out in paragraph 3.5 and either:

4.1.1 where the closed end fund is constituted as an investment company or a unit trust:

4.1.1.1 it is subject to corporate governance mechanisms applied to companies; and

4.1.1.2 where another person carries out asset management activity on its behalf, that person is subject to national regulation for the purpose of investor protection; or

4.1.2 Where the closed end fund is constituted under the law of contract:

4.1.2.1 it is subject to corporate governance mechanisms equivalent to those applied to companies; and

4.1.2.2 it is managed by a person who is subject to national regulation for the purpose of investor protection.

5. **Transferable securities linked to other assets**

5.1 A Sub-Fund may invest in any other investment which shall be taken to be a transferable security for the purposes of investment by a Sub-Fund provided the investment:

5.1.1 fulfils the criteria for transferable securities set out in 3.5 above; and

5.1.2 is backed by or linked to the performance of other assets, which may differ from those in which a Sub-Fund can invest.

5.2 Where an investment in 5.1 contains an embedded derivative component, the requirements of this section with respect to derivatives and forwards will apply to that component.

6. **Approved Money-Market Instruments**

6.1 An approved money-market instrument is a money-market instrument which is normally dealt in on the money-market, is liquid and has a value which can be accurately determined at any time.

6.2 A money-market instrument shall be regarded as normally dealt in on the money-market if it:

6.2.1 has a maturity at issuance of up to and including 397 days;

6.2.2 has a residual maturity of up to and including 397 days;

6.2.3 undergoes regular yield adjustments in line with money-market conditions at least every 397 days; or

6.2.4 has a risk profile, including credit and interest rate risks, corresponding to that of an instrument which has a maturity as set out in 6.2.1 or 6.2.2 or is subject to yield adjustments as set out in 6.2.3.

6.3 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.

6.4 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:

- 6.4.1 enabling the ACD to calculate a net asset value in accordance with the value at which the instrument held in the Scheme Property of a Sub-Fund could be exchanged between knowledgeable willing parties in an arm's length transaction; and
- 6.4.2 based either on market data or on valuation models including systems based on amortised costs.
- 6.5 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.
- 7. Transferable securities and money-market instruments generally to be admitted or dealt in on an Eligible Market**
- 7.1 Transferable securities and approved money-market instruments held within a Sub-Fund must be:
- 7.1.1 admitted to or dealt in on an eligible market as described in 8.3.1; or
- 7.1.2 dealt in on an eligible market as described in 8.3.2; or
- 7.1.3 admitted to or dealt in on an eligible market as described in 8.4; or
- 7.1.4 for an approved money-market instrument not admitted to or dealt in on an eligible market, within 9.1; or
- 7.1.5 recently issued transferable securities provided that:
- 7.1.5.1 the terms of issue include an undertaking that application will be made to be admitted to an eligible market; and
- 7.1.5.2 such admission is secured within a year of issue.
- 7.2 However, a Sub-Fund may invest no more than 10% of its Scheme Property in transferable securities and approved money-market instruments other than those referred to in 7.1.
- 8. Eligible markets regime: purpose and requirements**
- 8.1 To protect Shareholders the markets on which investments of the Sub-Funds 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.
- 8.2 Where a market ceases to be eligible, investments on that market cease to be approved securities. The 10% restriction in 7.2 above 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.
- 8.3 A market is eligible for the purposes of the rules if it is:
- 8.3.1 a regulated market as defined in the FCA Handbook; or
- 8.3.2 a market in the UK or an EEA State which is regulated, operates regularly and is open to the public; or
- 8.3.3 a market falling in paragraph 8.4 of this Appendix.
- 8.4 A market falling within paragraph 8.3.3 of this Appendix is eligible for the purposes of COLL 5 if:
- 8.4.1 the ACD, after consultation with and notification to the Depositary, decides that market is appropriate for investment of, or dealing in, the Scheme Property;
- 8.4.2 the market is included in a list in the prospectus; and
- 8.4.3 the Depositary has taken reasonable care to determine that:
- 8.4.3.1 adequate custody arrangements can be provided for the investment dealt in on that market; and

8.4.3.2 all reasonable steps have been taken by the ACD in deciding whether that market is eligible.

8.5 In paragraph 8.4.1, a market must not be considered appropriate unless it is regulated, operates regularly, is recognised by an overseas regulator, 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 Shareholders.

8.6 The Eligible Markets for the Sub-Funds are set out in Appendix II.

9. **Money-market instruments with a regulated issuer**

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

9.1.1 the issue or the issuer is regulated for the purpose of protecting Shareholders and savings; and

9.1.2 the instrument is issued or guaranteed in accordance with paragraph 10 (Issuers and guarantors of money-market instruments) below.

9.2 The issue or the issuer of a money-market instrument, other than one dealt in on an eligible market, shall be regarded as regulated for the purpose of protecting Shareholders and savings if:

9.2.1 the instrument is an approved money-market instrument;

9.2.2 appropriate information is available for the instrument (including information which allows an appropriate assessment of the credit risks related to investment in it), in accordance with paragraph 11 (Appropriate information for money-market instruments) below; and

9.2.3 the instrument is freely transferable.

10. **Issuers and guarantors of money-market instruments**

10.1 A Sub-Fund may invest in an approved money-market instrument if it is:

10.1.1 issued or guaranteed by any one of the following:

10.1.1.1 a central authority of the UK or an EEA State or, if the EEA State is a federal state, one of the members making up the federation;

10.1.1.2 a regional or local authority of the UK or an EEA State;

10.1.1.3 the Bank of England, the European Central Bank or a central bank of an EEA State;

10.1.1.4 the European Union or the European Investment Bank;

10.1.1.5 a non-EEA State or, in the case of a federal state, one of the members making up the federation;

10.1.1.6 a public international body to which the UK or one or more EEA States belong; or

10.1.2 issued by a body, any securities of which are dealt in on an eligible market; or

10.1.3 issued or guaranteed by an establishment which is:

10.1.3.1 subject to prudential supervision in accordance with criteria defined by UK or EU law; or

10.1.3.2 subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by UK or EU law.

10.2 An establishment shall be considered to satisfy the requirement in 10.1.3.2 if it is subject to and complies with prudential rules, and fulfils one or more of the following criteria:

- 10.2.1 it is located in the UK or the EEA;
- 10.2.2 it is located in an OECD country belonging to the Group of Ten;
- 10.2.3 it has at least investment grade rating;
- 10.2.4 on the basis of an in-depth analysis of the issuer, it can be demonstrated that the prudential rules applicable to that issuer are at least as stringent as those laid down by UK or EU law.

11. **Appropriate information for money-market instruments**

- 11.1 In the case of an approved money-market instrument within 10.1.2 or issued by a body of the type referred to in COLL 5.2.10EG, or which is issued by an authority within 10.1.1.2 or a public international body within 10.1.1.6 but is not guaranteed by a central authority within 10.1.1.1, the following information must be available:
 - 11.1.1 information on both the issue or the issuance programme, and the legal and financial situation of the issuer prior to the issue of the instrument, verified by appropriately qualified third parties not subject to instructions from the issuer;
 - 11.1.2 updates of that information on a regular basis and whenever a significant event occurs; and
 - 11.1.3 available and reliable statistics on the issue or the issuance programme.
- 11.2 In the case of an approved money-market instrument issued or guaranteed by an establishment within 10.1.3, the following information must be available:
 - 11.2.1 information on the issue or the issuance programme or on the legal and financial situation of the issuer prior to the issue of the instrument;
 - 11.2.2 updates of that information on a regular basis and whenever a significant event occurs; and
 - 11.2.3 available and reliable statistics on the issue or the issuance programme, or other data enabling an appropriate assessment of the credit risks related to investment in those instruments.
- 11.3 In the case of an approved money-market instrument:
 - 11.3.1 within 10.1.1.1, 10.1.1.4 or 10.1.1.5; or
 - 11.3.2 which is issued by an authority within 10.1.1.2 or a public international body within 10.1.1.6 and is guaranteed by a central authority within 10.1.1.1;

information must be available on the issue or the issuance programme, or on the legal and financial situation of the issuer prior to the issue of the instrument.

12. **Spread: general**

- 12.1 This rule on spread does not apply to government and public securities.
- 12.2 For the purposes of this requirement companies included in the same group for the purposes of consolidated accounts as defined in accordance with section 399 of the Companies Act 2006, Directive 2013/34/EU or in the same group in accordance with international accounting standards are regarded as a single body.
- 12.3 Not more than 20% in the value of the Scheme Property of a Sub-Fund is to consist of deposits with a single body.
- 12.4 Not more than 5% in value of the Scheme Property of a Sub-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 (covered bonds need not be taken into account for the purposes of applying the limit of 40%). For these purposes certificates representing certain securities are treated as equivalent to the underlying security.
- 12.5 The limit of 5% is raised to 25% in value of the Scheme Property in respect of covered bonds provided that when a Sub-Fund invests more than 5% in covered bonds issued by a single body, the total value of covered bonds held must not exceed 80% in value of the Scheme Property.

- 12.6 The exposure to any one counterparty in an OTC derivative transaction must not exceed 5% in value of the Scheme Property of a Sub-Fund. This limit is raised to 10% where the counterparty is an Approved Bank.
- 12.7 Not more than 20% in value of the Scheme Property of a Sub-Fund is to consist of transferable securities and approved money-market instruments issued by the same group.
- 12.8 Not more than 20% in value of the Scheme Property of a Sub-Fund is to consist of the units of any one collective investment scheme.
- 12.9 The COLL Sourcebook provides that in applying the limits in 12.3, 12.4 and 12.6 and subject to 12.5 in relation to a single body, not more than 20% in value of the Scheme Property of a Sub-Fund is to consist of any combination of two or more of the following:
- 12.9.1 transferable securities (including covered bonds) or approved money-market instruments issued by that body; or
 - 12.9.2 deposits made with that body; or
 - 12.9.3 exposures from OTC derivatives transactions made with;
- that body.

13. Counterparty risk and issuer concentration

- 13.1 The ACD must ensure that counterparty risk arising from an OTC derivative is subject to the limits set out in paragraphs 12.6 and 12.9 above.
- 13.2 When calculating the exposure of a Sub-Fund to a counterparty in accordance with the limits in paragraph 12.6 the ACD must use the positive mark-to-market value of the OTC derivative contract with that counterparty.
- 13.3 An ACD may net the OTC derivative positions of a Sub-Fund with the same counterparty, provided they are able legally to enforce netting agreements with the counterparty on behalf of the Sub-Fund.
- 13.4 The netting agreements in paragraph 13.3 above are permissible only with respect to OTC derivatives with the same counterparty and not in relation to any other exposures the Sub-Fund may have with that same counterparty.
- 13.5 The ACD may reduce the exposure of 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 pre-sale valuation.
- 13.6 The ACD must take collateral into account in calculating exposure to counterparty risk in accordance with the limits in paragraph 13.8 when it passes collateral to an OTC counterparty on behalf of a Sub-Fund.
- 13.7 Collateral passed in accordance with paragraph 13.6 may be taken into account on a net basis only if the ACD is able legally to enforce netting arrangements with this counterparty on behalf of that Sub-Fund.
- 13.8 The ACD must calculate the issuer concentration limits referred to in paragraph 12 on the basis of the underlying exposure created through the use of OTC derivatives pursuant to the commitment approach.
- 13.9 In relation to the exposure arising from OTC derivatives as referred to in paragraph 12.9 the ACD must include any exposure to OTC derivative counterparty risk in the calculation.

14. Spread: government and public securities

- 14.1 The following section applies in respect of a transferable security or an approved money market instrument ("such securities") that is issued by:
- 14.1.1 The UK or an EEA State;
 - 14.1.2 a local authority of the UK or an EEA State;
 - 14.1.3 a non-EEA State; or

- 14.1.4 a public international body to which the UK or one or more EEA States belong.
- 14.2 Where no more than 35% in value of the Scheme Property of a Sub-Fund is invested in such securities issued or guaranteed by a single state, local authority or public international body, there is no limit on the amount which may be invested in such securities or in any one issue.
- 14.3 The Company or a Sub-Fund may invest more than 35% in value of the Scheme Property in such securities issued or guaranteed by a single state, local authority or public international body provided that:
- 14.3.1 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 relevant Sub-Fund;
- 14.3.2 no more than 30% in value of the Scheme Property consists of such securities of any one issue;
- 14.3.3 the Scheme Property includes such securities issued by that or another issuer, of at least six different issues;
- 14.3.4 the disclosures required by the FCA have been made.

In giving effect to the foregoing object more than 35% of the Scheme Property may be invested in such securities issued or guaranteed by the United Kingdom, Northern Ireland, the Scottish Administration, the Executive Committee of the Northern Ireland Assembly, the National Assembly of Wales, Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, Australia, Canada, Japan, New Zealand, Switzerland or the United States of America and securities issued by the European Investment Bank.

- 14.4 Notwithstanding 12.1 and subject to 14.2 and 14.3 above, in applying the 20% limit in paragraph 12.9 with respect to a single body such securities issued by that body shall be taken into account.

15. Investment in collective investment schemes

- 15.1 Up 100% of the value of the Scheme Property of 7IM Personal Injury Fund may be invested in units or shares in other collective investment schemes ("Second Scheme") provided the Second Scheme satisfies all of the following conditions and provided that no more than 30% in value of the Scheme Property of a Sub-Fund is invested in Second Schemes within 15.1.1.2-15.1.1.45 below.
- 15.1.1 The Second Scheme must:
- 15.1.1.1 be a UCITS Scheme or satisfy the conditions necessary for it to enjoy the rights conferred by the UCITS Directive as implemented in the EEA; or
- 15.1.1.2 be a recognised scheme that is authorised by the supervisory authorities of Guernsey, Jersey or the Isle of Man (provided the requirements of COLL 5.2.13AR are met); or
- 15.1.1.3 be authorised as a non-UCITS retail scheme (provided the requirements of COLL 5.2.13AR(1), (3) and (4) are met);
- 15.1.1.4 be authorised in an EEA State provided the requirements of COLL 5.2.13AR are met; or
- 15.1.1.5 be authorised by the competent authority of an OECD member country (other than an EEA State) which has:
- (a) signed the IOSCO Multilateral Memorandum of Understanding; and
- (b) approved the Second Scheme's management company, rules and depositary/custody arrangements;
- (provided the requirements of COLL 5.2.13AR are met).
- 15.1.2 The Second Scheme has terms which prohibit more than 10% in value of the scheme property consisting of units in collective investment schemes. Where the Second Scheme is an umbrella, the provisions in this paragraph 15.1.2, paragraph 1.1 and paragraph 12 (Spread: general) apply to each Sub-Fund as if it were a separate scheme.

- 15.2 The Scheme Property attributable to a Sub-Fund may include Shares in another Sub-Fund of the Company (the “Second Sub-Fund”) subject to the requirements of paragraph 15.3 below.
- 15.3 A Sub-Fund may invest in or dispose of Shares of a Second Sub-Fund provided that:
- 15.3.1 the Second Sub-Fund does not hold Shares in any other Sub-Fund of the Company;
- 15.3.2 the requirements set out at paragraphs 12.8, 15.6 and 15.7 below are complied with.
- 15.4 The Sub-Funds may, subject to the limit set out in 15.1 above, invest in collective investment schemes managed or operated by, or whose authorised corporate director is, the ACD of a Sub-Fund or one of its associates.
- 15.5 If a substantial proportion of a Sub-Fund’s assets are invested in other collective investment schemes, the maximum level of management fees that may be charged by an investee collective investment scheme to a Sub-Fund will be 6%.
- 15.6 Investment may only be made in a Second Sub-Fund or other collective investment schemes managed by the ACD or an associate of the ACD if the Sub-Fund’s Prospectus clearly states that it may enter into such investments and the rules on double charging contained in the COLL Sourcebook are complied with.
- 15.7 Where a Sub-Fund of the Company invests in or disposes of Shares in a Second Sub-Fund or 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 that Sub-Fund by the close of business on the fourth Business Day the amount of any preliminary charge in respect of a purchase, and in the case of a sale, any charge made for the disposal.

16. 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 a Sub-Fund, at the time when payment is required, without contravening the rules in COLL 5.

17. Derivatives: general

The ACD may employ derivatives for the purposes of meeting the investment objectives of 7IM Personal Injury Fund. In pursuing the investment objective the ACD may make use of a variety of instruments in accordance with the COLL Sourcebook and in accordance with its risk management policy. The use of derivatives may increase the risk profile of the Sub-Funds as described in Section 5, Risk Factors.

The ACD may also employ derivatives for the purposes of Efficient Portfolio Management, further information on EPM is provided in paragraph 18. To the extent that derivative instruments are utilised for hedging purposes, the risk of loss to the Sub-Fund may be increased where the value of the derivative instrument and the value of the security or position which it is hedging prove to be insufficiently correlated.

- 17.1 A transaction in derivatives or a forward transaction must not be effected for a Sub-Fund unless the transaction is of a kind specified in paragraph 19 (Permitted transactions (derivatives and forwards)) below, and the transaction is covered, as required by paragraph 30 (Cover for investment in derivatives and forward transactions) of this Appendix.
- 17.2 Where a Sub-Fund invests in derivatives, the exposure to the underlying assets must not exceed the limits set out in the COLL Sourcebook in relation to COLL 5.2.11R (Spread: general) and COLL 5.2.12R (Spread: government and public securities) except for index based derivatives where the rules below apply.
- 17.3 Where a transferable security or approved money-market instrument embeds a derivative, this must be taken into account for the purposes of complying with this section.
- 17.4 A transferable security or an approved money-market instrument will embed a derivative if it contains a component which fulfils the following criteria:
- 17.4.1 by virtue of that component 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;

- 17.4.2 its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and
- 17.4.3 it has a significant impact on the risk profile and pricing of the transferable security or approved money-market instrument.

- 17.5 A transferable security or an approved money-market instrument does not embed a derivative where it contains a component which is contractually transferable independently of the transferable security or the approved money-market instrument. That component shall be deemed to be a separate instrument.
- 17.6 Where a Sub-Fund invests in an index based derivative, provided the relevant index falls within paragraph 20 (Financial Indices underlying derivatives), the underlying constituents of the index do not have to be taken into account for the purposes of COLL 5.2.11R and COLL 5.2.12R.

18. **Efficient Portfolio Management**

- 18.1 The Company may use Scheme Property to enter into transactions for the purposes of EPM. Permitted EPM transactions include transactions in derivatives dealt or traded on an eligible derivatives market or over-the-counter. Where permitted, EPM techniques may also involve the Company entering into stock lending transactions or reverse repurchase agreements. The ACD must ensure in entering into EPM transactions that the transaction is economically appropriate to (i) the reduction of the relevant risks (whether in the price of investments, interest rates or exchange rates) or (ii) the reduction of the relevant costs and/or (iii) the generation of additional capital or income for the scheme with a risk level which is consistent with the risk profile of the scheme and the risk diversification rules laid down in the FCA's COLL sourcebook.
- 18.2 There is no guarantee that the Company will achieve the objective for which any EPM transaction was undertaken. To the extent that derivative instruments are utilised for hedging purposes (reduction of the risk profile of the Company), the risk of loss to the Company may be increased where the value of the derivative instrument and the value of the security or position which it is hedging prove to be insufficiently correlated. EPM transactions (save to the extent that derivatives are traded on exchange) may involve a risk that a counterparty will wholly or partially fail to honour its contractual obligations.
- 18.3 In order to mitigate that risk of counterparty default, the counterparties to these transactions may be required to provide collateral to suitably cover their obligations to the Company. In the event of default by the counterparty, it will forfeit its collateral on the transaction. However, there is a risk that the collateral, especially where it is in the form of securities, when realised will not raise sufficient cash to settle the counterparty's liability to the Company. .
- 18.4 To assist in managing these types of risks, the ACD has a collateral management policy which sets criteria around the types of eligible collateral the Company may accept. A copy of this is available from the ACD on request.
- 18.5 Investors should note that EPM transactions may be effected in relation to the Company in circumstances where the ACD has, either directly or indirectly, an interest which may potentially involve a conflict of their obligations to the Company. Where a conflict cannot be avoided, the ACD will have regard to its responsibility to act in the best interests of the Company and its investors. The ACD will ensure that the Company and its 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. For further information in relation to conflicts of interest, please see the 'conflicts of interest' section of this prospectus.
- 18.6 All revenues arising from EPM transactions (including stock lending and repurchase and reverse repurchase arrangements, if any) will be returned to the Company, net of direct and indirect operational costs.
- 18.7 The costs consist of the securities lending agent fee. Detailed information on the fund-specific costs and the related entities can be found in the annual report of the Company.

19. **Permitted transactions (derivatives and forwards)**

- 19.1 A transaction in a derivative must be in an approved derivative; or be one which complies with paragraph 23 (OTC transactions in derivatives).
- 19.2 A transaction in a derivative must have the underlying consisting of any one or more of the following to which a Sub-Fund is dedicated:
 - 19.2.1 transferable securities;

- 19.2.2 approved money-market instruments permitted under paragraphs 7.1.1 to 7.1.4;
 - 19.2.3 deposits and permitted derivatives under this paragraph;
 - 19.2.4 collective investment scheme units permitted under paragraph 15 (Investment in collective investment schemes);
 - 19.2.5 financial indices which satisfy the criteria set out in paragraph 20 (Financial indices underlying derivatives);
 - 19.2.6 interest rates;
 - 19.2.7 foreign exchange rates; and
 - 19.2.8 currencies.
- 19.3 A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market.
- 19.4 A transaction in a derivative must not cause a Sub-Fund to diverge from its investment objectives as stated in the Instrument constituting a Sub-Fund and the most recently published version of this Prospectus.
- 19.5 A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more, transferable securities, approved money-market instruments, units in collective investment schemes, or derivatives.
- 19.6 Any forward transaction must be with an Eligible Institution or an Approved Bank.
- 19.7 A derivative includes an investment which fulfils the following criteria:
- 19.7.1 it allows transfer of the credit risk of the underlying independently from the other risks associated with that underlying;
 - 19.7.2 it does not result in the delivery or the transfer of assets other than those referred to in COLL 5.2.6AR, including cash;
 - 19.7.3 in the case of an OTC derivative, it complies with the requirements in paragraph 23; and
 - 19.7.4 its risks are adequately captured by the risk management process of the ACD and by its internal control mechanisms in the case of risk asymmetry of information between the ACD and the counterparty to the derivative resulting from the potential access of the counterparty to non-public information on persons whose assets are used as the underlying by that derivative.
- 19.8 A Sub-Fund may not undertake transactions in derivatives on commodities.
- 20. Financial Indices underlying derivatives**
- 20.1 The financial indices referred to in 19.2 are those which satisfy the following criteria:
- 20.1.1 the index is sufficiently diversified;
 - 20.1.2 the index represents an adequate benchmark for the market to which it refers; and
 - 20.1.3 the index is published in an appropriate manner.
- 20.2 A financial index is sufficiently diversified if:
- 20.2.1 it is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;
 - 20.2.2 where it is composed of assets in which a Sub-Fund is permitted to invest, its composition is at least diversified in accordance with the requirements with respect to spread and concentration set out in this section; and

- 20.2.3 where it is composed of assets in which a Sub-Fund cannot invest, it is diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration set out in this section.
- 20.3 A financial index represents an adequate benchmark for the market to which it refers if:
- 20.3.1 it measures the performance of a representative group of underlyings in a relevant and appropriate way;
- 20.3.2 it is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers, following criteria which are publicly available; and
- 20.3.3 the underlyings are sufficiently liquid, allowing users to replicate it if necessary.
- 20.4 A financial index is published in an appropriate manner if:
- 20.4.1 its publication process relies on sound procedures to collect prices, and calculate and subsequently publish the index value, including pricing procedures for components where a market price is not available; and
- 20.4.2 material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.
- 20.5 Where the composition of underlyings of a transaction in a derivative does not satisfy the requirements for a financial index, the underlyings for that transaction shall where they satisfy the requirements with respect to other underlyings pursuant to 19.2, be regarded as a combination of those underlyings.
- 21. Transactions for the purchase of property**
- 21.1 A derivative or forward transaction which will or could lead to the delivery of property for the account of a Sub-Fund may be entered into only if that property can be held for the account of that Sub-Fund, and the ACD having taken reasonable care determines that delivery of the property under the transaction will not occur or will not lead to a breach of the COLL Sourcebook.
- 22. Requirement to cover sales**
- 22.1 No agreement by or on behalf of a Sub-Fund to dispose of property or rights may be made unless the obligation to make the disposal and any other similar obligation could immediately be honoured by that Sub-Fund by delivery of property or the assignment (or, in Scotland, assignation) of rights, and the property and rights above are owned by a Sub-Fund at the time of the agreement. This requirement does not apply to a deposit.
- 23. OTC transactions in derivatives**
- 23.1 Any transaction in an OTC derivative under paragraph 19.1 must be:
- 23.1.1 in a future or an option or a contract for differences;
- 23.1.2 with an approved counterparty; a counterparty to a transaction in derivatives is approved only if the counterparty is an Eligible Institution or an Approved Bank; or a person whose permission (including any requirements or limitations), as published in the Financial Services Register or whose Home State authorisation, permits it to enter into the transaction as principal off-exchange;
- 23.1.3 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 can enter into one or more further transaction to sell, liquidate or close out that transaction at any time, at a fair value; and
- 23.1.4 For the purposes of paragraph 22.1.3, "fair value" is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

- 23.1.5 capable of reliable valuation; a transaction in derivatives is capable of reliable valuation only if the ACD having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy:
- 23.1.5.1 on the basis of an up-to-date market value which the ACD and the Depositary have agreed is reliable; or
 - 23.1.5.2 if the value referred to in 23.1.5.1 is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and
- 23.1.6 subject to verifiable valuation: a transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by:
- 23.1.6.1 an appropriate third party which is independent from the counterparty of the derivative at an adequate frequency and in such a way that the ACD is able to check it; or
 - 23.1.6.2 a department within the ACD which is independent from the department in charge of managing a Sub-Fund and which is adequately equipped for such a purpose.

24. Valuation of OTC derivatives

24.1 For the purposes of paragraph 23.1.3 the ACD must:

- 24.1.1 establish implement and maintain arrangements and procedures which ensure appropriate, transparent and fair valuation of the exposures of a Sub-Fund to OTC derivatives; and
- 24.1.2 ensure that the fair value of OTC derivatives is subject to adequate, accurate and independent assessment.

24.2 Where the arrangements and procedures referred to in paragraph 24.1 above involve the performance of certain activities by third parties, the ACD must comply with the requirements in SYSC 8.1.13 R (Additional requirements for a management company) and COLL 6.6A.4 R (4) to (6) (Due diligence requirements of AFMs of UCITS schemes).

24.3 The arrangements and procedures referred to in 24.1 must be:

- 24.3.1 Adequate and proportionate to the nature and complexity of the OTC derivative concerned; and
- 24.3.2 Adequately documented.

25. Risk Management

25.1 The ACD uses a risk management process (including a risk management policy) in accordance with COLL 6.12, as reviewed by the Depositary and filed with the FCA, enabling it to monitor and measure at any time the risk of a Sub-Fund's positions and their contribution to the overall risk profile of a Sub-Fund. The following details of the risk management process must be regularly notified to the FCA and at least on an annual basis:

- 25.1.1 a true and fair view of the types of derivatives and forward transactions to be used within the Company together with their underlying risks and any relevant quantitative limits.
- 25.1.2 the methods for estimating risks in derivative and forward transactions.

25.2 The ACD must notify the FCA in advance of any material alteration to the details above.

26. Investment in deposits

26.1 A Sub-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.

27. Significant influence

27.1 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:

27.1.1 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

27.1.2 the acquisition gives the Company that power.

27.2 27.2 For the purposes of paragraph 27.1, 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).

28. Concentration

The Company:

28.1 must not acquire transferable securities other than debt securities which:

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

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

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

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

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

28.5 need not comply with the limits in paragraphs 28.2, 28.3 and 28.4 of this Appendix if, at the time of the acquisition, the net amount in issue of the relevant investment cannot be calculated.

29. Derivative exposure

29.1 The Sub-Funds may invest in derivatives and forward transactions as long as the exposure to which a Sub-Fund is committed by that transaction itself is suitably covered from within its Scheme Property. Exposure will include any initial outlay in respect of that transaction.

29.2 Cover ensures that a Sub-Fund is not exposed to the risk of loss of property, including money, to an extent greater than the net value of the Scheme Property. Therefore, a Sub-Fund must hold Scheme Property sufficient in value or amount to match the exposure arising from a derivative obligation to which that Sub-Fund is committed. Paragraph 31 (Cover for investment in derivatives and forward transactions) below sets out detailed requirements for cover of that Sub-Fund.

29.3 A future is to be regarded as an obligation to which a Sub-Fund is committed (in that, unless closed out, the future will require something to be delivered, or accepted and paid for); a written option as an obligation to which a Sub-Fund is committed (in that it gives the right of potential exercise to another thereby creating exposure); and a bought option as a right (in that the purchaser can, but need not, exercise the right to require the writer to deliver and accept and pay for something).

29.4 Cover used in respect of one transaction in derivatives or forward transaction must not be used for cover in respect of another transaction in derivatives or a forward transaction.

30. Schemes replicating an index

30.1 Notwithstanding paragraph 12 (Spread: general), a Sub-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.

- 30.2 Replication of the composition of a relevant index shall be understood to be a reference to a 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.
- 30.3 The 20% limit can be raised for a particular Sub-Fund up to 35% in value of the Scheme Property, but only in respect of one body and where justified by exceptional market conditions.
- 30.4 In the case of a Sub-Fund replicating an index the Scheme Property need not consist of the exact composition and weighting of the underlying in the relevant index in cases where a Sub-Fund's investment objective is to achieve a result consistent with the replication of an index rather than an exact replication.
- 30.5 The indices referred to above are those which satisfy the following criteria:
- 30.5.1 the composition is sufficiently diversified;
 - 30.5.2 the index represents an adequate benchmark for the market to which it refers; and
 - 30.5.3 the index is published in an appropriate manner.
- 30.6 The composition of an index is sufficiently diversified if its components adhere to the spread and concentration requirements in this section.
- 30.7 An index represents an adequate benchmark if its provider uses a recognised methodology which generally does not result in the exclusion of a major issuer of the market to which it refers.
- 30.8 An index is published in an appropriate manner if:
- 30.8.1 it is accessible to the public;
 - 30.8.2 the index provider is independent from the index-replicating UCITS Scheme; this does not preclude index providers and the UCITS Scheme from forming part of the same group, provided that effective arrangements for the management of conflicts of interest are in place.

31. **Cover for investment in derivatives and forward transactions**

A Sub-Fund may invest in derivatives and forward transactions as part of its investment policy provided:

- 31.1 its global exposure relating to derivatives and forward transactions held in the Sub-Fund does not exceed the net value of the Scheme Property; and
- 31.2 its global exposure to the underlying assets does not exceed in aggregate the investment limits laid down in paragraph 12 above.

32. **Cover and Borrowing**

- 32.1 Cash obtained from borrowing, and borrowing which the ACD reasonably regards an Eligible Institution or an Approved Bank to be committed to provide, is not available for cover under Paragraph 31 (Cover for transactions in derivatives and forward investment) except where 32.2 below applies.
- 32.2 Where, for the purposes of this paragraph a Sub-Fund borrows an amount of currency from an Eligible Institution or an Approved Bank; and keeps an amount in another currency, at least equal to such borrowing for the time being in 32.1 on deposit with the lender (or his agent or nominee), then this paragraph 32.2 applies as if the borrowed currency, and not the deposited currency, were part of the Scheme Property.

33. **Calculation of global exposure**

- 33.1 The ACD must calculate the global exposure of a Sub-Fund on at least a daily basis.
- 33.2 The ACD must calculate the global exposure of any Sub-Fund it manages either as:
- 33.2.1 The incremental exposure and leverage generated through the use of derivatives and forward transactions (including embedded derivatives as referred to in paragraph 17 (Derivatives: general by way of the commitment approach), which may not exceed 100% of the net value of the Scheme Property; or

- 33.2.2 The market risk of the Scheme Property by way of the value at risk approach.
- 33.3 For the purposes of this section 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.
- 33.4 The ACD must calculate the global exposure of a Sub-Fund by using:
- 33.4.1 commitment approach; or
 - 33.4.2 the relative value at risk approach; or
 - 33.4.3 the absolute value at risk approach.
- 33.5 The ACD must ensure that the method selected above is appropriate, taking into account:
- 33.5.1 the investment strategy pursued by the Sub-Fund;
 - 33.5.2 types and complexities of the derivatives and forward transactions used; and
 - 33.5.3 the proportion of the Scheme Property comprising derivatives and forward transactions.
- 33.6 The risk measurement method used for the calculation of global exposure for the Sub-Funds is set out for each Sub-Fund in Appendix I.
- 33.7 Where a Sub-Fund employs techniques and instruments including repo contracts or stock lending transactions in accordance with paragraph 41 (Stock lending) in order to generate additional leverage or exposure to market risk, the authorised fund manager must take those transactions into consideration when calculating global exposure.
- 34. Cash and near cash**
- 34.1 Cash and near cash must not be retained in the Scheme Property of the Sub-Funds except to the extent that, where this may reasonably be regarded as necessary in order to enable:
- 34.1.1 the pursuit of a Sub-Fund's investment objectives; or
 - 34.1.2 redemption of Shares; or
 - 34.1.3 efficient management of a Sub-Fund in accordance with its investment objectives; or
 - 34.1.4 other purposes which may reasonably be regarded as ancillary to the investment objectives of a Sub-Fund.
- 34.2 During the period of the initial offer the Scheme Property of the Sub-Funds may consist of cash and near cash without limitation.
- 35. General**
- 35.1 It is envisaged that a Sub-Fund 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 Sub-Fund or any one purpose which may reasonably be regarded as ancillary to the investment objectives of a Sub-Fund.
- 35.2 Where a Sub-Fund 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 a Sub-Fund by the close of business on the fourth Business Day the amount of any preliminary charge in respect of a purchase, and in the case of a sale, any charge made for the disposal.
- 35.3 A potential breach of any of these limits does not prevent the exercise of rights conferred by investments held by a Sub-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.

- 35.4 The COLL Sourcebook permits the ACD to use certain techniques when investing in derivatives in order to manage a Sub-Fund's exposure to particular counterparties and in relation to the use of collateral to reduce overall exposure with respect to over-the-counter ("OTC") derivatives; for example a Sub-Fund may take collateral from counterparties with whom they have an OTC derivative position and use that collateral to net off against the exposure they have to the counterparty under that OTC derivative position, for the purposes of complying with counterparty spread limits. The COLL Sourcebook also permits a Sub-Fund to use derivatives to effectively short sell (agree to deliver the relevant asset without holding it in a Sub-Fund) under certain conditions.
36. **Underwriting**
- 36.1 Underwriting and sub underwriting contracts and placings may also, subject to certain conditions set out in the COLL Sourcebook, be entered into for the account of a Sub-Fund.
37. **General power to borrow**
- 37.1 The Company may, on the instructions of the ACD and subject to the COLL Sourcebook, borrow money from an Eligible Institution or an Approved Bank for the use of a Sub-Fund on terms that the borrowing is to be repayable out of the Scheme Property.
- 37.2 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.
- 37.3 The ACD must ensure that borrowing does not, on any Business Day, exceed 10% of the value of a Sub-Fund.
- 37.4 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).
38. **Restrictions on lending of money**
- 38.1 None of the money in the Scheme Property of a Sub-Fund may be lent and, for the purposes of this paragraph, money is lent by a Sub-Fund if it is paid to a person ("the payee") on the basis that it should be repaid, whether or not by the payee.
- 38.2 Acquiring a debenture is not lending for the purposes of paragraph 38.1, nor is the placing of money on deposit or in a current account.
- 38.3 Nothing in paragraph 38.1 prevents the Company from providing an officer of the Company with funds to meet expenditure to be incurred by him for the purposes of the Company (or for the purposes of enabling him properly to perform his duties as an officer of the Company) or from doing anything to enable an officer to avoid incurring such expenditure.
39. **Restrictions on lending of property other than money**
- 39.1 Scheme Property of the Sub-Funds other than money must not be lent by way of deposit or otherwise.
- 39.2 Transactions permitted by paragraph 42 (Stock lending) are not to be regarded as lending for the purposes of paragraph 39.1.
- 39.3 The Scheme Property of the Sub-Funds must not be mortgaged.
- 39.4 Where transactions in derivatives or forward transactions are used for the account of the Company in accordance with COLL 5, nothing in this paragraph prevents the Company or the Depositary at the request of the Company: from lending, depositing, pledging or charging its Scheme Property for margin requirements; or transferring Scheme Property under the terms of an agreement in relation to margin requirements, provided that the ACD reasonably considers that both the agreement and the margin arrangements made under it (including in relation to the level of margin) provide appropriate protection to Shareholders.
40. **General power to accept or underwrite placings**
- 40.1 Any power in COLL 5 to invest in transferable securities may be used for the purpose of entering into transactions to which this section applies, subject to compliance with any restriction in the Instrument of Incorporation. This section applies, to any agreement or understanding: which is an underwriting or sub-underwriting agreement, or which contemplates that securities will or may be issued or subscribed for or acquired for the account of a Sub-Fund.

40.2 This ability does not apply to an option, or a purchase of a transferable security which confers a right to subscribe for or acquire a transferable security, or to convert one transferable security into another.

40.3 The exposure of a Sub-Fund to agreements and understandings as set out above, on any Business Day be covered and be such that, if all possible obligations arising under them had immediately to be met in full, there would be no breach of any limit in the COLL Sourcebook.

41. **Guarantees and indemnities**

41.1 The Company or the Depositary for the account of the Company must not provide any guarantee or indemnity in respect of the obligation of any person.

41.2 None of the Scheme Property may be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person.

41.3 Paragraphs 41.1 and 41.2 do not apply to in respect of the Company:

41.3.1 any indemnity or guarantee given for margin requirements where the derivatives or forward transactions are being used in accordance with COLL 5; and

41.3.2 an indemnity falling within the provisions of regulation 62(3) (Exemptions from liability to be void) of the OEIC Regulations;

41.3.3 an indemnity (other than any provision in it which is void under regulation 62 of the OEIC Regulations) given to the Depositary against any liability incurred by it as a consequence of the safekeeping of any of the Scheme Property by it or by anyone retained by it to assist it to perform its function of the safekeeping of the Scheme Property; and

41.3.4 an indemnity given to a person winding up a scheme if the indemnity is given for the purposes of arrangements by which the whole or part of the property of that scheme becomes the first property of the Company and the holders of units in that scheme become the first Shareholders in the Company.

42. **Stock lending**

42.1 The entry into stock lending transactions or repo contracts for the account of a Sub-Fund is permitted if the arrangement or contract is (i) for the account of and the benefit of the Sub-Fund, and (ii) in the best interest of its Shareholders.

42.2 An arrangement or contract referenced above is not in the interests of Shareholders unless it reasonably appears to the Company or the ACD to be appropriate with a view to generating additional income for the Sub-Fund with an acceptable degree of risk.

42.3 The specific method of stock lending permitted in this section is in fact not a transaction which is a loan in the normal sense. Rather it is an arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992, under which the lender transfers securities to the borrower otherwise than by way of sale and the borrower is to transfer those securities, or securities of the same type and amount, back to the lender at a later date. In accordance with good market practice, a separate transaction by way of transfer of assets is also involved for the purpose of providing collateral to the "lender" to cover him against the risk that the future transfer back of the securities may not be satisfactorily completed.

42.4 The Company or the Depositary at the request of the Company may enter into a stock lending arrangement or repo contract of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992 (without extension by section 263C), but only if all the terms of the agreement under which securities are to be reacquired by the Depositary for the account of a Sub-Fund, are in a form which is acceptable to the Depositary and are in accordance with good market practice, the counterparty meets the criteria set out in COLL 5.4.4, and collateral is obtained to secure the obligation of the counterparty. Collateral will be acceptable only if it is transferred to the Depositary, or its agent under a title transfer arrangement, and is at all times equal in value to the market value of the securities transferred by the Depositary plus a premium.

42.5 The ACD has a counterparty risk policy which sets out the requirements for a counterparty to be approved for the purposes of entering into a stock lending transaction. This covers aspects such as credit rating, and financial information. The policy requires counterparties to have a minimum credit rating of A2/P2.

42.6 Collateral must be acceptable to the Depositary, adequate and sufficiently immediate and otherwise must comply with the requirements of ESMA's Guidelines on ETFs and other UCITS issues (ESMA/2014/937).

This is not applicable to a stock lending transaction made through Euroclear Bank SA/NV's Securities Lending and Borrowing Programme.

- 42.7 Collateral is adequate for the purposes of this clause 42 only if it complies with the requirements of ESMA's Guidelines on ETFs and other UCITS issues (ESMA/2014/937) (which require that all collateral used must comply with a number of factors including liquidity, valuation, issuer credit quality, correlation and diversification), is transferred to the Depositary or its agent, is at least equal in value to the market value of the securities transferred by the Depositary plus a premium, at the time of the transfer to the Depositary, and is in the form of one or more of cash, a certificate of deposit, a letter of credit, a readily realisable security, commercial paper with no embedded derivative content, or a qualifying money market fund.
- 42.8 Where the collateral is invested in units in a qualifying money market fund managed or operated by the authorised fund manager of the investing scheme or an associate of that authorised fund manager, the conditions in COLL 5.2.16R (Investment in other group schemes) must be complied with. Collateral is sufficiently immediate for the purposes of this clause 42 if it is transferred before or at the time of the transfer of the securities by the Depositary or the Depositary takes reasonable care to determine at that time that it will be transferred at the latest by the close of business on the day of the transfer.
- 42.9 The Depositary must ensure that the value of the collateral at all times is at least equal to the value of the securities transferred by the Depositary. In respect of collateral the validity of which is about to expire or has expired the Depositary may satisfy this duty by taking reasonable care to determine that sufficient collateral will again be transferred at the latest by the close of business on the day of expiry.
- 42.10 For the purposes of pricing shares in a Sub-Fund any agreement for the transfer at a future date of securities or collateral under this clause 42 may be regarded, as an unconditional agreement for the sale or transfer of property of the relevant Sub-Fund. This provision does not apply to any valuation of collateral itself for the purposes of this clause 42.
- 42.11 Collateral transferred to the Depositary is part of the scheme property of a Sub-Fund for the purposes of the rules in the COLL Sourcebook, except in the following respects:
- 42.11.1 it does not fall to be included in any valuation for the purposes of the calculation of net asset value under COLL 4.3 or these stock lending provisions, because it is offset by an obligation to transfer (as set out in the paragraph above) (this provision does not apply to any valuation of collateral itself for the purposes of this clause 42); and
- 42.11.2 it does not count as scheme property for any purpose of the investment and borrowing powers in COLL other than this paragraph clause 42. For each Sub-Fund, the current stock lending programme has set the maximum proportion of assets under management that can be subject to stock lending transactions at 25%. The expected proportion of assets under management that can be subject to stock lending transactions is up to 25 % of each Fund.
- 42.12 Fee sharing arrangements on income arising from stock lending activities. Where a fund engages in stock lending activities, it will earn income from such activities. Fees shall be payable out of the income from such activities to the stock lending agent and the ACD, in a manner as may be agreed between the parties from time to time, with the balance of the income being retained by the relevant Sub-Fund. This is intended to produce maximum returns to the Sub-Funds.
- 42.13 Currently, in respect of each Fund which engages in stock lending activities, 70% of the revenue earned from stock lending is returned to the relevant fund. The remaining 30% revenue is paid to the stock lending agent.
- 42.14 The ACD shall provide services to ensure oversight and monitoring of stock lending activities, including ensuring loaned stock is re-called on a timely basis and does not impact fund performance and/or client returns, managing third party borrowers in terms of meeting the necessary credit criteria, monitoring the risks involved and reporting to the Directors as may be appropriate.
- 42.15 More information regarding fee disclosure and the relevant entities can be found in the annual reports and accounts. This information will be captured annually in respect of the last financial year.
- 42.16 Permitted collateral in relation to stock lending and EPM activities
- 42.17 The ACD has contractual arrangements with the stock lending agent and derivatives counterparties which identifies the (i) types of collateral which the Sub-Funds may receive to mitigate counterparty exposure; (ii) minimum level of collateral required from certain types of counterparties and transactions; and (iii) any discount to market value normally applied in relation to certain classes of assets received as collateral to cushion against a fall in value of those assets ("haircut").

- 42.18 The collateral is intended to cover the full value of the counterparty exposure of the Sub-Fund, and the Sub-Fund aims to fully cover at all times, and at least 102% of the value of the Sub-Fund's exposure to a stock lending counterparty. Collateral will be subject to a haircut depending on the classes of assets received. The haircut applied depends on the quality of assets received and their price volatility and the ACD stress tests stock lending positions and collateral to check that haircuts provide sufficient protection.
- 42.19 Collateral will be valued, and may be adjusted, on a daily basis, using available market prices. The valuation of collateral reflects the daily mark to market value and takes into account appropriate discounts which will be determined by the ACD for each asset class.
- 42.20 Collateral will generally be of high credit quality and liquid e.g. cash and government securities.
- 42.21 All collateral used to reduce counterparty risk will comply with the following criteria at all times:-
- 42.21.1 It must be highly liquid and traded on a regulated market
 - 42.21.2 it must be valued at least daily
 - 42.21.3 it must be of high credit quality
 - 42.21.4 it will not be highly correlated with the performance of the counterparty
 - 42.21.5 it will be sufficiently diversified in terms of country, markets and issuers (in accordance with ESMA's Guidelines on ETF's and other UCITS issues (ESMA/2014/937))
 - 42.21.6 it will be held by the depositary or a third party custodian which subject to prudential supervision and which is unrelated to the provider of the collateral
 - 42.21.7 it will be capable of being fully enforced by the ACD at any time without reference or approval from the counterparty.
- 42.22 Currently, collateral provided in respect of stock lending activity is held by an independent collateral custodian.
- 42.23 Permitted collateral includes (subject to the rules on stock lending under COLL 5.4):
- 42.23.1 Cash
 - 42.23.2 Government or other public securities
- 42.24 Currently, the ACD operates a policy which requires all collateral to be OECD government debt issues by certain countries. Collateral is monitored on a daily basis to ensure compliance with the ACD's collateral requirements.
- 42.25 Non-cash collateral will not be sold, re-invested or pledged. Cash collateral will only be:-
- 42.25.1 Placed on deposit with entities that meet the requirements of the UCITS Regulations, or
 - 42.25.2 Invested in high-quality government bonds, or
 - 42.25.3 used for the purpose of reverse repo transactions with credit institutions that are subject to prudential supervision (and on terms that permit the ACD to recall at any time the full amount of cash on an accrued basis), or
 - 42.25.4 Invested in short-term money market funds as defined in ESMA's (then CESR's) Guidelines on a Common Definition of European Money Market Funds.
- 42.26 Cash collateral, where reinvested, will be diversified in accordance with the requirements of ESMA's Guidelines on ETF's and other UCITS issues (ESMA/2014/937)
- 42.27 Where the Sub-Fund reinvests cash collateral in one or more of the permitted types of investment above, there is a risk that the investment will earn less than the interest that is due to the counterparty in respect of that cash and that it will return less than the amount of cash that was invested. In such circumstances the Sub-Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, and would therefore suffer a loss.

- 42.28 Stock lending transactions may, in the event of a default by the counterparty, result in the securities lent being recovered late or only in part. This may result in losses for investors.

APPENDIX IV

LIST OF OTHER AUTHORISED COLLECTIVE INVESTMENT SCHEMES OPERATED BY THE ACD

The ACD acts as Authorised Corporate Director of the following Open-ended Investment Companies:

- 7IM Investment Funds
- 7IM Opportunity Funds
- 7IM Funds

APPENDIX V

PAST PERFORMANCE AND INVESTOR PROFILE

PAST PERFORMANCE

This performance information is net of tax and charges (subscription and redemption fees) but does not include the effect of any preliminary charge that may be paid on the purchase of an investment.

PLEASE NOTE THAT FOR ANY DATA BEFORE 2 DECEMBER 2014 IS BASED ON THE DATA OF THE PREVIOUS AUTHORISED CORPORATE DIRECTOR OF THE COMPANY. FOR MORE UP-TO-DATE PERFORMANCE INFORMATION, PLEASE CONTACT THE ACD.

Past performance is no indication of future performance.

*Performance data sourced from 

Discrete Annual (calendar year) Performance

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
7IM Personal Injury Fund - C - ACC	4.80%	5.01%	5.19%	5.40%	0.58%	7.27%	2.83%	= 2.23%	6.72%	5.44%	0.87%	-9.93
IA Mixed Investment 0-35% Shares TR in GB*										3.90%	2.84%	= 10.87%

5 year annualised performance, C Accumulation shares (total return)

-	<u>2017-2022</u>
<u>7IM SPEC-PERS INJUR-C-ACC</u>	<u>-0.01%</u>

NOTE: Past performance should not be taken as a guide to the future. Please see Appendix I for the Sub Funds' objectives and below for an explanation of investor profile.

Investor profiles

Each Sub-Fund is marketable to all eligible investors provided they can meet the minimum age and subscription levels. Each Sub-Fund may be suitable for investors who see collective investment schemes as a convenient way of participating in investment markets. They may be suitable for investors wishing to seek to achieve defined investment objectives. Such investors must have experience with, or understand, products where the capital is at risk. Investors must be able to accept some risk to their capital, thus the Sub-Funds may be suitable for investors who are looking to set aside the capital for at least 5 years. If you are uncertain whether these products are suitable for you, please contact a professional adviser.

7IM Personal Injury Fund may be suitable for those investors seeking a low risk, long-term investment.

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

7IM Specialist Investment Funds
1 Angel Court,
London EC2R 7HJ

Authorised Corporate Director:

Seven Investment Management LLP
1 Angel Court,
London EC2R 7HJ

Address for correspondence:

Seven Investment Management LLP
PO Box 3733
Royal Wootton Bassett
Swindon
SN4 4BG

Depository:

Northern Trust Investor Services Limited
50 Bank Street
London
E14 5NT

Registrar and Administrator:

Northern Trust Global Services SE (UK Branch)
50 Bank Street
London
E14 5NT
(principal place of business)

Auditors:

BDO LLP
55 Baker Street, London, W1U 7EU

Appendix VII

Depository – Sub-custodian Delegate Information		
1. Jurisdiction	2. Sub-custodian	3. Sub-custodian Delegate
Argentina	Citibank N.A., Buenos Aires Branch	
Australia	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Australia Limited
Austria	UniCredit Bank Austria AG	
Bahrain	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
Bangladesh	Standard Chartered Bank	
Belgium	The Northern Trust Company	
Bosnia and Herzegovina (Federation of Bosnia-Herzegovina)	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH
Bosnia and Herzegovina (Republic of Srpska)	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH
Botswana	Standard Chartered Bank Botswana Limited	
Brazil	Citibank N.A., Brazilian Branch	Citibank Distribuidora de Titulos e Valores Mobiliarios S.A ("DTVM")
Bulgaria	Citibank Europe plc, Bulgaria Branch	
CD's - USD	Deutsche Bank AG, London Branch	

CD's - USD	The Northern Trust Company, Canada	
Canada	Royal Bank of Canada	
Chile	Citibank N.A.	Banco de Chile
China A Share	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (China) Company Limited
China A Share	Bank of Communications Co., Ltd	
China A Share	China Construction Bank Corporation	
China A Share	Deutsche Bank (China) Co., Ltd., Shanghai Branch	
China A Share	Industrial and Commercial Bank of China Limited	
China A Share	Standard Chartered Bank (China) Limited	
China B Share	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (China) Company Limited
China B Share	Citibank N.A., Hong Kong Branch	
Clearstream	Clearstream Banking S.A.,	
Colombia	Cititrust Columbia S.A. Sociedad Fiduciaria	
Costa Rica	Banco Nacional de Costa Rica	
Croatia	UniCredit Bank Austria AG	Zagrebacka Banka d.d.

Cyprus	Citibank Europe PLC	
Czech Republic	UniCredit Bank Czech Republic and Slovenia, a.s.	
Denmark	Skandinaviska Enskilda Banken AB (publ)	
Egypt	Citibank N.A., Cairo Branch	
Egypt	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Egypt SAE
Estonia	Swedbank AS	
Finland	Skandinaviska Enskilda Banken AB (publ)	
France	The Northern Trust Company	
Germany	The Northern Trust Company	
Ghana	Standard Chartered Bank Ghana Limited	
Greece	Citibank Europe PLC	
Hong Kong	The Hongkong and Shanghai Banking Corporation Limited	
Hong Kong (Stock and Bond Connect)	The Hongkong and Shanghai Banking Corporation Limited	
Hungary	Citibank Europe plc.	
Iceland	Landsbankinn hf.	

India	Citibank N.A.	
India	The Hongkong and Shanghai Banking Corporation Limited	
Indonesia	Standard Chartered Bank	
Ireland	The Northern Trust Company, London	
Israel	Citibank, N.A., Israel Branch	
Italy	Citibank Europe plc	
Japan	The Hongkong and Shanghai Banking Corporation Limited	
Jordan	Bank of Jordan Plc	
Kazakhstan	Citibank Kazakhstan JSC	
Kenya	Standard Chartered Bank Kenya Limited	
Kuwait	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
Latvia	Swedbank AS	
Lithuania	AB SEB bankas	
Luxembourg	Euroclear Bank S.A./N.V.	
Malaysia	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Malaysia Berhad

Mauritius	The Hongkong and Shanghai Banking Corporation Limited	
Mexico	Banco Nacional de Mexico S.A. integrante del Grupo Financiero Banamex	
Morocco	Société Générale Marocaine de Banques	
Namibia	Standard Bank Namibia Ltd	
Netherlands	The Northern Trust Company	
New Zealand	The Hongkong and Shanghai Banking Corporation Limited	
Nigeria	Stanbic IBTC Bank Plc	
Norway	Skandinaviska Enskilda Banken AB (publ)	
Oman	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Oman S.A.O.G
Pakistan	Citibank N.A., Karachi Branch	
Panama	Citibank N.A., Panama Branch	
Peru	Citibank del Peru S.A.	
Philippines	The Hongkong and Shanghai Banking Corporation Limited	
Poland	Bank Handlowy w Warszawie S.A	
Portugal	BNP Paribas SA	

Qatar	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
Romania	Citibank Europe PLC	
Russia	AO Citibank	
Saudi Arabia	The Northern Trust Company of Saudi Arabia	
Saudi Arabia	The Hongkong and Shanghai Banking Corporation Limited	HSBC Saudi Arabia
Serbia	UniCredit Bank Austria A.G.	UniCredit Bank Serbia JSC
Singapore	The Hongkong and Shanghai Banking Corporation Limited	
Slovakia	Citibank Europe PLC	
Slovenia	UniCredit Banka Slovenija d.d.	
South Africa	The Standard Bank of South Africa Limited	
South Korea	The Hongkong and Shanghai Banking Corporation Limited	
Spain	Citibank Europe plc	
Sri Lanka	Standard Chartered Bank	
Sweden	Skandinaviska Enskilda Banken AB (publ)	
Switzerland	Credit Suisse (Switzerland) Ltd	

Taiwan	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (Taiwan) Limited
Taiwan	Citibank Taiwan Limited	
Taiwan	JPMorgan Chase Bank N.A.	
Tanzania	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Tanzania Limited
Thailand	Citibank N.A., Bangkok Branch	
Tunisia	Union Internationale de Banques	
Turkey	Citibank A.S.	
United Arab Emirates (ADX)	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
United Arab Emirates (DFM)	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
United Arab Emirates (NASDAQ)	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
United Arab Emirates	First Abu Dhabi Bank PJSC	
Uganda	Standard Chartered Bank Uganda Limited	
Ukraine (Market suspended)	JSC "Citibank"	
United Kingdom	Euroclear UK & International Limited (Northern Trust self-custody)	
United States	The Northern Trust Company	

Uruguay		Banco Itau Uruguay S.A.	
Vietnam		The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (Vietnam) Ltd
Vietnam		Citibank N.A., - Hanoi Branch	
West (UEMOA)	Africa	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Cote d'Ivoire SA
Zambia		Standard Chartered Bank Zambia PLC	
Zimbabwe		The Standard Bank of South Africa Limited	Standard Chartered Bank Zimbabwe Limited