

Investments



**Prospectus**  
12 April 2024

Alexander Forbes Investments Global Fund  
(formerly Investment Solutions Strategic Global Fund)

## PROSPECTUS: IMPORTANT NOTICE

Defined terms (where not otherwise defined) are available at paragraph 11.1 of this Prospectus in the section headed 'Definitions and Interpretation'.

This Prospectus is prepared, and a copy of it has been sent to the Jersey Financial Services Commission (the **Commission**), in accordance with the Collective Investment Funds (Certified Funds - Prospectuses) (Jersey) Order 2012 of the Island of Jersey. This document is based on the law and practice currently in force in Jersey and is subject to changes therein.

If you are in any doubt about the contents of this Prospectus you should contact your stock broker, bank manager, solicitor, accountant or other financial adviser immediately. An investment in the Fund is suitable only for investors who have taken the appropriate professional advice and who understand and are capable of assuming the risks of investing in the Fund.

The Fund has been granted a certificate under the Collective Investment Funds (Jersey) Law 1988 (the **Law**) by the Commission. The Commission is protected by the Law against liability arising from the discharge of its functions under the Law. Alexander Forbes Investments Jersey Limited (the **Manager**), BNP Paribas Depositary Services (Jersey) Limited (the **Trustee**), BNP Paribas S.A., Jersey Branch (the **Custodian**) and Alexander Forbes Channel Islands Limited (the **Registrar**) are registered under the Financial Services (Jersey) Law 1998 (the **FS Law**) for the conduct of fund services business in relation to the Fund. The Commission is protected by the FS Law against liability arising from the discharge of its functions under that law.

The distribution of this Prospectus and the offering of Units in the Fund in certain jurisdictions may be restricted. Persons into whose possession this Prospectus comes are required 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 is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

The Units have not been registered under the Securities Act of 1933 of the United States of America and it is prohibited for the Manager or any other person to offer any Units for sale, or to sell any Units to any other person for offering or re-sale, directly or indirectly, in the United States of America or to any US Person. For the purpose of this paragraph, the United States of America includes its possessions, its territories and all areas subject to its jurisdiction and a **US Person** is a national, citizen or resident of the United States of America or a corporation or partnership organised under the laws of the United States of America.

This Prospectus shall under no circumstances be distributed to or constitute an offer to any person or entity resident or domiciled in, or any citizen of the United Kingdom, any member state of the European Union or any state within the EEA to which the AIFMD, or other applicable regulatory framework, applies or any restricted jurisdiction identified in a Schedule in respect of a Class.

It should be remembered that the price of the Units can go down as well as up and that, on the redemption or repurchase of their Units, investors may not receive, on sale or the cancellation or redemption of their Units, the amount that they invested.

The Commission does not take any responsibility for the financial soundness of the Fund or for the correctness of any statements made or expressed in this Prospectus.

The Manager has taken all reasonable care to ensure that the facts stated in this Prospectus are true and accurate in all material respects and that there are no other material facts, the omission of which would make misleading any statement herein whether of fact or opinion.

No application has been made for the Units now being offered for subscription to be listed or otherwise dealt in on any securities exchange.

Prospective investors are strongly recommended to read and carefully consider this Prospectus, the Trust Deed and the application form before completing an application. The attention of prospective investors is drawn to the section entitled "Risk Factors".

This Prospectus contains a summary of certain terms of the Trust Deed and the other documents referred to herein. However the discussions set out in this Prospectus do not purport to be complete. They are subject to and qualified in their entirety by reference to the Trust Deed and such other documents.

**Each Class Fund summarised in Schedule 1, 2 and 12 is a feeder fund, and will be investing wholly in an underlying fund. Therefore, in addition to considering this Prospectus, prospective investors should read and carefully consider any prospectus that relates to such an underlying fund (which is available from the Manager upon written request) when ascertaining whether an investment in such a Class Fund is suitable for them.**

## CONTENTS

|                                                                      |     |
|----------------------------------------------------------------------|-----|
| PROSPECTUS: IMPORTANT NOTICE .....                                   | i   |
| 1 DIRECTORY .....                                                    | 1   |
| 2 INTRODUCTION .....                                                 | 4   |
| 3 INVESTMENT PROCESS.....                                            | 8   |
| 4 VALUATION.....                                                     | 15  |
| 5 FUND SERVICE PROVIDERS .....                                       | 19  |
| 6 CHARGES AND EXPENSES .....                                         | 24  |
| 7 TAXATION .....                                                     | 25  |
| 8 RISK FACTORS.....                                                  | 28  |
| 9 POTENTIAL CONFLICTS OF INTEREST .....                              | 40  |
| 10 MISCELLANEOUS .....                                               | 44  |
| 11 DEFINITIONS AND INTERPRETATION.....                               | 59  |
| 12 IMPORTANT INFORMATION FOR RSA INVESTORS IN THE CLASS FUND(S)..... | 63  |
| SCHEDULE 1 - STRATEGIC U.S. DOLLAR LIQUIDITY FUND .....              | 70  |
| SCHEDULE 2 - STRATEGIC STERLING LIQUIDITY FUND .....                 | 76  |
| SCHEDULE 3 - STRATEGIC GLOBAL EQUITY FUND .....                      | 82  |
| SCHEDULE 4 - STRATEGIC GLOBAL AGGRESSIVE FUND .....                  | 88  |
| SCHEDULE 5 - STRATEGIC GLOBAL MODERATE FUND .....                    | 94  |
| SCHEDULE 6 - STRATEGIC GLOBAL CONSERVATIVE FUND .....                | 100 |
| SCHEDULE 7 - STRATEGIC GLOBAL BALANCED FUND.....                     | 106 |
| SCHEDULE 8 - ALEXANDER FORBES CONSERVATIVE FUND.....                 | 113 |
| SCHEDULE 9 - ALEXANDER FORBES BALANCED FUND .....                    | 118 |
| SCHEDULE 10 - ALEXANDER FORBES DYNAMIC FUND.....                     | 124 |
| SCHEDULE 11 - ALEXANDER FORBES ALL EQUITY FUND.....                  | 130 |
| SCHEDULE 12 - AF GLOBAL EQUITY FEEDER FUND.....                      | 136 |
| SCHEDULE 13 - AF GLOBAL GROWTH PASSIVE FUND.....                     | 142 |

## **1**     **DIRECTORY**

### **1.1**     **Trustee**

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### **1.2**     **Custodian**

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### **1.3**     **Manager**

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**1.4 Fund Administrator**

Alexander Forbes Investments Limited

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**1.5 Investment Adviser**

Alexander Forbes Investments Limited

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**1.6 Registrar**

Alexander Forbes Channel Islands Limited

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**1.7 Auditors**

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1.8 **Jersey Legal Advisers**

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## 2 INTRODUCTION

### 2.1 The Fund

Alexander Forbes Investments Global Fund (the **Fund**) is an 'umbrella fund' and an open-ended unit trust established pursuant to the laws of Jersey and constituted by the **Trust Deed**.

The Fund offers eligible investors a choice of classes of Units and the opportunity to switch from one class of Units to another. Separate class funds have been established (each a **Class Fund** and together, the **Class Funds**) each issuing one or more class of Units. The details for each Class Fund, and each class or sub-class of Unit issued in respect of each Class Fund are set out in the Schedules to this Prospectus, and each Class Fund will be managed separately and independently. The assets, liabilities, income and expenses attributable to each class of Units of a Class Fund are applied to that Class Fund and kept separate and segregated from those attributable to the classes of Units relating to other Class Funds. Any assets, liabilities, income and expenses not attributable to a particular class of Units are allocated between all Class Funds at the discretion of the Manager on such basis as it considers fair.

### 2.2 Units

Each Unit shall constitute an equal undivided share in the capital of the Class Fund to which it relates, provided that a Unit shall not confer any vested entitlement to participate in the income of the Class Fund in question (each a **Unit** and together, the **Units**). The nature of the right represented by a Unit is that of a beneficial interest under a trust. A Unit has no par or nominal value.

The interest of a Unitholder in the Trust Fund shall be represented by the Units held by them. No Unitholder shall, save in any limited circumstances set out in the Trust Deed, be entitled to any interest in individual assets in the relevant Class Fund and no Unitholder shall be entitled to any interest in any Class Fund except that to which the Units held by them relate. All income of the Trust shall accrue to the Trustee to be dealt with in accordance with the Trust Deed.

The Manager may establish within any class of Units separate denominations of Units as separate series or sub-classes.

The cash, other property and assets which form or ought to form part of the Trust Fund as well as the income so accrued to the Trustee shall be applied in acquiring or making investments at such times and in such manner and generally as the Manager shall determine.

Certificates will not be issued to the Unitholders. Entries on the register of Unitholders (the **Register**) shall be conclusive evidence to title in respect of Units.

### 2.3 Dividend/distribution policy

Income and capital gains realised by the Fund on its investments will not be distributed by way of dividends and, accordingly, income on investments and increases in the capital value of the investments of the Fund will be reflected in the value of Units.



## 2.4 Investment policies and objectives

Where appropriate to do so, the Manager employs a multi-management approach to managing the Class Funds of the Fund. This provides purposeful diversification in terms of asset allocation, investment styles, and strategies, to suit the investment objectives of each Class Fund.

The investment policies and objectives for each Class Fund are set out in the Schedules hereto.

## 2.5 Approach to Responsible Investing

As a signatory of the UN Principles of Responsible Investing (PRI) since 2008, Alexander Forbes has a fiduciary duty to not only seek to achieve the investment objective for each Class Fund at acceptable levels of risk, but also to act in the best interest of the wider community and environment within which we operate.

The Manager does not typically select investments directly; instead, it selects and combines Asset Managers to manage the assets of the Class Funds. The Manager believes that enhanced outcomes may be achieved from the assessment by its Asset Managers of ESG risks and opportunities in security selection and portfolio construction, acknowledging that the degree of relevance or materiality varies between asset classes.

Examples of ESG factors include:

| Environmental       | Social                                        | Governance                                    |
|---------------------|-----------------------------------------------|-----------------------------------------------|
| Climate Change      | Healthcare                                    | Board structure, diversity and independence   |
| Water               | Social inequality                             | Remuneration that is aligned with performance |
| Waste and Pollution | Health and safety                             | Accounting and audit quality                  |
| Biodiversity        | Demographics/consumption                      | Anti-bribery and corruption                   |
|                     | Labour standards (including the supply chain) |                                               |
|                     | Modern slavery                                |                                               |
|                     | Human rights and community impacts            |                                               |

### *Applicability of ESG and Sustainability Risks*

Investors should note that while ESG Integration may form part of the overall investment process, it may not be implemented equally across all Class Funds, depending on the degree to which it may be relevant or applicable to the investment objective or strategy.

Furthermore, the Manager may have determined Sustainability Risks are not applicable either because it may not be possible or practicable to integrate Sustainability Risks into the investment strategy or necessary to achieve the specific investment outcomes targeted by the Class Fund. The circumstances in which Sustainability Risks are not or cannot be integrated into investment decision-making may change over time depending on ESG data or other information which may become available.

## 2.6 Investment restrictions

The investment restrictions for each Class Fund are set out in the Schedules hereto. Such restrictions will, notwithstanding anything to the contrary contained in the Schedules, further be subject to the restrictions listed below:

- (a) a Class Fund shall not invest in a fund of funds or feeder fund (except as stated in the Schedules);
- (b) a Class Fund will not be allowed to enter into any scrip borrowing;
- (c) a Class Fund may only borrow for a period not exceeding 61 (sixty-one) days in relation to any specific borrowing transaction;
- (d) the assets of a Class Fund may only be pledged as security for borrowing as contemplated in paragraph (c) above;
- (e) a Class Fund may not include any unlisted derivative instruments (except as stated in the Schedules). A Class Fund may for the purpose of efficient fund management include investments in unlisted forward currency, interest rate swap, and exchange rate swap transactions;
- (f) a Class Fund may not have any uncovered positions. The Class Fund may not sell any investment when such investment is not in the Class Fund's ownership;
- (g) subject to paragraph (c) above, a Class Fund will not be allowed to enter into any leveraging or gearing;
- (h) save for any investments made in collective investment funds, no unlisted securities will be included in the Class Funds unless the recently issued securities will be admitted to official listing on a stock exchange within a period of one year from the date of its inclusion in the Class Fund; and
- (i) any Class Fund which is a fund of funds will be invested in at least two other funds and may not invest in excess of 75% (seventy-five per cent) of the said fund of funds' market value in any one fund.

Notwithstanding the above investment restrictions, if any of the restrictions are exceeded by reason of the change in value of any investments of the Class Fund or a movement in exchange rates, this shall not be treated as a breach of such restrictions and neither the Fund nor the Manager shall be required to buy or sell investments as a consequence thereof.

Notwithstanding anything to the contrary contained in the Schedules, the Manager will ensure that any fund in which a Class Fund invests as a feeder fund or a fund of funds, as the case may be, will have a published investment policy that complies with the restrictions referred to in paragraphs (a) to (i) above.

In respect of those Class Funds described in Schedules 1 to 7, where an underlying collective investment scheme has not been approved by the Financial Sector Conduct Authority of South Africa, under Section 65 of the Collective Investment Schemes Control

Act, 2002, for distribution in South Africa, such portfolios will be subject to enhanced due diligence to confirm equivalent eligibility status.

### 3 INVESTMENT PROCESS

#### 3.1 Initial Offering Period

The initial offering periods and the initial issue prices for each class of Units (where applicable) are set out in the respective Schedules hereto or are available from the Fund Administrator upon request.

#### 3.2 Dealing arrangements

Units (including fractions of Units) in a particular Class Fund can be purchased or redeemed on the **Subscription Day** for the relevant Class Fund (as set out in the corresponding Schedule hereto) provided that such day will always be on a day on which commercial banks are normally open for full banking business in Jersey, the Republic of South Africa, and any other location specified in the corresponding Schedule hereto (a **Business Day**). The prices at which Units can be purchased or redeemed (after the initial offering period) will be determined by reference to the Net Asset Value of the relevant Class Fund as at the Valuation Point for the relevant Class Fund (as set out in the relevant Schedule hereto). The Manager may change the Valuation Point and the Subscription Day for any Class Fund at its discretion provided that Unitholders will be given at least one month's prior notice of any such change. The Manager may also determine that there shall be additional Subscription Days for any Class Fund without the requirement of notice to Unitholders.

#### 3.3 Availability of Prices

Subscription and Redemption Prices are available from the Fund Administrator upon request.

#### 3.4 Applications

Applications to subscribe for Units of any Class Fund may be made on any Subscription Day for that Class Fund at the Offer Price (calculated as set out below) and should be made on an application form (available from the Manager or Fund Administrator on request) and sent to the Fund Administrator. These applications must be received by the time specified for the relevant Class Fund in the relevant Schedules hereto.

Payment should be made directly to the Manager as described in the application form. At the Manager's absolute discretion, payments may be accepted in forms of consideration other than cash pursuant to the terms of the Trust Deed.

Measures aimed at the prevention of money laundering and terrorism will require an applicant to provide verification of identity and source of funds and wealth to the Fund Administrator and/or Manager. The requirements may differ depending upon the nature and type of the applicant(s). The requirements, which are updated from time to time, are detailed in the respective application forms and self-certification forms and are available from the Fund Administrator and/or Manager. It is further acknowledged that the Manager and the Fund Administrator shall be held harmless by any applicant against any loss arising as a result of a failure to process the subscription if the information requested or any subsequent information that may be required by the Manager or Fund Administrator has been requested but not provided by that applicant.

#### 3.5 Calculation of the Offer Price and the Subscription Price

The **Offer Price** of a Unit shall be calculated on any Subscription Day by adding the following amounts:

- (a) the Subscription Price of such Unit;
- (b) any Preliminary Charge; and
- (c) such provision for Duties and Charges as the Manager may determine (which provision may be different for different Class Funds).

The **Subscription Price** of a Unit of any class shall be calculated at the Valuation Point by:

- (a) ascertaining the Net Asset Value of the relevant class of Units; and
- (b) subject to any provision pursuant to paragraph 3.10 (in respect of the Manager making provision and taking such steps as it sees fit in relation to each series or sub-class of that class of Units to fairly and equitably account for the allocation of such fees attributable to each relevant series or sub-class (or the Unitholders thereof)), dividing the resulting amount (including fractions) of undivided shares in the property of the relevant Class Fund represented by the Units of that class then in issue or deemed to be in issue.

The Offer Price and the Subscription Price may be calculated to such number of decimal places as the Manager may determine.

### 3.6 **Preliminary Charge**

The **Preliminary Charge** to be paid per Unit shall be 4% of the Subscription Price on subscription monies received up to £100,000 (or its currency equivalent), 3% of the Subscription Price on subscription monies received in excess of £100,000 (or its currency equivalent) and up to £250,000 (or its currency equivalent), and 2% of the Subscription Price on subscription monies received in excess of £250,000 (or its currency equivalent). For the avoidance of doubt, any single application for subscription which consists of investments in more than one Class Fund shall be deemed to be a single subscription for the purposes of calculating the Preliminary Charge. The above charging structure may be varied at the discretion of the Manager on one month's notice to Unitholders subject to a maximum permitted Preliminary Charge of 5% of the Subscription Price. The Preliminary Charge may be waived at the discretion of the Manager with no notice. Subject to any applicable law, the Manager may rebate all or any part of the Preliminary Charge to financial intermediaries.

### 3.7 Redemptions

Unitholders may redeem all or part of their holding on the Subscription Day for the relevant Class Fund by submitting a written redemption request to the Fund Administrator by the time specified for the relevant Class Fund in the relevant Schedule hereto together with satisfactory evidence of title as required by the Fund Administrator. Such Unitholders will receive an amount of money calculated by reference to the Redemption Price on the Subscription Day of receipt of the request to redeem Units (subject to the relevant cut off times) and the required evidence of title (unless dealings have been suspended).

The amount due to Unitholders will be paid within the time period specified for the relevant Class Fund in the relevant Schedule hereto. Payments will be made in the Base Currency of the relevant Class Fund in accordance with instructions included on the Application Form or amended instructions acceptable to the Fund Administrator.

Minimum sums of the aggregate value of Units which may be redeemed are set out in the Schedules hereto (where applicable) and if the Unitholder's remaining investment in the Fund is less than £2,500 (or its currency equivalent) or if the Unitholder's remaining investment in any specific Class Fund is less than an amount set out in the relevant Schedule hereto, the Manager may at its discretion require the redemption of such Unitholder's total holding.

Within seven Business Days after the Subscription Day on which any Units are redeemed (or such other period as may be set out in a Schedule hereto), there shall be sent to (or made available to) each Unitholder who has had their Units redeemed, a statement expressed in the currency in which the Units to be redeemed are designated detailing:

- (a) the proceeds paid by the Manager on the redemption of the relevant Unitholder's Units;
- (b) the number of Units of the relevant Unitholder which were redeemed; and
- (c) such Unitholder's remaining holding or holdings of Units in any Class Fund (if any).

Any amount payable to a Unitholder in respect of a redemption shall be paid by or on behalf of the Manager to the Unitholder normally within 7 Business Days of the later of the Subscription Day on which the Units are redeemed or purchased and the day on which proper documentation, including satisfactory evidence of title for the Units to be redeemed or purchased, is received by the Manager, or within such other period as set out in any Schedule hereto. Where payment is delayed by reason that satisfactory evidence of title for the Units being redeemed or purchased has not been received the amount payable may (after notice given to the Unitholder by the Manager) be invested or otherwise made use of by the Manager for its own benefit until such satisfactory evidence of title in respect of the Units to be redeemed or purchased is received by the Manager.

Prospective investors should ascertain from their professional advisers the consequences to them of redemption of Units under the relevant laws of the jurisdiction to which they are subject, including the tax consequences and any exchange control requirements. These consequences will vary with the law and practice of an investor's country of citizenship, residence, domicile or incorporation and with his personal circumstances.

### 3.8 Calculation of Redemption Price

The **Redemption Price** of a Unit shall be calculated on any Subscription Day by:

- (a) ascertaining the Net Asset Value of the relevant class of Units;
- (b) deducting therefrom such sum as the Manager considers represents an appropriate provision for Duties and Charges (which provision may be different for different Class Funds); and
- (c) subject to any provision pursuant to paragraph 3.10 (in respect of the Manager making provision and taking such steps as it sees fit in relation to each series or sub-class of that class of Units to fairly and equitably account for the allocation of such fees attributable to each relevant series or sub-class (or the Unitholders thereof)), dividing the resulting amount by the number (including fractions) of undivided shares in the property of the relevant Class Fund represented by the Units of that class then in issue or deemed to be in issue.

The Redemption Price may be calculated to such number of decimal places as the Manager may determine.

### 3.9 Minimum holdings and subscription amounts

The minimum amount which may be invested in each Class Fund and the minimum aggregate Net Asset Value of Units which may be held in each Class Fund are set out in the Schedules hereto.

The Manager may agree to reduce such minimum requirements in relation to particular Class Funds (but not the Fund as a whole) in its absolute discretion.

### 3.10 Redemptions in respect of the payment of fees

Any of the fees that the Manager is entitled to receive and retain pursuant to this Prospectus or any Schedule (including any management fee, trustee and administration fee or service fee) may (unless otherwise provided in any Schedule hereto) be payable either:

- (a) out of each Class Fund; or
- (b) by every Unitholder of the relevant Class Fund in respect of their share of such fees calculated at a maximum rate of such percentage of the Net Asset Value of the relevant Class Fund as is set out in the relevant Schedule for such Class Fund, calculated *pari passu* and *pro rata* to the number of Units of the relevant Class Fund held by each of them and satisfied by way of a redemption of such Unitholders' Units as are required to meet such fees.

Where the relevant Schedule in respect of a Class Fund provides that a Unitholder is required to pay a fee by way of a cancellation of Units, the Manager shall redeem at the Redemption Price for the relevant Units on the Subscription Day following the date on which the payment of the relevant fee by the relevant Unitholder becomes due and payable such Units in respect of each Unitholder as are required to satisfy the value of the fee due and

payable by such Unitholder to the Manager, such value being calculated by the Manager (as determined at its sole and absolute discretion, such determination being final).

Where separate series or sub-classes of Units comprising a class of Units (or the Unitholders thereof) are subject to different rates of fees (which may be in respect of service fees or otherwise), when a fee in respect of a particular series or sub-class (or the Unitholders thereof) accrues, the Manager may, in its sole and absolute discretion, make such provision and take such steps as it sees fit in relation to each series or sub-class of that class of Units to fairly and equitably account for the allocation of such fees attributable to each relevant series or sub-class (or the Unitholders thereof) and the impact on the notional entitlement of each Unitholder of each relevant series or sub-class in relation to the number (including fractions) of undivided shares in the property of the Class Fund represented by each Unit of the relevant series or sub-class in issue, including adjusting the number (including fractions) of such undivided shares in the property of the Class Fund or total number of undivided shares in the property of the Class Fund upwards or downwards as appropriate.

The Manager may, at its sole and absolute discretion and with the consent of a Unitholder, agree that any sum due by a Unitholder in respect of any fee that would otherwise be satisfied by the redemption of Units may be satisfied wholly or partly in cash.

Immediately following the redemption of such Units, the Redemption Price in respect of such Units shall be the property of the Manager and shall be paid to such account and in such manner as the Manager may determine. Upon the payment of the Redemption Price as aforesaid, the relevant Unitholder whose Units have been redeemed shall have no further interest in such Units or any of them or any claim against the Manager or the Trustee in respect thereof.

### **3.11 Compulsory redemption**

If it shall come to the notice of the Manager that:

- (a) any Units are owned directly or beneficially by any person in breach of any law, regulation or requirement of any country or governmental authority by virtue of which such person is not qualified to hold such Units; or
- (b) any Units are owned directly or beneficially by any person who shall belong to or be comprised within any class of persons stipulated from time to time for the purposes of this Clause by the Manager as being ineligible to own Units; or
- (c) any Units are owned directly or beneficially by any person so as to cause the Trust, the Manager or the Trustee to be in breach of any law or regulation of any country or governmental authority or so as to constitute fiscal, tax or other pecuniary disadvantage to the Trust; or
- (d) a Unitholder holds fewer Units or Units having a value less than such number or amount as set out in this Prospectus (or any Schedule thereto) and as determined by the Manager from time to time,

the Manager may require such person to transfer or redeem such Units and, if the person fails to do so within thirty days from being requested to do so, the Manager



may compulsorily redeem such Units in accordance with the provisions of the Trust Deed.

Pursuant to the Trust Deed, if the Net Asset Value of the Trust Fund or any Class Fund (as the case may be) falls below one million pounds sterling (£1,000,000) or its currency equivalent for a period of four consecutive weeks, the Manager may compulsorily redeem all of the Units in the Fund or the relevant Class Fund respectively (as the case may be) and the Manager may thereafter elect to wind up the Fund or Class Fund (as the case may be).

All Units not previously redeemed shall be redeemed by the Manager on the last Subscription Day on 1 January 2097, or in relation to any Class Fund on such earlier date as may be specified in a Schedule hereto relating to a Class Fund, at their respective Redemption Prices on such Subscription Day.

### 3.12 Conversion

Units of any one Class Fund (the **First Class Fund**) are convertible into Units of another Class Fund (the **Second Class Fund**) in accordance with the Trust Deed. The number of Units of the Second Class Fund to be issued or to be otherwise created on conversion shall be determined by the Fund Administrator in accordance (or as nearly as may be in accordance) with the following formula:

$$N = \frac{F \times P \times C}{S}$$

Where:

- N is the number of Units of the Second Class Fund to be allotted;
- F is the number of Units of the First Class Fund to be converted;
- P is the Redemption Price per Unit of the First Class Fund ruling on the relevant Subscription Day;
- C is the current exchange rate determined by the Fund Administrator on the relevant Subscription Day as representing the effective rate of exchange applicable to the transfer of relevant assets between the Class Funds, after adjusting such rate as may be necessary to reflect the effective costs of making such transfer (such effective costs could include, without limitation, bank charges and foreign currency exchange charges); and
- S is the Offer Price per Unit for the Second Class Fund ruling on the relevant Subscription Day (but excluding any Preliminary Charge).

Unitholders should note that a conversion of Units may be treated as a realisation of those Units for the purposes of taxation in some jurisdictions and should avail themselves of the tax laws of the relevant jurisdiction prior to requesting such a conversion.

Under no circumstances will a Unitholder who switches between the Units of different Class Funds be given a right by law to reverse the transaction except as a new transaction.

### 3.13 **Suspension of dealings**

The Manager may at any time suspend the valuation of the Net Asset Value of a Class Fund for the whole or any part of a period during which:

- (a) a breakdown occurs in any of the means normally employed in ascertaining the value of the investments comprised in the Class Fund or, for any other reasons, the value of a substantial part (in the opinion of the Manager) of the investments comprised in such Class Fund cannot be reasonably ascertained; or
- (b) circumstances exist as a result of which, in the opinion of the Manager, it is not reasonably practical for the Fund to realise or dispose of the investments comprised in the Class Fund or fairly to determine the Net Asset Value of the relevant Class Fund; or
- (c) the remittance of funds which are or may be involved in the realisation of or payment for investments or the issue, sale, purchase or redemption of Units cannot, in the opinion of the Manager, be carried out without undue delay and at normal rates of exchange; or
- (d) in the opinion of the Manager certified in writing such a suspension is desirable in the interests of the Unitholders.

No issue, sale, purchase, redemption or conversion of Units of the relevant Class Fund will be permitted during any period in which the valuation of the Net Asset Value of the relevant Class Fund has been suspended.

### 3.14 **Transfers and transmission of Units**

Every Unitholder may, with the prior consent of the Manager (which the Manager shall not unreasonably withhold or delay) and subject to compliance with the relevant provisions of the Trust Deed, transfer any Unit held by him to any person by an instrument in writing in the usual form or in such other form as the Manager may from time to time approve.

If a Unitholder dies, the survivors or survivor where he was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Manager and the Trustee as having title to his interest in the Units, but nothing in the Trust Deed shall release the estate of the deceased Unitholder whether sole or joint from any liability in respect of any Units solely or jointly held by him.

Any person becoming entitled to a Unit in consequence of the death, bankruptcy or incapacity of a Unitholder shall, upon producing such evidence of his title as the Manager may require, have the right either to be registered himself as the holder of the Unit or to make such transfer thereof in accordance with the provisions of the Trust Deed as the deceased, bankrupt or incapacitated Unitholder could have made.

There shall be paid to the Manager in respect of the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title to any Units, such fee as the Manager may from time to time require or prescribe.

## 4 VALUATION

### 4.1 Basis of valuation

The Fund Administrator will ascertain the **Net Asset Value** of each Class Fund and determine prices for the Units of each Class Fund in accordance with the provisions of the Trust Deed at the Valuation Point on each Subscription Day. The Net Asset Value of each Class Fund shall be the value of all the assets less all the liabilities attributed to the Class Fund, calculated in accordance with the provisions of the Trust Deed.

### 4.2 Net Asset Value

The Net Asset Value of each class of Units shall be determined separately by the Manager at each Subscription Day and on such other occasions as the Manager may determine and shall be the value as at such date of all the assets, less all the liabilities of the Fund or attributed to the relevant Class Fund calculated as set out below.

For the purposes of calculating the Net Asset Value, the assets of the Fund shall include:

- (a) all cash on hand or on deposit, or on call including any interest accrued thereon;
- (b) all certificates of deposit, treasury bills, trade bills, bank acceptances, bills of exchange, bills, demand notes, promissory notes and accounts receivable;
- (c) all bonds, time notes, shares, stock, debentures, debenture stock, subscription rights, warrants, securities of whatever description and any form of interest in any of the foregoing and other investments forming part of the Fund, other than rights and securities issued by it;
- (d) all stock and cash dividends and cash distributions to be received by the Trustee on behalf of the Fund and not yet received by it but declared to stockholders of record on a date on or before the day as of which the value is being determined;
- (e) all interest accrued on any interest-bearing securities forming part of the Trust Fund except to the extent that the same is included or reflected in the principal value of such security;
- (f) cash payments outstanding on any Units allotted;
- (g) all other investments of the Fund;
- (h) all other property and assets of the Fund of every kind and nature including prepaid expenses as valued and defined from time to time by the Manager,

and the liabilities of the Fund shall be deemed to include:

- (a) all bills, notes and accounts payable;
- (b) all management and administrative expenses payable and/or accrued (the latter on a day-to-day basis);

- (c) the aggregate amount of all borrowings and interest, commitment fees and other charges in connection therewith;
- (d) all known liabilities (present and future), contractual obligations for the acquisition of investments or for the payment of money and outstanding payments on any Units previously redeemed;
- (e) an appropriate provision for taxes as determined from time to time by the Manager; and
- (f) all other liabilities of the Fund of whatsoever kind and nature. In determining the amount of such liabilities, the Manager may calculate administrative and other expenses of a regular or recurring nature on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any such period.

If any asset or liability of the Fund is not attributable to any one Class Fund only, the Manager shall allocate such asset or liability between the Class Funds in such manner as the Manager in its sole discretion shall deem appropriate.

The calculation of the Net Asset Value shall be based upon the prices and values ruling at such time as the Manager may determine which shall be known as the "**Valuation Point**".

The value of any cash on hand or on deposit, prepaid expenses, cash dividends and interest declared or accrued and not yet received shall be deemed to be the full amount unless in any case the Manager is of the opinion that the same is unlikely to be paid or received in full in which case the value shall be arrived at after making such discount as the Manager may consider appropriate in such case to reflect the true value.

The value of any units in any unit trust or of any shares in a company the quoted price of the units or shares of which are directly related to the underlying value of its net assets shall be the offer price notified to the Manager when the Net Asset Value is being calculated for the purpose of computing the price at which Units are to be issued provided that in calculating such value there shall be deducted from such price the amount of any discount which will or has been agreed to be allowed to the Manager when purchasing the same on behalf of the Trust Fund and when the Net Asset Value is being calculated for the purpose of computing the price at which Units are to be redeemed shall be the bid price notified to the Manager by the manager of the relevant unit trust or company.

The value of any demand notes, promissory notes and accounts receivable shall be deemed to be the face value or full amount after making such discount as the Manager may consider appropriate to reflect the true current value.

Deposits shall be valued at their principal amount plus accrued interest from the date of acquisition. Certificates of deposit, treasury bills, bank acceptances, trade bills and similar instruments shall each be valued either:

- (a) on the basis of a notification to the Manager by a person approved by the Manager for the purposes of this paragraph whose business includes dealing in or effecting transactions in the relevant Investment according to the normal dealing practice therein; or

- (b) on the basis of a straight-line yield to maturity at the date of acquisition of the particular instrument; and
- (c) the method of valuation shall be at the sole discretion of the Manager and may be varied from Class Fund to Class Fund.

Where any investment (not being an investment in units of a unit trust or shares in a company the quoted price of the units or shares of which are directly related to the underlying value of its net assets, as described above) owned by or on behalf of the Fund is listed or dealt in on a stock exchange recognised as such under the securities laws of the jurisdiction in which it is situated the value of such investment shall be based on the price which shall be notified to the Manager on the Subscription Day by a member of the stock exchange concerned as being the price therefor as at the official close of such stock exchange on the day before that Subscription Day, and where any investment (not being an investment in units of a unit trust or shares in a company the quoted price of the units or shares of which are directly related to the underlying value of its net assets, as described above) owned or contracted for by or on behalf of the Fund is dealt in on any over-the-counter market, the value of such investment shall be based on the price which shall be notified to the Manager on the Subscription Day by a person approved by the Manager whose business includes dealing in or effecting transactions in the investment concerned as being the price as at the official close of such over-the-counter market on the day before that Subscription Day. Where such Investment is listed or dealt in on more than one stock exchange or over-the-counter market, the Manager may in its absolute discretion select any one of such stock exchanges or over-the-counter markets.

Where agreements are in existence for the unconditional sale or purchase of investments by the Fund but such sale or purchase has not been completed such investments shall be excluded or included and the net sale or gross purchase consideration excluded or included (as the case may require) as if such sale or purchase had been duly completed, provided that if the net amount receivable is not payable until some future time the Manager shall make such allowance (if any) as it considers appropriate to reflect the true current value thereof.

If and whenever the quoted price of an investment is a single price, the dealing commission (if any) payable shall be taken into account to arrive at the market dealing price.

Where any amount in one currency is required to be translated into another currency, the Manager may effect such translation using such rate of exchange as in its absolute discretion it thinks appropriate except where otherwise specifically provided in the Trust Deed.

The payments due for Units to be redeemed shall from the close of business on the day on which they are actually redeemed until such payment is made be deemed to be a liability of the Fund.

If in any case a particular value is not ascertainable as set out in this section 4 or if the Manager shall consider that some other method of valuation better reflects the fair value of the relevant investment, then in any such case the method of valuation shall be such as the Manager shall decide subject to the approval of either the Trustee or the Auditors.

Any determination of the Net Asset Value of a class of Units shall be expressed in the currency in which the relevant class of Units is designated.

## 5 FUND SERVICE PROVIDERS

### 5.1 The Manager

The Manager is a company incorporated in Jersey on 29 January 1997 with limited liability under the Companies (Jersey) Law 1991. It has an authorised share capital of £100,000 consisting of 100,000 shares of £1 each and 25,300 shares of £1 each have been issued and are paid up. The ultimate holding company of the Manager is Alexander Forbes Group Holdings Limited, a public company incorporated in the Republic of South Africa.

The Manager is registered for the conduct of fund services business pursuant to the provisions of the FS Law. The principal business activity of the Manager is the provision of fund management services.

The directors of the Manager (the **Directors**) are as follows:

(a) **Mr Peter Michael Rondel**

Mr Rondel joined the Manager on 22 March 2013 as a Director. Since joining the industry in 1987, Mr Rondel has built a wealth of experience in offshore financial services with a focus mainly on the Funds Industry, during which time he held a number of senior management and consultancy positions. During a period of 15 years with J.P. Morgan Chase in a number of senior roles he assumed responsibility for the Jersey division of the organisation's worldwide securities services product. Following various project management consultancy roles, Mr Rondel joined Standard Bank in Jersey where, in 2008, he was appointed as Head of Global Investor Services, the bank's offshore funds Trustee and Custodian business. Mr Rondel is a member of the Institute of Directors and holds the IOD Diploma in Company Direction qualification. Mr Rondel is also a director of the Registrar based in Jersey.

(b) **Mr Adrian Roy Peacock**

Mr Peacock joined the Manager on 10 February 2011 as a Director. Mr Peacock is also the Managing Director of the Registrar based in Jersey. He has industry experience dating back to 2000, both as a Financial Advisor and as a Sales Manager. He started in the UK as a Pension Consultant for Equitable Life where he advised small and medium sized businesses on corporate pension structures and provided individual retirement planning advice to professionals and executives. He later joined Scottish Widows where he became Eastern Area Manager. Mr Peacock holds the Investment Management Certificate and the CISI Private Client Investment Advice and Management Certificate. Mr Peacock is also a director of the Registrar.

(c) **Mr John James Martin**

Mr Martin joined the Manager on 28 September 2018 as a Director. From entering the industry in 1987, Mr Martin has held a variety of senior management roles in the offshore funds industry. Prior to joining the Manager, Mr Martin was a Funds Director at Standard Bank Offshore where he successfully led teams covering all aspects of fund administration during a period of substantial growth and was a Director on a variety of client fund vehicles. Subsequently he joined IFG Trust (Jersey) Limited (now IQ EQ) to successfully run an Isle of Man fund administration operation and to establish and build a Jersey fund administration

capability. Prior to joining the Manager, he was a consultant at State Street (Jersey) Limited. Mr Martin is a member of The Association of Accounting Technicians.

(d) **Mrs Lisa Stott**

Mrs Stott joined the Manager on 28 September 2018 as a Director. Mrs Stott started her career at PricewaterhouseCoopers in 1999 specialising in the financial services industry. She joined Alexander Forbes in 2002, as a financial accountant to manage special projects that were technical in nature, ranging from corporate finance and structuring to financial accounting and taxation and interacting with a range of stakeholders. In September 2008 she became Financial Director of Alexander Forbes Financial Services with responsibility for finance, operations, compliance and risk within the business unit over time. Mrs Stott became Chief Financial Officer for Alexander Forbes Investments in May 2018. Mrs Stott obtained her Master of Commerce degree from the University of the Witwatersrand in November 2003 and has been a member of the South African Institute of Chartered Accountants since 2002.

## 5.2 **The Trustee**

The Trustee of the Fund is BNP Paribas Depositary Services (Jersey) Limited, a company incorporated with limited liability in Jersey on 3 November 1972. Its registered office is at IFC1, The Esplanade, St. Helier, Jersey, Channel Islands JE1 4BP.

The ultimate beneficial owner of the Trustee is BNP Paribas S.A., a company registered in France.

The Trustee has an authorised and issued share capital of £4,250,000, consisting of 4,250,000 shares of £1, all of which are issued and fully paid-up.

The Trustee is registered for the conduct of fund services business pursuant to the provisions of the FS Law. The principal business activity of the Trustee is the provision of corporate trust services.

The Trustee holds (either through itself or through its agents or delegates) all the assets of the Fund and the Class Funds and all documents of title to such assets but has no responsibility for selecting or monitoring the investments of the Fund or the Class Funds. The Trustee may appoint custodians, nominees or agents to perform its duties.

The directors of the Trustee do not have any direct or indirect interests in the Fund or any offer of Units in the Fund and are independent of the Manager, the Fund Administrator, the Investment Adviser and the Registrar.

## 5.3 **The Custodian**

The Trustee has substantially delegated its custodial functions to the Custodian, BNP Paribas S.A., Jersey Branch, pursuant to the provisions of the Trust Deed and under a custody services delegation agreement dated 17 April 2012 (as amended and/or restated from time to time and as further described in paragraph 10.8, the **Custody Services Delegation Agreement**). The Custodian is a branch of BNP Paribas S.A., a French société en commandite par actions (partnership limited by units) incorporated in France in 1955. The



Custodian, like the Trustee, is ultimately beneficially owned by BNP Paribas S.A., a company registered in France. The registered office of the Custodian is shown in the directory.

The Custodian is registered for the conduct of fund services business pursuant to the provisions of the FS Law. The principal business activity of the Custodian is the provision of custody services.

The Custodian is responsible for the safe keeping of all the assets of the Fund and is responsible for exercising certain custodial functions in relation to the Fund's assets at the direction of the Manager or the Trustee.

As the Custodian is an Associate of the Trustee, the Trustee shall, under the Trust Deed, remain responsible for the acts or omissions of the Custodian as though they were the acts or omissions of the Trustee itself.

#### 5.4 **The Investment Adviser**

The Manager has appointed Alexander Forbes Investments Limited as its investment adviser in relation to the Fund under the terms of an investment advisory agreement dated 1 December 1999 as amended and restated on 15 July 2014, 11 September 2018 and 28 February 2020 (as amended and/or restated from time to time) and further described in paragraph 10.4 (the **Investment Advisory Agreement**).

The Investment Adviser is a public company incorporated in the Republic of South Africa on 21 January 1997 with limited liability under article 61 of the Companies Act 1973, as amended. The ultimate holding company of the Investment Adviser is Alexander Forbes Group Holdings Limited a public company incorporated and registered in the Republic of South Africa with limited liability under article 61 of the Companies Act 1973, as amended.

The Companies Act of 1973 has been superseded by a new Companies Act of 2008. Correspondingly article 61 has been superseded by article 71 of the new Act.

Under the terms of the Investment Advisory Agreement, the Investment Adviser provides investment advice to the Manager in respect of the Funds and, at the request of the Manager, provides assistance with the publicity in respect of it. The Investment Adviser has no authority to bind the Manager or to take any investment decisions on behalf of the Fund, save as authorised by the Manager.

#### 5.5 **The Fund Administrator**

The Manager has delegated substantially all of its administrative functions to the Fund Administrator (who itself may delegate) pursuant to a fund administration agreement dated 29 April 2005 as amended and restated on 15 July 2014 and 28 September 2018 (as amended and/or restated from time to time), and as further described in paragraph 10.7 (the **Fund Administration Agreement**).

The establishment and ownership details of the Fund Administrator are as set out in paragraph 5.4 (The Investment Adviser) above.

#### 5.6 **The Registrar**

Pursuant to the Trust Deed, the Manager is responsible for the registrar function in relation to the Fund and the Manager has delegated that function and appointed the Registrar to provide secretarial and registrar services to the Fund pursuant to a secretarial and registrar services agreement dated 29 April 2005 and 28 September 2018 (as amended and/or restated from time to time), as further described in paragraph 10.6 (the **Secretarial and Registrar Services Agreement**).

In addition, the Manager has appointed the Registrar to provide directors and certain administrative, secretarial, registration, compliance and regulatory services to the Manager pursuant to a resources and administration agreement dated 29 April 2005, as amended and restated on 6 March 2006, 19 September 2008, 1 April 2016 and 28 September 2018 (as amended and/or restated from time to time), and as further described in paragraph 10.5 (the **Resources and Administration Agreement**).

The Registrar is responsible for carrying out the functions of registrar of the Fund. The Register may be inspected at its registered office.

## 6 CHARGES AND EXPENSES

Each Class Fund will pay the expenses and fees of the Manager, the Fund Administrator, the Trustee, the Registrar and the Service Fee as set out in the relevant Schedules hereto and as set out below.

### 6.1 Manager and Investment Adviser

The management fees shall be payable on the Net Asset Value of the relevant Class Fund and shall accrue daily and be paid monthly in arrears (the **Management Fees**). Out of the Management Fees the Investment Adviser's fees shall be payable by the Manager in addition to the fees noted as being the responsibility of the Manager pursuant to paragraph 6.2. The amount of the Management Fees are as set out in the Schedules hereto.

The Manager's remuneration may be waived by the Manager in whole or in part at the Manager's absolute discretion from time to time.

The Manager may obtain for its own account, rebates on any fees or charges levied by any scheme (or its manager) in which Class Funds are invested. Subject to any applicable law, the Manager may rebate all or any part of its fees to financial intermediaries.

The Investment Adviser's fees and expenses are as agreed between the Manager and the Investment Adviser from time to time.

### 6.2 Fund Administrator, Trustee, Custodian and Registrar

The Fund Administrator's, Trustee's and Registrar's fee shall be payable on the Net Asset Value of the relevant Class Fund and will accrue daily and be paid monthly in arrears. The amount of the Fund Administrator's, Trustee's and Registrar's fee shall be as set out in the Schedules hereto. In the case of the Registrar, the fee set out in the Schedules relates to the fee payable pursuant to the Administration and Resources Agreement, namely for services provided to and in respect of the Manager.

The Registrar is also entitled to a fee in respect of the services provided to and in respect of the Fund pursuant to the Secretarial and Registrar Services Agreement, and such fee is payable by the Manager out of the Management Fees.

The fees of the Registrar shall be deducted from the fees payable to the Fund Administrator and those of the Custodian shall be deducted out of the fees of the Trustee (although the Manager may pay the fees directly to the Custodian or any other agent or delegate of the Trustee at the direction of the Trustee). The Fund Administrator, Trustee, Custodian and Registrar will be reimbursed for their reasonably incurred out-of-pocket expenses and disbursements.

### 6.3 Other Fees and Expenses

Each Class Fund will pay certain other costs and expenses incurred in its formation and operation, including but without limitation to taxes, legal, auditing and consulting services, promotional expenses, registration fees (to include all fees in connection with obtaining advance treaty clearances from tax authorities in any jurisdiction) and other expenses due to supervisory authorities in various jurisdictions, insurance, interest, brokerage costs and all professional fees and expenses incurred in connection therewith.

Pursuant always to the terms of the Trust Deed, the Trustee and its respective delegates or agents (including without limitation, the Custodian) are also entitled to be reimbursed by the Fund in relation to transaction charges, safe keeping fees and any other related fees and charges (which will be at normal commercial rates) agreed with the Manager.

Any fees payable to the Directors or other directors of fund service providers are payable by those providers from the fees payable to them as set out above.

The preliminary expenses incurred in connection with an initial offer of Units shall be paid out of the Trust Fund and the amount so payable shall be amortised over such period and/or in such manner as the Manager may determine.

**Any increase in the fees and expenses set out in the Schedules hereto shall not take effect until after one months' notice in writing has been given to Unitholders of the Fund.**

## 7 TAXATION

Prospective investors should ascertain from their professional advisers the consequences to them of acquiring, holding, redeeming, transferring, converting or selling Units under the relevant laws of the jurisdiction to which they are subject, including the tax consequences and any exchange control requirements. These consequences will vary with the law and practice of an investor's country of citizenship, residence, domicile or incorporation and with his personal circumstances.

### **Jersey**

The summary below is based on current law and practice in Jersey and is subject to changes therein. This information is not intended to be and should therefore not be regarded as legal or tax advice.

Unitholders who are not resident for income tax purposes in Jersey are not subject to taxation in Jersey in respect of any income or gains arising in respect of Units held by them other than any Jersey source income excluding bank deposit interest. Unitholders who are resident for income tax purposes in Jersey will be subject to income tax in Jersey on any income distributions paid on Units held by them or on their behalf and income tax will be deducted by the Trustee on payment of any such distributions.

No duties are payable in Jersey on the issue, conversion, redemption or transfer of Units. Stamp duty is payable at a rate of up to approximately 0.75% of the value of the Units on the registration of Jersey probate or letters of administration which may be required in order to transfer, convert, redeem or make payments in respect of, Units held by a deceased individual sole Unitholder. The maximum amount of stamp duty payable in such circumstances is £100,000. There is no capital gains tax, estate duty or inheritance tax in Jersey.

The attention of Jersey residents is drawn to the provisions of Article 134A of the Income Tax (Jersey) Law 1961, as amended which may in certain circumstances render their investment chargeable to Jersey tax where they have invested in an accumulation fund.

A Goods and Services Tax (**GST**) was introduced in Jersey pursuant to the Goods and Services Tax (Jersey) Law 2007, as amended (the **GST Law**) effective from 6 May 2008. As persons registered to conduct funds services business under the FS Law, neither the Manager nor the Trustee will suffer any irrecoverable GST, subject to annual application to the Comptroller of Revenue for inclusion on the list of "international services entities" pursuant to the GST Law and payment of the relevant application fees.

### **Jersey Information Reporting Regimes and International Agreements to Improve Tax Compliance**

Information relating to the Unitholder's Units in the Fund, the Unitholders and beneficial owners may be required to be provided to tax authorities in certain circumstances pursuant to domestic or international reporting and transparency regimes. This may include (but is not limited to) information relating to the value of the Unitholder's Units in the Fund, amounts paid or credited with respect to such Units, details of the holders or beneficial owners of the Units in the Fund and information and documents in connection with transactions relating to

the Units in the Fund. In certain circumstances, the information obtained by a tax authority may be provided to tax authorities in other countries.

Where a Unitholder fails to provide any requested information (regardless of the consequences), the Fund reserves the right to take any action and/or pursue all remedies at its disposal including, without limitation, compulsory repurchase of the Unitholder's units in the Fund and withdrawal of the Unitholder from the Fund.

In June 2018 Council Directive 2018/822/EU (**DAC 6**) came into force to combat aggressive tax-planning. DAC 6 extends Directive 2011/16/EU in the field of mandatory automatic exchange of information relating to taxation, by introducing mandatory disclosure rules for intermediaries (e.g. accountants, lawyers) and in some instances taxpayers in respect of cross-border arrangements that possess certain features. Due to the broad drafting, and current lack of limiting guidance, DAC 6 has the potential to require disclosure of information in a wide range of circumstances.

In December 2018, the States of Jersey gave a political commitment to the EU Code of Conduct Group (Business Taxation) that it would introduce a mandatory disclosure regime (**MDR**) as a "further transparency measure". There are two recognized models available for the implementation of MDR, being (i) DAC 6 or (ii) the OECD model entitled 'Model Mandatory Disclosure Rules to CRS Avoidance Arrangements and Opaque Offshore Structures' (the "Model Rules"). The Government of Jersey will implement the Model Rules via the Taxation (Implementation) (International Tax Compliance) (Mandatory Disclosure Rules for CRS Avoidance Arrangements and Opaque Offshore Structures (Jersey) Regulations 2020 which are expected to be implemented in 2023. The Model Rules will require any person who is an "intermediary" or "reportable tax payer" to make certain disclosure in respect of cross-border arrangements or structures that possess certain features. The Government of Jersey is consulting with industry in order to publish guidance on which arrangements or structures it is reasonable to conclude fall out of scope. MDR has the potential to require disclosure of information in a wide range of circumstances.

### **OECD consultations on changes in tax law**

Prospective investors in the Fund should be aware that the OECD published its Action Plan on Base Erosion and Profit Shifting (otherwise known as BEPS) in 2013, the final reports were published on 5 October 2015 and jurisdictions are continuing to consider their response. Depending on how BEPS is introduced, changes to tax laws based on recommendations made by the OECD in relation to BEPS may, for example, result in: the restriction or loss of existing access by the Fund to tax relief under applicable double taxation agreements; the creation of a permanent establishment of the Fund or of investors in the Fund within a certain jurisdiction; or restrictions on permitted levels of deductibility of expenses (such as interest) for tax purposes. Such effects could lead to additional tax being suffered by the Fund, which may adversely affect the value of the investments held by investors in the Fund. There could also be additional tax reporting and disclosure obligations for investors.

In June 2016, Jersey became a BEPS Associate and a member of the BEPS inclusive framework, which allows Jersey to contribute to the overall development of the BEPS project.

### **Economic Substance**

The Taxation (Companies – Economic Substance) (Jersey) Law 2019 came into force on 1 January 2019 and was amended by the Taxation (Companies – Economic Substance) (Amendment No.2) (Jersey) Law 2021 (the **Companies Substance Law**). The Taxation (Partnerships – Economic Substance) (Jersey) Law 2021 came into force on 1 July 2021 (the **Partnerships Substance Law**). The Partnerships Substance Law together with the Companies Substance Law (the **Substance Laws**) are designed to ensure that profits of companies or partnerships that are tax resident in Jersey are commensurate with such entities' economic activities and presence in Jersey.

The Substance Laws address the concerns of the EU Code of Conduct Group (Business Taxation) regarding economic substance raised as part of the BEPS project. On 12 March 2019, the EU Council placed Jersey on the "White List" recognising it as being cooperative and having fulfilled its commitments given in 2017.

The Substance Laws require that a Jersey tax resident company or partnership conducting relevant activities from which it receives gross income must satisfy the economic substance tests set out in the relevant Substance Law. One of the relevant activities within the scope of the Substance Laws is fund management and, accordingly, the Manager will be required to satisfy the substance tests.

The Fund is out of scope of the Substance Laws as business conducted by a collective investment fund (as defined in the Collective Investment Fund (Jersey) Law 1988) that would be a collective investment fund were it not for the offer of units in the fund not being considered to be an offer to the public (as construed in accordance with Article 3 of the Collective Investment Funds (Jersey) Law 1988) is not a relevant activity for the purposes of either of the Substance Laws.

The Substance Laws provide progressive sanctions for non-compliance including financial penalties, disclosure and, for certain types of entities, the ability for the Minister to seek the winding up of the company/partnership.

## **8 RISK FACTORS**

An investment in the Fund entails substantial risks. Those risks include the ones listed below but there may be others. In ascertaining whether an investment in the Fund is suitable for it, a prospective investor should carefully consider the following risk factors, amongst others.

### **8.1 General Risks**

- (a) There is no assurance that the investment objectives of the Fund will actually be achieved.
- (b) It should be remembered that the value of the underlying investments of the Class Funds can fall as well as rise. This means that the value of Units can go down as well as up.
- (c) Investors are reminded that an investment in a currency other than their own (directly or indirectly) may expose them to a foreign exchange risk.
- (d) If an investment in the Fund is redeemed at an early stage, the Preliminary Charge paid upon purchase of Units may exceed any return on the investment in which case the investor will not receive the full amount of their original investment.
- (e) Should any of the underlying investments of the Fund and the Class Funds go into liquidation or perform poorly, this will have a negative impact on the Subscription Price and it is likely that investors will not receive back the full value of their original investment.
- (f) On a redemption of Units investors may not receive the amount that they originally invested.

### **8.2 Market Price and Credit Risk**

Market price and credit risk arises mainly from uncertainty about future prices of financial instruments and credit ratings of debt issuers used in the Fund's business. It represents the potential loss the Fund may suffer through price, exchange rate and credit rating movements on its investments.

### **8.3 Interest Rate Risk**

The Fund is exposed to interest rate risk as certain instruments held within the Fund (directly or indirectly) are short and long term fixed interest investments.

### **8.4 Foreign Currency Risk**

The Fund's principal exposure to foreign currency risk comprises its investments priced in currencies other than the reference currency of the particular Class Fund. At present, it is not the Fund's policy to hedge at the Fund level against these currency risks although the underlying investment may adopt such strategies.

### **8.5 Liquidity Risk**



Unitholders have the right to redeem their Units in the Fund in accordance with the procedures detailed in this Prospectus. In order to meet its obligations, the Fund would be required to sell investments held in a particular Class Fund. There is a risk that the Fund might not be able to fully repay amounts demanded by its Unitholders.

#### **8.6 Risks relating to payment of fees by redemption of Units**

Where Unitholders pay any fees in relation to the Fund pursuant to this Prospectus by way of redemption of their Units, the level of their holding of Units within the relevant Class Fund will diminish on an ongoing basis. Where Unitholders within the same Class Fund are paying different levels of fees, dilution will occur whereby a Unitholder's number of undivided shares in the property of the relevant Class Fund represented by the Units held by them will diminish disproportionately relative to other Unitholders in the relevant Class Fund from time to time as each Unitholder in the Class Fund would not be redeeming the same proportion of their Units at the relevant time in order to pay the relevant fees. Unitholders who pay fees in this way may be forced to redeem their entire holding where the payment of fees in this manner means that the value of Units they hold in a relevant Class Fund falls below any specified minimum holding level.

#### **8.7 Risk factors specific to the investment objective and strategies of Class Funds**

The Schedule for each Class Fund also describes (where relevant) certain specific risk factors that are relevant to the investment objective and strategies of each such Class Fund.

#### **8.8 Risk due to the Fund's structure**

##### **(a) Dependence on key personnel**

The Fund's investment activities depend on the experience and expertise of the principals of the Investment Adviser and the Manager. If a principal leaves the Investment Adviser or the Manager, this may have a material adverse effect on the Fund's operations.

##### **(b) Illiquidity of Units**

Redemptions may be subject to certain charges, to a lock-up period or an overall limit of a percentage of the Net Asset Value of the Fund or a Class Fund at any one time.

##### **(c) Possible effect of substantial redemptions**

If a substantial number of Units are redeemed at one time, the Fund may have to liquidate its positions more rapidly than otherwise desired in order to raise the cash necessary to fund those redemptions. The Fund may find it difficult to liquidate its positions on favourable terms if some of the securities it holds are illiquid. This could result in losses or a decrease in the Net Asset Value of the Fund.

If the Manager determines that it is inadvisable to liquidate portfolio assets for the purpose of redeeming Units, the Fund is allowed to borrow the cash necessary for that purpose. The Fund may also pledge portfolio assets as collateral security for the repayment of that borrowing. In these circumstances, the continuing Unitholders will bear the risk of any subsequent decline in the value of the Fund's assets.

(d) **Nature of regulatory oversight**

Although the Fund is an unclassified fund under the Law in Jersey, it does not intend to register under the laws of any other jurisdiction. Certain Class Funds have been approved by the Financial Sector Conduct Authority of South Africa to be solicited to members of the public of the Republic of South Africa.

As a consequence, the statutes of certain jurisdictions other than Jersey (which may provide certain other regulatory safeguards to investors) may apply. Please refer to section 12 for more details.

(e) **Limited rights of holders of Units**

An investment in the Fund should be regarded as a passive investment. This is because Unitholders holding Units have no right to participate in the day-to-day operations of the Fund. Consequently, they have limited control over the management of the Fund or over the appointment and removal of its Directors and service providers.

(f) **Valuation of the Fund's investments**

Valuation of the Fund's securities and other investments may involve uncertainties and judgmental determinations. If a valuation is incorrect, the Net Asset Value per Unit may be adversely affected. Independent pricing information about some of the Fund's securities and other investments may not always be available. However, valuations will be made in good faith in accordance with the Trust Deed.

If the value assigned by the Fund to an investment differs from its actual value, the Net Asset Value per Unit may be either understated or overstated to the extent of that difference. Consequently, if the actual value of some of the Fund's investments is higher than the value assigned to them, a Unitholder holding Units who redeems all or part of its Units while they are so undervalued may be paid less than if they were correctly valued. Conversely, if the actual value of some of the Fund's investments is lower than the value assigned to them, the Unitholder may, in effect, be overpaid.

Furthermore, an investment in the Fund by a new Unitholder (or an additional investment by an existing Unitholder) may dilute the value of the Fund's investments for the other Unitholders if those investments are undervalued. Conversely, a new Unitholder (or an existing Unitholder who makes an additional investment) could pay too much if the Fund's investments are overvalued by the Fund. If either of these scenarios happens, the Fund does not intend to adjust the Net Asset Value per Unit retroactively.

Additionally, as the fees of a number of the Fund's service providers are tied to the Fund's Net Asset Value per Unit, any discrepancy in valuation may result in overpayment or underpayment to those service providers.

None of the Directors, nor the Fund, the Trustee, the Custodian, the Investment Adviser, the Manager or the Fund Administrator or the Registrar will be liable if a price or valuation used in good faith in connection with any of the above procedures, later proves to be incorrect or inaccurate.

(g) **No separate counsel**

As at the date of this Prospectus, Ogier acts as legal counsel to the Fund. No separate counsel has been retained to act on behalf of the Unitholders or any Directors. This Prospectus is based on information furnished by the Manager, the Trustee and the Investment Adviser. Ogier has not independently verified that information.

**8.9 Investment and trading risks**

(a) **Overall investment risk**

All investments in securities risk the loss of capital. There may be increased risk due to the nature of the securities to be purchased and (where relevant) traded by the Fund and the investment techniques and strategies used to try to increase profits. While the Investment Adviser and Manager will devote their best efforts to the management of the Fund's portfolio, it cannot give an assurance that the Fund will not incur losses. Many unforeseeable events, including actions by various government agencies and domestic and international political events, may cause sharp market fluctuations.

From time to time, macro-economic events such as the Global Financial Crisis, COVID 19, and other geopolitical events can result in global markets experiencing significant volatility. These events can cause increased credit and valuation problems in debt markets and the mass liquidation of investment portfolios across all markets, among other factors, generating extreme volatility and illiquidity in worldwide capital markets. The duration and ultimate effect of market conditions cannot be predicted, nor is it known whether, or the degree to which, such conditions may worsen. Such declines could prevent the Fund from successfully executing the Fund's investment strategy or may require the Fund to dispose of investments at a loss while such adverse market conditions prevail.

(b) **Investment Values**

Units in the Fund and some of its investments are valued according to the market value of the underlying assets to which they correspond. The value of these interests can fall as well as rise as can the value of Units in the Fund.

(c) **Trading Risks**

One or more markets in which the Fund or its underlying investments trades may move against the positions held by it, thereby causing substantial losses. Government policies, especially those of foreign central banks, have profound effects on interest and exchange rates which, in turn, affect the value of the investments made by the Fund.

(d) **International considerations**

The Fund will be subject to fiscal and taxation policies, regulatory regimes including securities regulations, market and settlement practices and sovereign and political risks of the countries in which the Fund invests.

(e) **Past performance**

Market conditions and trading approaches are continually changing and the fact that the Manager or the Investment Adviser or any underlying investments were successful in the past is not a guide to future performance.

(f) **Trading in Derivatives**

In order to hedge its investments, the Fund may invest a portion of its assets in certain types of derivatives and related instruments as tools in the management of its assets. A derivative is a security or other instrument, which derives its value from the value or performance of other instruments or assets, interest or currency exchange rates, or indexes. Derivative products include futures contracts, options, forward contracts, structured notes and various other over-the-counter instruments. While many of the risks of holding derivatives are related to the risks of holding the underlying instrument, the structure of the derivatives may result in these risks being magnified.

(g) **Lack of Liquidity**

By reason of the Fund's investment philosophy and strategies, the majority of the Fund's portfolio is expected to comprise securities and investments which are actively and widely traded however there may be occasions when this is not the case. Consequently, in that event it may be relatively difficult for the Fund to dispose of such investments rapidly at favourable prices, in connection with redemption requests, adverse market developments or other factors. Unforeseen events can result in abnormal periods of lower market liquidity which can hamper the efforts of the Fund to, among other things, liquidate investments. In this case, the Directors may determine that it is necessary to suspend redemptions from the Fund.

(h) **Dividends and Distributions**

The Fund does not presently intend to pay dividends or other distributions.

(i) **Effects of Substantial Redemptions**

Substantial redemptions of Units by Unitholders of the Fund within a limited period of time could require the Fund to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of both the Units being redeemed and the remaining outstanding Units. In addition, regardless of the period of time in which redemptions occur, the resulting reduction in the Fund's assets could make it more difficult for the Fund to generate a positive rate of return or recoup losses due to a reduced equity base.

(j) **In-kind distributions**

A redeeming Unitholder may, with the approval of the Manager, and either an Extraordinary Resolution or the approval of the Trustee, receive investments owned by the Fund in lieu of or in combination with cash. The value of investments distributed may increase or decrease before the investments can be sold, and the investor will incur transaction costs in connection with the sale of those investments.

Additionally, investments distributed to a Unitholder in connection with a redemption may not be readily marketable. In those circumstances, the investor bears the risk of loss and delay in liquidating those investments, with the result that it may ultimately receive less cash than it would otherwise have received if it had been paid in cash alone for its Units on the date of redemption.

(k) **No Segregation between Classes**

Assets of the Fund are divided between different classes of Units that are separately subscribed by Unitholders. Assets of each Class Fund may be invested separately in different portfolios and asset classes so that the performance in one Class Fund may not necessarily have any correlation to the performance of any of the others. Accordingly Unitholders in one Class Fund will not participate in profits of another Class Fund. Subject to the statements immediately following, losses attributed to a Class Fund will be satisfied by the Class Fund that incurred the losses. In the event, however, that the assets of a Class Fund are unable to satisfy the liabilities incurred to that Class Fund, creditors or interested parties with a right to collect on the liabilities have a right to proceed against the general assets of the Fund which shall include the assets of the other Class Funds. The assets of each of the Class Funds are therefore not segregated or ring-fenced, so that liabilities of one class are liabilities of the Fund as a whole.

(l) **Lack of Regular Cash Flow**

The Manager does not anticipate regular cash flow distributions from the investments to the Fund. The primary source of cash flow to investors of the Fund may be upon the disposition of any of the portfolio investments and investors should not anticipate regular operating cash flow from Fund investments.

(m) **Regulatory Risks for Investment Funds**

The regulatory environment for investment funds is evolving and changes therein may adversely affect the ability of the Fund to pursue its investment strategies. In addition, the regulatory or tax environment for derivative and related instruments and funds generally is evolving and may be subject to modification by government or judicial action which may adversely affect the value of the investments held by the Fund. The effect of any future regulatory or tax change on the Fund is impossible to predict and may adversely affect the Fund.

(n) **Risks of executing investment strategies**

The Fund will invest in a number of securities and obligations that entail substantial inherent risks. Although the Fund will attempt to manage those risks through careful research, ongoing monitoring of investments and appropriate hedging techniques, there is no assurance that the securities and other instruments purchased by the Fund will increase in value or that the Fund will not incur significant losses.

(o) **Market risks and liquidity**

In large measure the profitability of a significant portion of the Fund's investment program depends on correctly assessing the future course of the price movements of

securities and other investments. There is no assurance that the Fund will be able to accurately predict those price movements. Although the Fund may attempt to mitigate market risk, there is always some and occasionally a significant degree of market risk.

Furthermore, the Fund may be adversely affected by a decrease in market liquidity for instruments in which it invests, which may impair its ability to adjust its position. The size of the Fund's positions may magnify the effect of a decrease in market liquidity for those instruments. Changes in overall market leverage, de-leveraging or the liquidation by other market participants of the same or similar positions, may also adversely affect the Fund's portfolio. Some of the underlying investments of the Fund may not be actively traded and there may be uncertainties involved in valuing those investments. Potential investors are warned that under those circumstances, the Net Asset Value of the Fund may be adversely affected.

**(p) Risks of global investing**

The Fund invests (directly and indirectly) throughout the world and in various markets throughout the world. As a result, the Fund is subject to risks relating to the following:

- (i) currency exchange matters, including fluctuations in the rate of exchange between the Base Currency of each Class Fund and various other currencies in which its investments may be denominated, and costs associated with converting investment principal and income from one currency into another;
- (ii) securities of companies in some countries may be illiquid and their prices volatile;
- (iii) certain types of investments may result in higher than normal custodial and currency conversion risk; and
- (iv) the possible imposition of withholding taxes on income received from the issuer of, or gains with respect to, those investments.

In addition, investing in some of these capital markets involves factors that may not typically be associated with investing in established securities markets. These include risks relating to the following:

- (i) differences between markets, including potential price volatility in and relative illiquidity of some securities markets;
- (ii) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements, and less governmental supervision and regulation; and
- (iii) certain economic and political risks, including adverse political and economic developments, potential exchange control regulations or restrictions on investment and repatriation of earnings or capital, expropriation and nationalisation or other government restrictions.

**(q) Currency risks**

Part of the Fund's assets may be invested in securities denominated in various currencies and in other financial instruments, the price of which will be determined with reference to those currencies. Nonetheless, the accounts of each Class Fund will be valued in the applicable currency of that Class Fund. To the extent they are not hedged, the value of the Fund's net assets will fluctuate with currency exchange rates as well as with price changes of its investments in the various local markets and currencies. There is no guarantee that strategies to mitigate such risk will be effective and residual or underlying risk may still remain regardless of the strategy chosen. Returns to investors will be paid in the currency invested. Investors will consequently bear the currency risk.

(r) **Counterparty and settlement risk**

Due to the nature of some of the investments that the Fund may make, the Fund may rely on the ability of the counterparty to a transaction to perform its obligations. If that party fails to complete its obligations for any reason, the Fund may suffer losses and therefore be exposed to a credit risk on the counterparties with which it trades. The Fund will also bear the risk of settlement default by clearing houses and exchanges. A default by a counterparty or a default on settlement could have a material adverse effect on the Fund.

(s) **Borrowing**

The Fund is permitted to arrange borrowing in limited circumstances. The Fund may be adversely affected by the costs of such borrowing for the purposes of redemptions if assets cannot be liquidated in a reasonable period to repay such borrowing.

(t) **Trading Errors**

The Fund will bear the financial consequences of all trade errors including, but not limited to, a technology error or malfunction in the computers, networks, and systems used by the Investment Adviser, the Fund Administrator, the Trustee, the Custodian and their respective employees, agents, affiliates, counter-parties and service providers. The Investment Adviser, the Fund Administrator, the Trustee, the Custodian and their respective employees, agents, affiliates, counter-parties and service providers will take all reasonable measures to ensure that trade errors do not occur and will monitor and document all trade errors but Unitholders must be prepared to bear the cost of a trade error.

(u) **Sustainability Risk**

An environmental, social or governance event or condition could give rise to an actual or potential material negative impact on the value of investments. Consideration of ESG factors in ongoing risk management and portfolio monitoring for the Class Funds can provide useful insights into the potential impact of Sustainability Risks on investment returns which may be used to inform portfolio construction and investment decision-making.

While the Investment Adviser and Manager will devote their best efforts to the management of these risks it cannot give an assurance that the Fund will not incur losses which may reduce the value of the returns of a Class Fund.

## 8.10 Fund of Funds/Feeder Funds Risk Factors

### (a) Business Operations of the Underlying Funds

The Manager will not always have control of the business operations of the underlying funds. Consequently, there is a risk of material changes occurring to the underlying funds or their constitutional documents (including any prospectus issued by them) which the Manager cannot control. There is also a risk of fraud or other malefaction.

In addition to the risks described in this section 8, Class Funds that will be investing wholly in a single underlying fund (as further detailed in the Schedules) are also subject to the risks described in any prospectus issued in relation to that underlying fund. A prospective investor should therefore review and carefully consider any such prospectus (which is available from the Manager upon written request) when ascertaining whether an investment in the relevant Class Fund is suitable for it.

### (b) Valuation of Underlying Funds

The valuation of underlying funds is undertaken by the managers/administrators of those funds and may contain interim valuations or estimates. The actual valuations that transpire may vary.

### (c) Foreign Currency Exposure

While foreign currency exposures of the underlying investments are actively managed, the underlying funds may be exposed to adverse exchange rate fluctuations resulting from unhedged currency exposures, which may at times be substantial.

### (d) Reliance on Key Personnel

The performance of the underlying funds depends on the expertise and investment decisions of the managers of the underlying funds, and their staff.

### (e) Limitations of Hedging Techniques

The underlying funds may employ various hedging techniques with a view to managing the risk of investment positions. A substantial risk remains nonetheless that such techniques will not always be available and, when available, will not always be effective in limiting losses or locking in profits. As a result of their hedging strategies, the underlying funds may under-perform the market in which they invest during rising market conditions.

### (f) Derivatives

The underlying funds may trade in derivative securities. Derivatives are financial instruments and contracts (including options and futures) whose value is linked to an underlying financial instrument. While many of the risks of holding derivatives are



related to the risks of holding the underlying instrument, the structure of the derivatives may result in these risks being magnified.

**(g) High Yield Securities**

Where a Class Fund or underlying fund may invest in high yield bonds, such bonds are riskier than investment grade bonds. Yields and prices of high yield securities may be more volatile.

**(h) Small Cap Stocks/Special Events**

The underlying funds may invest in the securities of small to mid-cap and/or financially distressed companies, which can be more volatile than the securities of larger and more stable companies.

**(i) Company and sector considerations**

Security prices are influenced by a range of company-specific factors, including financial performance and the quality of management, as well as the general prospects of the industry sector in which a company operates. Unexpected changes can have a detrimental impact on security prices which in turn affect the performance of the funds' investments.

**(j) Risk of Special Techniques used by Underlying Funds and Managers**

The underlying investment managers may use special investment techniques that may subject the Fund to certain risks. Some, but not all, of these techniques and the risks that they entail are summarised below:

**(k) Risks of Options Trading**

To enhance performance by hedging the portfolio, an underlying fund investment manager may without limitation, write, purchase and sell covered and uncovered call and put options on securities and stock indexes. Both the purchasing and selling of call and put options entail risks. Although an option buyer's risk is limited to the amount of the purchase price of the option, an investment in an option may be subject to greater fluctuation than an investment in the underlying securities. In theory, an uncovered call writer's loss is potentially unlimited, but in practice the loss is limited by the term of the existence of the call. The risk for the writer of a put option is that the price of the underlying security may fall below the exercise price. Because the value of an index option depends upon movements in the level of the index rather than the price of a particular stock, realising a gain or loss from the purchase or writing of options on an index depends upon movements in the level of stock prices in the stock generally, rather than movements in the price of a particular stock. Successful use by an investment manager depends on its ability to predict correctly movements in the direction of the stock market.

**(l) Risk of Investing in Illiquid Securities**

The investment managers may invest in illiquid securities in which there may be no available market for the buying or selling of the securities. In addition, there is great

difficulty in estimating a fair market value price of the restricted securities, which affect the Net Asset Value of the Fund, and consequently the price at which Units of the Fund are purchased, redeemed and transferred.

(m) **Concentration Risk**

In addition to the risks described in this section 8, where a Class Fund invests a substantial portion of its assets in a single underlying fund, the Class Fund will be exposed to a greater concentration of risks associated with that underlying fund.

Unforeseen events arising within an underlying fund can hamper the efforts of the Fund to, among other things, liquidate investments. In this case, the Manager may determine that it is necessary to suspend redemptions from the Fund.

**8.11 Custody related risks**

- (a) The Custodian may pool the assets of the Fund with other property of the same type belonging to the other clients of the Custodian. It may not pool the assets of the Fund with its own property except when settling transactions for the Fund. Entitlements of the Fund to assets of the Fund in a pool may not be identifiable by separate certificates or other physical documents and if the Custodian defaults in its obligations under the custody services delegation agreement/global custody agreement or under any equivalent agreement with other clients whose assets are included in the same pool and does not remedy that default, then any shortfall in any type of asset (other than client money) belonging to the Fund and various other clients of the Custodian may be shared pro rata among all clients for whom the Custodian holds such assets and any client money held in a protected account may be held and applied in to meet the claims of clients;
- (b) All securities in registered form are to be registered on trust for the Fund in the name of such nominee company as may be nominated by the Custodian or its sub-custodian from time to time;
- (c) In certain circumstances securities may be registered in the name of a sub-custodian or a depository. Where securities are registered or recorded in this manner, they may not be physically segregated from the assets of the sub-custodian or depository and in the event of insolvency of the sub-custodian or depository (as applicable) the Fund's assets may not be as well protected from claims made by the creditors of the sub-custodian or its nominee or depository;
- (d) Fund property held in or through any depository will be held subject to the rules of the depository concerned and may consist only of a contractual claim against the depository where the asset of the Fund is not evidenced by an underlying document of title; and
- (e) The Custodian may appoint a sub-custodian and may delegate all or any of its functions and powers to a sub-custodian. The Custodian will exercise reasonable care in its selection, continued use and the terms of appointment of any sub-custodian but will be treated as having exercised all reasonable care if the terms of the appointment either are not materially less protective of the Fund's interests than

the terms of the global custody agreement between the Fund acting by the Trustee and the Custodian, or have been approved by the Fund acting by the Trustee.

**8.12 Effectiveness of separate sub-trusts and segregation of assets**

A trust insolvency is a matter within the discretion of the Jersey Courts and the effectiveness of any provisions of the Trust Deed purporting to constitute separate sub-trusts in relation to Class Funds and a decision of the Jersey Courts in relation to whether the assets of one Class Fund could be used to settle the liabilities of another Class Fund or whether there would be effective segregation between Class Funds on the insolvency of one or more Class Funds cannot not be guaranteed.

**8.13 Risk factor warning**

**THE RISK FACTORS SET OUT IN THIS PROSPECTUS DO NOT PURPORT TO BE EXHAUSTIVE OR COMPLETE. NOR DOES IT PURPORT TO BE AN ENTIRE EXPLANATION OF THE RISKS INVOLVED IN AN INVESTMENT IN THE FUND. A PROSPECTIVE INVESTOR SHOULD BE AWARE THAT AN INVESTMENT IN THE FUND OR ANY CLASS FUND MAY BE EXPOSED TO RISKS OF AN EXCEPTIONAL NATURE FROM TIME TO TIME AND SHOULD READ THIS PROSPECTUS IN ITS ENTIRETY AS WELL AS CONSULT WITH ITS OWN LEGAL, TAX AND FINANCIAL ADVISERS BEFORE DECIDING TO INVEST IN THE FUND.**

## **9 POTENTIAL CONFLICTS OF INTEREST**

### **9.1 General potential conflicts of interest**

The Investment Adviser, the Manager, the Fund Administrator, the Trustee, the Custodian, the Registrar, their respective directors and Associates, the Directors and any other custodian acting in respect of the Fund, may act for, or be involved with, other clients or collective investment vehicles including those that have similar investment objectives to those of the Fund. They may acquire, hold or deal with for its own account or for the account of any customer or other person and in its own name or in the name of such customer or person or of a nominee any Units for the time being issued by the Fund and any investments of the Fund, notwithstanding that investments of the same type may be held by the Trustee for the account of the Fund. Capacities in which one or more of them may act for, or be involved with, other clients or collective investment vehicles may include (without limitation): as a director, distributor, promoter, manager, investment manager, investment adviser, registrar, transfer agent, administrator, trustee, custodian, broker, director and placing agent. Similarly, one or more of them may provide discretionary fund management or ancillary administration, custodian or brokerage services to investors with similar investment objectives to those of the Fund. Consequently, any of them may, in the course of their business, have potential conflicts of interests with the Fund. If a potential conflict arises, so far as practicable, each will have regard to its obligation to act in the best interests of the Unitholders, having regard to its obligations to other clients, when undertaking investments. Further, each will endeavour to resolve any conflicts fairly. The property of the Fund may be invested in the units of funds which are managed by a person who carries on fund services business in relation to the Fund or by an associate of such a person.

### **9.2 The Investment Adviser**

The Investment Adviser has been formed to engage in the business of discretionary investment management and advising client investors, including other investment vehicles, in the purchase and sale of securities and financial instruments. They are responsible for advising the Fund and may also be advising or managing other accounts. In doing so it may use the same or different information and trading strategies that it obtains, produces or utilises in the performance of services for the Fund.

The Investment Adviser may have conflicts of interest in rendering advice because its compensation for managing and advising other accounts exceeds its compensation for advising the Fund, thus providing an incentive to prefer the other accounts. Moreover, if the Investment Adviser makes trading decisions for other accounts at or about the same time it makes trading decisions for the Fund, the Fund may be competing with those other accounts for the same or similar positions. The Investment Adviser will endeavour to allocate all investment opportunities on a fair and equitable basis between the Fund and those other accounts.

The Investment Adviser may also invest some of the Fund's assets in other investment vehicles that it or its affiliates may also manage. The Investment Adviser may also earn marketing fees directly in respect of investments in which the Fund invests. Any such fees will not be an expense to Unitholders.

The class funds identified by schedules 1 - 7 are promoted by the Investment Adviser which is also the Fund Administrator. The class funds identified by schedules 8 - 13 are promoted by the Manager. The ultimate holding company of the Registrar, the Manager, the Investment Adviser and the Fund Administrator is the same entity, namely Alexander Forbes Group Holdings Limited. Accordingly, the selection of the Manager, the Investment Adviser and the Fund Administrator and the terms of each of their appointments, including the fees payable to each of them, are not the result of arms-length negotiations. However, the Directors believe that the fees, commissions and compensation payable to the fund service providers of the Fund are consistent with normal market rates for investment funds of a similar type to the Fund.

From time to time, the Investment Adviser may come into possession of non-public information concerning specific investments even though internal structures are in place to prevent it from receiving such information. Under applicable laws, this may limit the Investment Adviser and the Manager flexibility to buy or sell investments. The Fund's investment flexibility may be constrained due to the Investment Adviser and the Manager's inability to use such information for investment purposes.

The Investment Adviser and/or any Associate shall be deemed not to be affected with notice of or to be under any duty to disclose to the Manager or the Trustee any fact or thing which may come to the knowledge of the Investment Adviser or any servant or agent of the Investment Adviser otherwise than in the course of carrying out its duties in respect of the Fund.

Neither the Investment Adviser, nor any Associate shall be liable to account to the Manager, the Trustee, the Unitholders or any of them for any profits or benefits made by or derived from or in connection with any transaction carried out for other clients in compliance with the terms of the Investment Advisory Agreement.

### **9.3 Interests of certain financial intermediaries**

The Manager (in its own capacity and not on behalf of the Fund) may pay any third party or intermediary any or all of the fees received by the Manager (in its own capacity) as described herein as introductory fees, brokerage, commission or otherwise, provided that such payments are in accordance with any applicable law. Such intermediaries may include Associates of the Manager and the Fund Administrator, the Investment Adviser and the Registrar. In particular, subject to any applicable law, the Manager may rebate all or any part of the Preliminary Charge or any other fees received by it to financial intermediaries.

### **9.4 Interests of certain Directors**

Peter Rondel and Adrian Peacock are Directors as well as directors of the Registrar. The fiduciary duty of the Directors to the Fund may compete with or be different from the interests of the Investment Adviser. Only the Directors may terminate the services of the Investment Adviser and other agents of the Fund.

### **9.5 Duties of the Directors**

At all times so far as practicable the Directors will have regard to their obligations to act in the best interests of the Fund and its Unitholders and will seek to ensure that any conflict of interest is resolved fairly and in the interests of the Fund and its Unitholders.

#### 9.6 **Dealings with service providers and their affiliates and Associates**

The Fund is not prevented from entering into transactions with any fund services provider to the Fund or any of their affiliates or Associates so long as those transactions are carried out as if they were made on commercial terms negotiated at arm's length. In particular, any transaction between the Fund and a fund services provider to the Fund or the directors or any connected person thereof may only be made with the prior written consent of the Trustee.

Subject to receiving any necessary prior written consent of the Trustee, the Investment Adviser, any of its affiliates or Associates or respective directors thereof (hereinafter called an **Interested Party**) shall not be prevented from:

- becoming the owner of units in the Fund and holding, disposing of or otherwise dealing with the same with the same rights which it would have had if the Investment Adviser was not a party to this Agreement;
- contracting or entering into any financial, banking or other transaction with the Fund or any Unitholder or any company or body any of whose securities are held by or for the account of or otherwise connected with the Fund or from being interested in any such transaction and the Interested Party shall not be called upon to account in respect of any such contract or transaction or benefit derived therefrom by virtue only of the relationship between the parties concerned and the Interested Party shall be entitled to retain for its own benefit any profit or benefit derived therefrom provided that an Interested Party shall not be permitted to enter into any such contract or transaction with the Fund unless (i) the terms thereof are no less beneficial to the Fund than those which would have been applicable to such contract or transaction effected or entered into on the same day by some person other than an Interested Party and (ii) the Trustee of the Fund has been notified of the involvement of the interested party in such contract or transaction and the Trustee has resolved to approve such involvement, either generally or in any particular case or cases, and (iii) the Interested Party complies with any applicable rules and regulations of any regulatory body of which it is a member; or
- completing a transaction pursuant to a contract effected in the normal manner on a stock exchange or otherwise where the purchaser or vendor is undisclosed at the time.

The Investment Adviser may buy, hold and deal in any investments upon its own account notwithstanding that the same or similar investments may be held by or for the account of the Fund provided that where the Fund purchases any asset from or sells any asset to any member of the Investment Adviser's group, whether that member of the Investment Adviser's group is acting as principal or as agent for any other person, the Fund shall be in no worse position than it would have been in if it had effected that transaction on the open market and in each case on the terms which are the best available on the relevant market at the time for transactions of the same size and nature with a reliable counterparty.

The Investment Adviser and any member of its group shall be subject to the same dealing restrictions in the units of the Fund as those imposed on the Trustees in accordance with the Trust Deed.

## **10 MISCELLANEOUS**

### **10.1 Meetings and notices**

The Trustee or the Manager may respectively, and the Manager shall, if so requested by Unitholders registered as holding not less than one tenth of the Units then registered, call a meeting of the Unitholders which will be held in Jersey.

At least 21 days' notice (exclusive of the day on which notice is served and the day for which notice is given) is required, specifying the place, date and time on the meeting and the terms of the resolution(s) to be proposed. Shorter notice may be given with the written consent of at least ninety per cent (90%) of the Units in issue or deemed to be in issue at the date of the proposed meeting or in the event of an adjourned meeting. The accidental failure to give notice to or the non-receipt of notice by any Unitholders shall not invalidate the proceedings at any meeting.

A Unitholder present, either in person or by proxy, at any meeting of Unitholders or of the holders of any class of Units shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

The quorum at any meeting of Unitholders shall be Unitholders present in person or by proxy registered as holding one tenth of all Units for the time being in issue ascertained for these purposes at the date of the relevant meeting.

Where, at any meeting of Unitholders, a vote is decided on a show of hands, every Unitholder who (being an individual) is present in person or (being a corporation) is present by one of its officers as its representative has one vote. A poll may be demanded by the chairman or by one or more Unitholders present in person or by proxy registered as holding in the aggregate not less than one twentieth of all the Units for the time being in issue. On a poll, every Unitholder who is present in person or by proxy or by representative has one vote for every Unit of which he or it is the holder.

Unitholders may appoint a proxy in accordance with the terms of the Trust Deed. A person appointed to act as a proxy need not be a Unitholder.

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

Unitholders may pass a resolution in writing without holding a meeting pursuant to the terms of the Trust Deed. A resolution in writing executed by or on behalf of each Unitholder who would have been entitled to vote on it if it had been proposed at a meeting at which he was present shall be as effectual as if it had been passed at a meeting duly convened and held.

The Manager (if a Unitholder) or any Associate thereof shall be entitled to attend any meeting but shall not be entitled to vote at or be counted in the quorum, unless holding such Units as a nominee for a Unitholder or acting as proxy. The Trustee, the Manager, the Auditors and their respective advocates or solicitors shall be entitled to attend and be heard at any such meeting.



Except where an **Extraordinary Resolution** (as defined below) is expressed, required by the Trust Deed, all questions arising at a meeting shall be determined by Ordinary Resolution (as defined below).

An Ordinary Resolution is required to be passed by a simple majority of Unitholders present and voting (if on a show of hands) or by a majority consisting of not less than 50% of the votes cast (if on a poll). An Extraordinary Resolution is required to be passed by a majority of not less than 75% of the Unitholders present and voting (if on a show of hands) or by a majority consisting of not less than 75% of the votes cast (if on a poll).

The above provisions apply mutatis mutandis to meetings of Unitholders in respect of Units in a particular Class Fund.

## 10.2 **Accounts and Reports**

The accounting dates of each Class Fund are set out in the Schedules hereto. The accounts of each Class Fund will be prepared in accordance with generally accepted accounting principles and practice in Jersey and in the Base Currency of each Class Fund. Copies of the audited accounts (including the report by the Fund's auditors) of each Class Fund for each accounting period and the unaudited reports for each interim accounting period will not be sent to holders of Units of that Class Fund unless they so request in writing in which case they will be posted to their registered addresses within four months of the relevant accounting date or interim accounting date (as the case may be). Copies of the annual and interim reports and accounts of each Class Fund may be obtained free of charge by Unitholders or prospective investors on request from the Manager.

## 10.3 **The Trust Deed**

### **Indemnities and limitation of liability**

Under the terms of the Trust Deed, neither the Trustee nor the Manager (including their agents and employees) are liable for liabilities, obligations, losses (including, without limitation, losses arising out of delay, misdelivery or error in the transmission of any letter, cable, e-mail, telephonic communication, telephone, facsimile transmission or other electronic transmission in a readable form), damages, actions, proceedings, suits, costs and expenses (including without limitation legal expenses) claims and demands (**Liabilities**) suffered by the Fund unless such Liabilities arise from the fraud, wilful default or negligence of the Trustee or the Manager or their respective agents, officers, delegates or employees. The Trustee and the Manager (and their agents, officers, delegates and employees) are indemnified out of the Trust Fund for any liabilities they may incur arising out of the performance of their duties unless due to the fraud, wilful default or negligence of the Trustee or the Manager or their respective agents, officers, delegates or employees (as the case may be).

### **Delegation by the Trustee and the Manager**

The Trustee may, in the performance of its duties employ and pay agents (including any Associate of the Trustee) at the expense of the Trustee to perform or concur in performing any of the Trustee's duties.

The Trustee may at its discretion deposit securities with, and hold securities in, any securities depository and/or entrust the documents of title or documents evidencing title to all or part of the investments of the Fund for safekeeping to another person (not being the Manager or an Associate of the Manager unless such Associate of the Manager is also an Associate of the Trustee) and may arrange for such person(s) to become the registered holder of investments, title to which is in registered form. The Trustee may only entrust such safekeeping to a person or hold securities in any securities depository provided that it was reasonable to employ the person for the function in question, it was reasonable for the Trustee to believe that the person was and remained competent to perform the function in question and the Trustee has taken reasonable care to ensure that the function was undertaken by that person in a competent manner. In this event, the Trustee shall not be responsible for any acts or omissions of that person unless that person is an Associate of the Trustee, in which case the Trustee shall remain responsible for the acts or omissions of such person as though they were the acts or omissions of the Trustee itself.

The Manager may, with the prior written approval of the Trustee, delegate in whole or in part any of its duties, functions, powers and discretions under the Trust Deed to a delegate or other agent and employ and pay any agent (including an Associate of the Manager) at the expense of the Manager to perform or concur in performing any of the duties required to be performed under the Trust Deed.

### **Termination**

Under the terms of the Trust Deed, the Fund will terminate on 1 January 2097 unless, inter alia, the Unitholders resolve by Extraordinary Resolution either to terminate the Fund at an earlier date or to extend the period of the Fund. The Fund may also be terminated in other circumstances under the terms of the Trust Deed, including (without limitation) due to illegality in relation to the continued existence of the Fund, the liquidation or insolvency of the Manager, an un-remedied material breach of the Trust Deed by the Manager or a failure to replace a retiring trustee or a removed or retiring manager. Upon termination, the Trustee shall (at the discretion of the Manager) realise the assets of each Class Fund and, after repaying all borrowings and paying all other costs, charges and liabilities of each Class Fund, distribute the assets of each Class Fund (either in cash or in specie) to the Unitholders of the relevant Class Fund in proportion to the number of Units of that Class Fund held.

Provisions regarding the termination of each Class Fund are also set out in the relevant Schedule for each Class Fund.

### **Amendments to the Trust Deed**

Unitholders may amend the Trust Deed by Extraordinary Resolution. The Manager and Trustee may amend the Trust Deed without an Extraordinary Resolution provided that:

- (a) the Trustee certifies in writing that in its opinion such amendment does not prejudice the interest of the existing Unitholders and does not operate to release the Trustee or the Manager from any responsibility to Unitholders;

- (b) the amendment does not impose any obligation to take any further payment in respect of Units or accept any liability in respect of Units; and
- (c) there is no increase to remuneration payable to the Trustee or Manager.

### **Removal of the Manager and the Trustee**

The Manager can be removed by an Extraordinary Resolution or by the written request of Unitholders holding a seventy-five per cent (75%) majority in number of the Units then in issue and each of the Manager and the Trustee can be removed in any of the following events:

- (a) the property of either the Trustee or the Manager being declared en désastre or going into liquidation (not including voluntary liquidation for the purposes of reconstruction or amalgamation where agreed by the other party) or having a receiver being appointed in respect of any of its assets or if some event having equivalent effect occurs;
- (b) the Trustee or Manager commits an unremedied material breach of the Trust Deed or is guilty of fraud, wilful misconduct or gross negligence; or
- (c) the Trustee or Manager ceases to have the required regulatory authorisation to be the trustee or manager to the Fund.

### **Class Funds and the addition of Class Funds**

Pursuant to the Trust Deed, the Manager may establish Class Funds and issue Units in respect of such Class Funds from time to time and all the assets, income, earnings, liabilities, expenses and costs attributable to each Class Fund shall be segregated and kept separate from all other assets, income, earnings, liabilities, expenses and costs of the Fund and each other Class Fund and the following provisions apply to such Class Funds:

- (a) subject to the terms of the Trust Deed, any consideration received on, and the proceeds from, the allotment and issue of each class of Unit shall be applied in the books of the Fund to the Class Fund established for Units of that class and may be applied in meeting any liabilities and expenditure attributable or allocated to such Class Fund and the assets and liabilities and income and expenditure attributable to such Class Fund shall be applied to that Class Fund and on a redemption of any Unit of a particular class the assets of the Class Fund established for that class of Unit shall be reduced by the amount payable on redemption of such Unit;
- (b) where any asset is derived from another asset (whether cash or otherwise), such derivative asset shall be applied in the books of the Fund to the same Class Fund as the asset from which it was derived and on each revaluation of an investment of a Class Fund, the increase or diminution in value of such investment shall be applied to the relevant Class Fund;
- (c) in the case of any assets of the Fund which the Manager does not consider are attributable to a particular Class Fund of Class Funds, the Manager shall allocate such assets in the books of the Fund between the Class Funds in such manner and

on such bases as it, in its discretion, deems fair and equitable, and the Manager may vary such bases from time to time;

- (d) if, as a result of a creditor proceeding against certain of the assets of the Fund or otherwise, a liability or expense would be borne in a different manner from that in which it would have been borne under paragraphs (a) to (c) above, or in any other circumstances where the Manager in its discretion deems it fair and equitable, the Manager may transfer any assets to and from any of the Class Funds;
- (e) the assets of any Class Fund relating to a particular class of Units may be invested in the Units of any other class of Units provided that there shall be no fees payable to the Manager or the Trustee in respect of any such investment.

The Manager may establish within any class of Units separate denominations of Units as separate series or sub-classes. The denomination of separate series or sub-classes within a class shall not constitute a separate sub-trust or otherwise impact or alter the administration of Class Funds pursuant to the terms of the Trust Deed, save as follows:

- (a) the Manager may maintain such additional books, accounts and records of the Trust in respect of such separate series or sub-classes as the Manager may determine;
- (b) where an existing class of Units is not already denominated into separate series or sub-classes, the Manager may, at its sole and absolute discretion on any Subscription Day for the Class Fund of which the existing class of Units forms part, denominate all or any of such Units into Units of such separate series or sub-class within the existing Class Fund by giving to the relevant Unitholder or its authorised agent a notice in such form as the Manager may from time to time determine and the denomination of such Units detailed in such notice shall be effected in such manner as the Manager shall from time to time determine; and
- (c) the Manager may charge different levels of fees in relation to each such separate series or sub-classes,

**provided that:**

- (d) unless the Trustee shall certify in writing that, in its opinion, such denomination does not prejudice the interests of the then existing Unitholders who are to have their Units so denominated, no denomination of any existing Units into a separate series or sub-class shall be made without the sanction of an Extraordinary Resolution of that class of Units;
- (e) no denomination of any existing Units into a separate series or sub-class shall impose upon any Unitholder any obligation to take any further payment in respect of his Units or to accept any liability in respect thereof; and
- (f) no increase in the remuneration payable to the Manager and Trustee shall be made without the sanction of an Extraordinary Resolution.

#### 10.4 The Investment Advisory Agreement

Under the terms of the Investment Advisory Agreement, the Investment Adviser provides investment advisory services in respect of each Class Fund including, where appropriate:

- (a) assisting the Manager with the recommendation, analysis and monitoring of underlying fund managers acting in relation to each Class Fund and assisting with the negotiation of such fund managers' fees and terms of employment;
- (b) assisting the Manager with the promotion and publicity of each Class Fund and any related materials and presentations (at the request of the Manager); and
- (c) providing regular reports to the Manager on each Class Fund (including fund manager performance data and analysis of such data).

The Investment Adviser is entitled to sub-contract or delegate any of its material duties under the Investment Advisory Agreement to any person with the prior written consent of the Manager and any necessary regulatory consent.

The Investment Advisory Agreement may be terminated:

- (a) by not less than 90 days' written notice by either the Manager or the Investment Adviser;
- (b) immediately by any party giving notice in writing to the other party in the event of:
  - (i) the property of the party notified being declared en désastre or that party becoming bankrupt (as defined in the Interpretation (Jersey) Law 1954) or if that party shall go into liquidation, receivership or an examiner or judicial manager shall be appointed (except for a voluntary liquidation for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the notifying party) or that party being unable to pay its debts as they fall due or commits, makes, suffers, consents to or acquiesces in any offer, act or omission indicative of insolvency or compromise with creditors under the law of any jurisdiction or a receiver, administrator, liquidator, Viscount or similar officer being appointed or some event having equivalent effect occurring wherever in the world;
  - (ii) the Manager's appointment ceases under the Trust Deed;
  - (iii) the other party commits an unremedied material breach of the Investment Advisory Agreement or is guilty of fraud, wilful misconduct or gross negligence in the performance of its duties under the Investment Advisory Agreement; or
  - (iv) the Investment Adviser ceases to have the required registration, approval or consent to be the investment adviser.

The Investment Adviser shall not be liable to the Fund, the Manager or the Trustee for any liabilities, obligations, losses (including without limitation losses arising out of delay, mis-delivery or error in the transmission of any letter, telephonic communication, telephone, facsimile transmission or other electronic transmission in a readable form) damages, actions, proceedings, suits, costs and expenses (including without limitation legal expenses) claims

and demands suffered by the Fund, the Manager or the Trustee in connection with the subject matter of this Agreement except as such may arise from the fraud, wilful default or negligence of the Investment Adviser or its delegates, agents, officers or employees in the discharge of its functions.

#### **10.5 The Resources and Administration Agreement**

Under the terms of the Resources and Administration Agreement, the Manager has appointed the Registrar to provide directors and certain administrative, secretarial, registrar, compliance and regulatory services to the Manager.

The Registrar is entitled to sub-contract or delegate any of its material duties under the Resources and Administration Agreement to any person with the prior written consent of the Manager and any necessary regulatory consent.

The Resources and Administration Agreement may be terminated:

- (a) by not less than 3 months' prior written notice by either the Manager or the Registrar;
- (b) by any party giving notice in writing to the other party in the event of:
  - (i) the property of any other party being declared en désastre or any other party going into liquidation (not including voluntary liquidation for the purposes of reconstruction or amalgamation where agreed by the other party) or having a receiver being appointed in respect of any of its assets or if some event having equivalent effect occurs; or
  - (ii) any other party having committed an unremedied material breach of Resources and Administration Agreement.

Under the terms of the Resources and Administration Agreement, the Registrar (including its officers, directors, consultants, agents and employees) shall not be liable for any loss suffered by the Manager or the Fund unless any such loss arises from the negligence, fraud, wilful default or recklessness of the Registrar or its respective officers, directors, consultants, agents and employees.

The Manager will indemnify and keep indemnified the Registrar, its officers, directors, consultants, agents and employees from and against all actions, proceedings, obligations losses, suits, costs, liabilities, damages and expenses (including without limitation reasonable legal expenses) claims and demands arising therefrom which may be suffered or incurred by or asserted against the Registrar or its officers, directors, consultants, agents and employees arising out of or in connection with the performance of their duties pursuant to the Resources and Administration Agreement except as such may be due to negligence, wilful default, fraud or recklessness of the Registrar, its officers, directors, consultants, agents and employees.

#### **10.6 The Secretarial and Registrar Services Agreement**

Under the terms of the Secretarial and Registrar Services Agreement, the Manager has appointed the Registrar to provide secretarial and registrar services to the Fund.

The Registrar is entitled to sub-contract or delegate any of its material duties under the Secretarial and Registrar Services Agreement to any person with the prior written consent of the Manager and any necessary regulatory consent but in the event of delegation to any Associate of the Registrar, the liability of the Registrar shall not be affected by such delegation, save that it will not be liable for the acts or omissions of a delegate if it appoints a delegate in good faith and without negligence and takes reasonable care to ensure the function is undertaken by the delegate in a competent manner.

The Secretarial and Registrar Services Agreement may be terminated:

- (a) by not less than 90 days' prior written notice by either the Manager or the Registrar;
- (b) by any party giving notice in writing to the other party in the event of:
  - (i) the property of the party notified being declared en désastre or that party going into liquidation (not including voluntary liquidation for the purposes of reconstruction or amalgamation where agreed by the other party) or being unable to pay its debts as they fall due or commits, makes, suffers, consents to or acquiesces in any offer, act or omission indicative of insolvency under the law of any jurisdiction; or
  - (ii) the party notified having committed an unremedied material breach of the Secretarial and Registrar Services Agreement.

Under the terms of the Secretarial and Registrar Services Agreement, the Registrar (including its officers and employees) shall not be liable for any loss suffered by the Manager or the Fund unless any such loss or damage arises from the negligence, bad faith, fraud, wilful default or recklessness of the Registrar or its officers or employees.

In the absence of negligence, bad faith fraud, wilful default or recklessness on the part of the Registrar or its officers or employees, the Registrar shall not be under any liability to the Unitholders, the Manager, the Trustee or any other person on account of anything done or suffered by the Registrar in good faith pursuant to the Secretarial and Registrar Services Agreement or in accordance with or in pursuance of any request or advice of the Trustee, the Manager or their duly authorised agent(s) or other delegate(s) or any of them.

The Registrar shall not be liable to any person for any loss which may be sustained by any person as a result of any loss, delay or misdelivery or error on transmission of any facsimiled, telegraphic, electronic or other communication unless any such loss arose from negligence, bad faith, fraud, wilful default or recklessness in the performance or non-performance by the Registrar, its officers or employees or persons designated by it of its or their obligations or duties under the Secretarial and Registrar Services Agreement.

The Manager will hold harmless, indemnify and keep indemnified the Registrar, its permitted delegates, servants, officers, employees and agents from and against all actions, proceedings and claims (including claims of any person purporting to be the beneficial owner of any part of the investments or Units) and against all costs, liabilities, damages, demands and expenses (including legal and professional expenses) arising therefrom which may be brought against, suffered or incurred by the Registrar, its permitted delegates, servants, officers, employees or agents in the performance of its obligations and duties pursuant to the Secretarial and Registrar Services Agreement and against all taxes, duties, levies or charges

on profits or gains of the Fund which may be assessed upon or become payable by the Registrar or its permitted delegates, servants or agents provided that such indemnity shall not be given where the Registrar its permitted delegates, servants, officers, employees or agents is or are guilty of negligence, wilful default, bad faith, fraud or recklessness. In particular, but without limitation, this protection and indemnity shall, subject to the provision set out above extend to any such items above as shall arise as a result of any such loss, delay, misdelivery or error in transmission of any facsimile or telegraphic electronic or other communication or as a result of acting upon any forged document or signature.

#### 10.7 **The Fund Administration Agreement**

Under the terms of the Fund Administration Agreement, the Fund Administrator provides administration services, including, where appropriate:

- (a) assisting the Manager with the collection of anti-money laundering information from Unitholders and compliance matters;
- (b) assisting the Manager and the Fund in relation to the issue, allotment, sale, conversion or redemption of Units (including determining the valuation of assets, liabilities, fees and charges);
- (c) preparing the annual and semi-annual reports and accounts of the Fund and assisting the Auditors with the audit of the Fund (as required); and
- (d) assisting the Manager with communication with Unitholders.

The Fund Administrator Is entitled to sub-contract or delegate any of its material duties under the Fund Administration Agreement to any person with the prior written consent of the Manager and any necessary regulatory consent.

In the event of delegation to an Associate of the Fund Administrator, the liability of the Fund Administrator shall not be affected by such delegation save that the Fund Administrator shall not, provided that it appoints such delegate or sub-contractor as aforesaid in good faith and without negligence and thereafter takes reasonable care to ensure that the function in question is undertaken by the delegate in a competent manner, be responsible for any acts or omissions of such delegate or such contractor.

The Fund Administration Agreement may be terminated:

- (a) by not less than 90 days' prior written notice by either the Manager or the Administrator;
- (b) by any party giving notice in writing to the other party in the event of:-
  - (i) the property of the party notified being declared en désastre or that party becoming bankrupt (as defined in the Interpretation (Jersey) Law 1954) or if that party shall go into liquidation, receivership or an examiner or judicial manager shall be appointed (except for a voluntary liquidation for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the notifying party) or that party being unable to pay its debts as they fall due or commits, makes, suffers, consents to or acquiesces in any



offer, act or omission indicative of insolvency or compromise with creditors under the law of any jurisdiction or a receiver, administrator, liquidator, Viscount or similar officer being appointed or some event having equivalent effect occurring wherever in the world;

- (ii) the Manager's appointment ceases; or
- (iii) the party notified commits an unremedied material breach of the Fund Administration Agreement.

Under the terms of the Fund Administration Agreement, the Fund Administrator shall not be liable for any loss or damage of any nature whatsoever suffered by any person except where that loss results from the negligence, bad faith, fraud, wilful default or recklessness of the Fund Administrator or its respective officers or employees or delegates. The Fund Administrator shall not be liable for any indirect, special or consequential loss however arising.

In the absence of negligence, bad faith, fraud, wilful default or recklessness on the part of the Fund Administrator, or its officers or employees or delegates, the Fund Administrator shall not be under any liability to any person on account of anything done or suffered by the Fund Administrator in good faith pursuant to the Fund Administration Agreement or in accordance with or in pursuance of any request or advice of the Trustee, the Manager or their duly authorised agent(s) or such other delegate(s) or any of them.

The Fund Administrator shall not be liable to any person for any loss which may be sustained by any person as a result of any loss sustained in the purchase, holding or sale of any investment or other asset by the Fund or any Unitholder or any loss, delay or misdelivery or error on transmission of any facsimiled, telegraphic, electronic or other communication or for any loss or damage arising as a result of any forged transfer or request for realisation of Units unless any such loss arose from negligence, bad faith, fraud, wilful default or recklessness in the performance or non-performance by the Fund Administrator, its officers or employees or delegates or persons designated by it of its or their obligations or duties under the Fund Administration Agreement.

The Manager will hold harmless, indemnify and keep indemnified the Fund Administrator, its permitted delegates, servants, officers, employees and agents from and against all actions, proceedings and claims (including claims of any person purporting to be the beneficial owner of any part of the investments or Units) and against all costs, liabilities, damages, demands and expenses (including legal and professional expenses) arising therefrom which may be brought against, suffered or incurred by the Fund Administrator, its permitted delegates, servants, officers, employees or agents in the performance of its obligations and duties pursuant to the Fund Administration Agreement and against all taxes, duties, levies or charges on profits or gains of the Fund which may be assessed upon or become payable by the Fund Administrator or its permitted delegates, servants or agents provided that such indemnity shall not be given where the Fund Administrator its permitted delegates, servants, officers, employees or agents is or are guilty of negligence, wilful default, bad faith, fraud or recklessness. In particular, but without limitation, this protection and indemnity shall, subject to the provision set out above extend to any such items above as shall arise as a result of any such loss, delay, misdelivery or error in transmission of any facsimile or telegraphic

electronic or other communication or as a result of acting upon any forged document or signature.

#### 10.8 **The Custody Services Delegation Agreement**

Under the terms of the Custody Services Delegation Agreement the Trustee has substantially delegated its custodial functions to the Custodian.

As the Custodian is an Associate of the Trustee, the Trustee shall remain responsible for the acts or omissions of the Custodian as though they were the acts or omissions of the Trustee itself. The Custodian may delegate all or any of its functions and powers to a sub-custodian.

The Custody Services Agreement may be terminated:

- (a) by not less than six month's written notice by either the Trustee or the Custodian or by such shorter period of notice as may be agreed between the parties;
- (b) if the Trustee's appointment ceases under the Trust Deed; or
- (c) if required by any regulator.

The Custodian shall not be liable to the Client for any error of judgement or mistake of law or for any loss suffered by the Client in connection with the Custody Services Delegation Agreement unless such loss arose from the negligence, wilful default or fraud of the Custodian its sub-custodians or that of officers or employees of the Custodian or any of its sub-custodians.

The Custodian will not be responsible and will not incur any liability in respect of any loss, damage, cost or expense incurred or suffered by the Trustee in connection with:

- (a) any errors made by the Trustee or its agents of the Fund in giving authorised instructions;
- (b) any delay whilst the Custodian obtains clarification or confirmation of an authorised instruction or from the Custodian exercising its right to decline to act in the absence of clarification or confirmation or in the event of any dispute between or conflicting claims by any person or persons with respect to property of the Fund held in securities accounts or in cash accounts pending resolution of any such dispute or conflict determined in a court of competent jurisdiction or settled by agreement between the conflicting parties and the Custodian shall have received evidence in writing of such agreement or an indemnity and/or security satisfactory to the Custodian sufficient to hold it harmless from and against any loss, liability or expense which the Custodian may incur by its actions;
- (c) the settlement of transactions connected with the property of the Fund or any change in the Custodian's records relating to the property of the Fund unless and to the extent that the loss, damage, cost or expense results directly from the negligence, wilful default or fraud of the Custodian, a sub-custodian or any of their officers, agents or employees;

- (d) the negligence, default, fraud or other failure by any sub-custodian (including any agent used by such sub-custodian) or other agent used by the Custodian in an exotic/emerging market;
- (e) the negligence, default, fraud or other failure by any clearing house or securities depository;
- (f) the negligence, default, fraud or other failure by any investment manager of the Fund;
- (g) the default by any broker or third party in any obligation to deliver property of the Fund or pay cash, in which case the Custodian shall have no liability to the Trustee for such non-delivery or payment; payments of income and settlement proceeds are at the risk of the Trustee; and
- (h) the Custodian or any sub-custodian relying and acting on what it believes in good faith to be authorised instructions or notices or other documents given or signed by the appropriate parties.

Notwithstanding any other provision of the Custody Services Delegation Agreement the aggregate liability of the Custodian for any claim or series of claims directly or indirectly as a consequence of the loss or non-availability of the property of the Fund shall be limited:

- (a) for securities or certificates, to their market value at the time the loss or non-availability arises less the market value of securities at the time (if any) the assets are made available to the Trustee again; and
- (b) for currency, to its face value, at the time the loss or non-availability arises less the face value of currency at the time (if any), the currency is made available to the Trustee again,

plus interest (if applicable) on that amount from that date at the Custodian's prevailing rates during the relevant period in which such liability shall have been outstanding.

The Custodian will not be responsible for or incur any liability for any indirect or consequential losses suffered by the Trustee.

The Custodian will not be liable to the Trustee for the collection, deposit or credit of invalid, fraudulent or forged securities.

The Custodian shall not be liable for losses arising out of effecting delivery or payment against an expectation of receipt, save where such delivery or payment was contrary to local market practice.

Pursuant to the Custody Services Delegation Agreement between the Trustee and the Custodian, the Custodian shall not be liable for any liabilities, obligations, losses (including, without limitation, losses arising out of delay, misdelivery or error in the transmission of any letter, cable, telex, telephonic communication, telephone, facsimile transmission or other electronic transmission in a readable form), damages, actions, proceedings, suits, costs and expenses (including without limitation legal expenses) claims and demands (**Custody Liabilities**) suffered by the Trustee or the Fund unless such Custody Liabilities arise from the fraud, wilful default or negligence of the Custodian or its agents, officers or employees in the

discharge of its functions under the Custody Services Delegation Agreement. The Trustee and the Manager (and their agents and employees) are indemnified out of the Fund for any liabilities they may incur arising out of the performance of their duties unless due to the fraud, wilful default or negligence of the Trustee or the Manager or their respective agents or employees (as the case may be).

Subject to and without prejudice to the foregoing the Trustee shall indemnify and keep indemnified the Custodian and its agents, officers and employees from and against any and all liabilities which may be suffered or incurred by or asserted against the Custodian arising out of or in connection with the performance of its duties thereunder except such as may be due to the fraud, wilful default or negligence of the Custodian or its agents, officers or employees.

The Trustee shall also indemnify the Custodian and its sub-custodians and their respective officers, employees, agents and nominees against all costs, charges, expenses, damages, liabilities, losses, penalties and claims incurred or suffered by the Custodian, its sub-custodians or any of their officers, employees, agents or nominees in the lawful exercise of their duties arising as a result of or in connection with the Custody Services Delegation Agreement or during the transition of property of the Fund to a successor custodian or other person including (but without prejudice to the above) those resulting from:

- (a) any taxes or other governmental charges which may be imposed on or assessed against any person with respect to any Fund property or any transaction in any Fund property;
- (b) the Custodian relying on authorised instructions received by facsimile or any other electronic medium (excluding e-mail), agreed by the Custodian, or of any misinterpretation of any such instructions by the Custodian due to the quality of transmission and whether or not any such loss may be due to or result from any fraud or negligence on the part of the person giving the authorised instructions or the Trustee or, as the case may be an investment manager in respect of the Fund, or any of their respective officers, employees or agents;
- (c) a breach of the obligations, warranties and representations of the Trustee under the Custody Services Delegation Agreement;
- (d) non-settlement of any transaction; and
- (e) the Custodian successfully defending itself against any allegation of negligence, wilful default or fraud of itself, a sub-custodian or any of their officers, employees, nominees or agents.

## 10.9 Data Protection

For the purposes of the Data Protection (Jersey) Law 2018 as amended from time to time (the **Data Protection Law**), the data controller in respect of any personal data provided in respect of Unitholders and their respective representatives, directors, officers, agents or beneficial owners in respect of whom personal data is provided in relation to the Fund shall be Alexander Forbes Investments Jersey Limited. Personal data shall be processed in accordance with the Privacy Notice which can be viewed at <https://www.alexforbes.com/je/en/global/privacy-notice.html>. The Privacy Notice sets out the

purposes for which such personal data may be processed, the circumstances in which such data might be disclosed or transferred, Unitholders' rights in respect of such data, as well as other matters.

#### 10.10 **Material Contracts and inspection of documents**

The following agreements have been entered into in relation to the Fund (the **Material Contracts**):

- (a) the Investment Advisory Agreement;
- (b) the Fund Administration Agreement;
- (c) the Secretarial and Registrar Services Agreement;
- (d) the Resources and Administration agreement; and
- (e) the Custody Services Delegation Agreement (and a global custody agreement dated 17 April 2012 entered into between the Trustee (in its capacity as trustee of the Fund) and the Custodian comprising schedule 1 of the global custody agreement) whereby the Trustee has appointed the Custodian to act as custodian of the Fund's assets.

Copies of the following documents are available for inspection during normal business hours on any weekday (Saturdays and public holidays excepted) at the Registered Office of the Manager and Registrar:

- (a) the Trust Deed;
- (b) the Material Contracts; and
- (c) the latest published annual report and accounts of each Class Fund and any subsequently published half-yearly unaudited reports.

Copies of the above documents may be obtained free of charge by Unitholders on request from the Manager.

#### 10.11 **Notices and publication of reports and accounts**

Any notice or reports and accounts to be given to or by any person pursuant to the Trust Deed shall be:

- (a) in writing (personally or by post);
- (b) in an Electronic Record (where a Unitholder has notified the Manager of an Electronic address to which a notice or relevant document may be sent); or
- (c) in the case of notice to be given in respect of general meetings or the publication of annual reports and accounts and any half-yearly unaudited reports, by means of a website.

Any publication or issue of a notice by means of a website will require that Unitholders are given separate notice of:

- (a) the fact that the relevant document or notice has been published on the website;
- (b) the address of the website;
- (c) the place on the website where the document or notice may be accessed; and
- (d) how they may be accessed.

## 11 DEFINITIONS AND INTERPRETATION

### 11.1 Definitions

In this Prospectus:

**AIFMD** means directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers and all related regulations and legislation (primary or subordinate and including that of members states of the European Union and the EEA) in respect of such directive;

**Associate** means:

- (a) in relation to a company, any company which is a subsidiary or a holding company of that company or a subsidiary of any such holding company and any individual, partnership or other unincorporated association or firm which has direct or indirect control of that company and any company which is directly or indirectly controlled by such individual, partnership or other unincorporated association or firm; and
- (b) in relation to an individual, partnership or other unincorporated association, means any company directly or indirectly controlled by that individual, partnership or other unincorporated association;

**Approved Bank** means a corporate body or unincorporated partnership or association being a deposit taking institution which is registered under the Banking Business (Jersey) Law 1991;

**Auditors** means Deloitte LLP or such other auditor of the Fund as may be appointed by the Manager from time to time;

**Base Currency** means the base currency of each Class Fund as determined by the Manager prior to the issue of any Units of the applicable class;

**Business Day** has the meaning given to it in paragraph 3.2;

**Class Fund** has the meaning given to it in paragraph 2.1;

**Commission** means the Jersey Financial Services Commission;

**Custodian** means BNP Paribas S.A. Jersey Branch, or such other custodian as may be appointed by the Trustee from time to time;

**Custody Services Delegation Agreement** has the meaning given to it in paragraph 5.3;

**Directors** has the meaning given to it in paragraph 5.1;

**Duties and Charges** means all stamp and other duties, taxes, governmental charges, brokerage, bank charges, transfer fees, registration fees and other duties and charges whether in connection with the original acquisition or increase of the assets of the Fund or the creation, issue, sale, exchange or purchase of Units or the sale or purchase of investments or otherwise which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such duties and

charges are payable but shall not include any commission charges or costs which may have been taken into account in ascertaining the Net Asset Value of the Fund or Class Fund concerned;

**EEA** means a state which is a contracting party to the agreement in respect of the European Economic Area;

**ESG** means environmental, social and governance;

**ESG Integration** means the framework for the integration of ESG factors and Sustainability Risks into the investment process;

**Extraordinary Resolution** has the meaning given to it in paragraph 10.1;

**First Class Fund** has the meaning given to it in paragraph 3.12;

**FS Law** has the meaning given to it on page i;

**Fund** means Alexander Forbes Investments Global Fund, as further described in paragraph 2.1;

**Fund Administrator** means Alexander Forbes Investments Limited or such other fund administrator as may be appointed by the Manager from time to time;

**Fund Administration Agreement** has the meaning given to it in paragraph 5.5;

**Investment Adviser** means Alexander Forbes Investments Limited or such other investment adviser as may be appointed by the Manager from time to time;

**Investment Advisory Agreement** has the meaning given to it in paragraph 5.4;

**Law** means the Collective Investment Funds (Jersey) Law 1988;

**Manager** means Alexander Forbes Investments Jersey Limited or such other manager as may be appointed under the terms of the Trust Deed from time to time;

**Management Fees** has the meaning given to it in paragraph 6.1;

**Net Asset Value** has the meaning given to it in section 4;

**Offer Price** has the meaning given to it in paragraph 3.5;

**Preliminary Charge** has the meaning given to it in paragraph 3.6;

**Redemption Price** has the meaning given to it in paragraph 3.8;

**Register** has the meaning given to it in paragraph 2.2;

**Registrar** means Alexander Forbes Channel Islands Limited or such other registrar as may be appointed from time to time;

**Regulations** means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011;



**Resources and Administration Agreement** has the meaning given to it in paragraph 5.6;

**Schedule** means a schedule to this Prospectus;

**Second Class Fund** has the meaning given to it in paragraph 3.12;

**securities** means:

- (a) shares, stock, debentures, debenture stock, loan stock and bonds,
- (b) warrants entitling the holders to subscribe for any securities specified in sub-paragraph (a),
- (c) units in a collective investment fund within the meaning of the Law, and
- (d) any other securities of any description; and

references to title to securities include any legal, equitable or other interest in securities;

**Secretarial and Registrar Services Agreement** has the meaning given to it in paragraph 5.6;

**Subscription Day** is defined in respect of each Class Fund in the corresponding Schedule;

**Subscription Price** has the meaning given to it in paragraph 3.5;

**Sustainability Risk** means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of a Class Fund's investment(s);

**Trustee** means BNP Paribas Depositary Services (Jersey) Limited or such other trustee as may be appointed under the terms of the Trust Deed from time to time;

**Trust Deed** means the trust deed dated 28 April 1997, as amended by supplemental trust deeds dated 9 September 1999, 10 November 2000, 10 November 2000 and 30 May 2006 respectively, as amended by deeds of appointment and retirement of trustee dated 23 August 2000, 10 November 2000, 29 April 2005 and by an instrument of appointment and resignation of trustees dated 17 April 2012 and as amended and restated on 15 July 2014;

**Trust Fund** means all the cash and other property and assets for the time being held or deemed to be held by the Trustee upon the terms of the Trust Deed and held by the Trustee upon such trust and/or all or any sub-trust constituted by each class of Units;

**UCITS** means an entity authorised as an undertaking for collective investment in transferable securities under the Regulations;

**Unit** has the meaning given to it in paragraph 2.2;

**Unitholder** means a person noted on the Register as holding a Unit, including persons jointly so registered;

**US Person** has the meaning given to it in the section headed 'Prospectus: Important Notice'; and

**Valuation Point** has the meaning given to it in paragraph 4.2.

## 11.2 Interpretation

In this Prospectus:

- (a) a reference to any statute, statutory provision, policy, guidance or codes of practice shall, unless the context otherwise requires, be construed as a reference to such statute, statutory provision, policy, guidance or codes of practice as the same may have been or may from time to time be amended, modified, extended, consolidated, re-enacted or replaced and shall include any subordinated legislation made under any relevant statute or statutory provision;
- (b) a reference to a **class** shall be construed as including together any separate series or sub-classes of Units issued pursuant to this Deed in respect of a Class Fund unless the context otherwise requires;
- (c) the words **written** and **in writing** include all modes of representing or reproducing words in a visible form, but do not include an Electronic Record where the distinction between a document in writing and an Electronic Record is expressed or implied;
- (d) words denoting the singular include the plural and vice versa and words denoting a gender include every gender;
- (e) references to a **subsidiary** or **holding company** shall be construed in accordance with the Law;
- (f) all references to time are to be calculated by reference to time in the place where the registered office of the Manager is located; and
- (g) if a day on which any act, matter or thing is to be done is not a Business Day, the act, matter or thing must be done on the next Business Day.

## 12 IMPORTANT INFORMATION FOR RSA INVESTORS IN THE CLASS FUND(S)

### 12.1 Regulatory Requirement

**THE INFORMATION IN THIS SECTION 12 MUST BE DISCLOSED TO ALL RSA INVESTORS AS THIS IS A REQUIREMENT FOR THE REGISTRATION OF THE FUND IN THE RSA.** The Registrar of Collective Investment Schemes in the RSA has duly approved the soliciting of the Class Funds described within Schedules 1-7 in the RSA.

### 12.2 Schedule of similarities and differences in respect of the Class Funds described within Schedules 1-7 between:

- (a) Jersey and Republic of South Africa Regulations; and
- (b) the Fund and South African Collective Investment Schemes in Securities

| <u>Topic/Item</u>                                                                                                 | <u>Jersey Regulation</u><br><b>ALEXANDER FORBES<br/>INVESTMENTS GLOBAL<br/>FUND</b>                                                                                                                                                                                                                                                                                              | <u>South African Regulation</u><br><b>South African Scheme</b>                                                                                                                                                                                                                                                                                                                                                                              |
|-------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Investment restriction of instruments issued by Government                                                     | Not applicable, as the Class Funds do not invest directly in instruments issued by Government                                                                                                                                                                                                                                                                                    | No limit                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 2. Investment restriction on an individual security in respect of equity portfolios                               | Not applicable, as the Class Funds do not invest directly in equity securities                                                                                                                                                                                                                                                                                                   | Maximum of 5% of portfolio if company market cap is less than R2 billion, else 10%                                                                                                                                                                                                                                                                                                                                                          |
| 3. Investment restriction on a class of security in respect of equity portfolios                                  | Not applicable, as the Class Funds do not invest directly in equity securities                                                                                                                                                                                                                                                                                                   | Maximum of 5% of amount in issue if company market cap is less than R2 billion, else 10%. An overall limit of 15% of the aggregate amount of securities in any one class issued by a concern within the same group as the manager across all portfolios. An overall limit of 24% of the aggregate amount of securities in any one class issued by a concern other than a concern within the same group as the manager across all portfolios |
| 4. Investment restrictions for specialist funds e.g. money market portfolio or fund of funds or feeder funds (**) | <p>Money market portfolios – not applicable</p> <p>Fund of Funds: A Class Fund that is a fund of funds will be invested in at least two other funds and may not invest in excess of 75% (seventy-five per cent) of the said fund of funds' market value in any one fund. A Class Fund shall not invest in a fund of funds or feeder fund (except as stated in the Schedules)</p> | <p>Money market portfolios – not applicable</p> <p>Fund of Funds: Must consist of not less than two underlying portfolios, provided the investment in any one portfolio may not exceed 75% of the value of the fund of funds. May only invest in other fund of funds where at least 85% of the value of the latter fund of funds is held in participatory interests outside South Africa</p>                                                |

|                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|----------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                      | <p>Feeder funds: A Class Fund that is a feeder fund invests wholly in one underlying fund. Therefore, in addition to considering this Prospectus, prospective investors should read and carefully consider any prospectus that relates to such an underlying fund (which is available from the Manager upon written request) when ascertaining whether an investment in such a Class Fund is suitable for them</p> | <p>Feeder funds: Must consist of only one underlying portfolio</p>                                                                                                                                                                                                                                                                                                                                                                                            |
| 5. Investment restrictions on the use of derivative instruments (**) | <p>A Class Fund may not include any unlisted derivative instruments but may for the purpose of efficient fund management make use of unlisted forward currency, interest rate swap, and exchange rate swap transactions</p>                                                                                                                                                                                        | <p>100% effective exposure restricted for purposes of efficient portfolio management only. No gearing allowed. Over the counter derivative instruments that are allowed: forward currency swap, interest rate swap, exchange rate swap and index swap</p>                                                                                                                                                                                                     |
| 6. Investment in listed instruments                                  | <p>Not applicable as the Class Funds do not invest directly into Securities</p>                                                                                                                                                                                                                                                                                                                                    | <p>90% of securities must be listed on Exchanges having obtained full membership of the World Federation of Exchanges. Over the counter derivative instruments that are allowed: forward currency swap, interest rate swap, exchange rate swap and index swap</p>                                                                                                                                                                                             |
| 7. Non-equity securities (other than issued by the Government)       | <p>Not applicable as the Class Funds do not invest directly into interest bearing instruments</p>                                                                                                                                                                                                                                                                                                                  | <p>Must comply with limits as prescribed in Regulation</p>                                                                                                                                                                                                                                                                                                                                                                                                    |
| 8. Investment in unlisted instruments                                | <p>Not applicable. All Class Funds are fund of funds or feeder funds</p>                                                                                                                                                                                                                                                                                                                                           | <p>Maximum of 10% of portfolio value. Such instruments must be valued daily based on a generally recognised methodology and by a person acceptable to trustee</p>                                                                                                                                                                                                                                                                                             |
| 9. Investment of own resources into the fund                         | <p>None</p>                                                                                                                                                                                                                                                                                                                                                                                                        | <p>Seed capital of R1 million to be invested by the manager in each portfolio administered by the manager, provided that:</p> <p>a) the prescribed amount may be withdrawn once the portfolio reaches a size of R50million net asset value under management; and</p> <p>b) the sum of R1 million is to be re-invested in the portfolio where the net asset value of a portfolio has been reduced to below R50 million for a continuous period of 6 months</p> |



|                                                            |                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                  |
|------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                            | advance treaty clearances from tax authorities in any jurisdiction), and other expenses due to supervisory authorities in various jurisdictions, insurance, interest, brokerage costs and all professional fees and expenses incurred in connection therewith. For full details please refer to Section 6 and the associated Class Fund Schedules of the Prospectus                                 |                                                                                                                                                                                                                                                                                                                  |
| 13 Determination of market value of investments            | Quoted prices of the units, or shares, on the close of the previous Subscription Day, or if a particular value is not ascertainable, or the manager considers that another method of valuation better reflects the fair value, then an alternative method decided by the Manager, subject to the approval of the Trustee, or the Auditors. Full details are provided in Section 4 of the Prospectus | Fair market price, or as determined by a stockbroker                                                                                                                                                                                                                                                             |
| 14 Risk factors                                            | Risks include market, credit, counterparty, currency, early redemption, liquidity risk, interest rate, fund structure, investment & trading risk, custody related risks, sustainability risks. For further details refer to Section 8 of the Prospectus                                                                                                                                             | Market, foreign exchange, counterparty, interest rate, potential constraints on liquidity and the repatriation of funds, tax, settlement, political, macroeconomic, potential limitations on the availability of market information and geographic risk. Portfolio specific risks must be disclosed to investors |
| 15 Capped or not capped                                    | The Fund is an open-ended unit trust with no limit to the number of Units that may be issued                                                                                                                                                                                                                                                                                                        | Not capped, unless specified in the investment policy of a portfolio, whereby the manager may close the portfolio to new investors, to manage it more efficiently, in accordance with its mandate                                                                                                                |
| 16 Redemption (repurchase) of participatory interests (**) | Redemption Price determined in accordance with section 3.7 and 3.8 of the Prospectus                                                                                                                                                                                                                                                                                                                | Legally obliged to redeem at same days, or previous day's, price, as determined in the Deed                                                                                                                                                                                                                      |
| 17 Independent Trustee/Custodian                           | The directors of the Trustee do not have any direct, or indirect, interests in the Fund, or any offer of Units in the Fund, and are independent of the Manager, the Fund Administrator, the Investment Advisor, and the Registrar                                                                                                                                                                   | Trustee/custodian must be completely independent                                                                                                                                                                                                                                                                 |

|                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                          |
|-------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 18 Taxation of portfolio                                                                              | By concession, income of the Trust arising outside Jersey is exempt from Jersey income tax                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | No taxation<br>Interest and dividend portion taxable in the hands of the individual                                                                                                                                                                                      |
| 19 Taxation of unitholders (**)<br>19.1 Income<br>- Dividends<br>- Interest<br><br>19.2 Capital gains | Unitholders who are not resident for income tax purposes in Jersey, are not subject to taxation in Jersey, in respect of any income, or gains, arising in respect of Units held by them, other than any Jersey source income, excluding bank deposit interest. Unitholders who are resident for income tax purposes in Jersey, will be subject to income tax in Jersey, on any income distributions paid on Units held by them, or on their behalf, and income tax will be deducted by the Trustee, on payment of any such distributions<br><br>There is no capital gains tax, estate duty, or inheritance tax, in Jersey | Interest and dividends are taxable. Dividend withholding tax introduced on 1 April 2012). Interest withholding tax introduced on 01 March 2015. Depending on tax residency, there are certain exemptions available<br><br>Capital gains tax introduced on 1 October 2001 |
| 20 Interval at which participatory interests are priced                                               | Daily. For further details refer to the schedules for each Class Fund, the definitions, Sections 3 and 4 of the Prospectus.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Daily                                                                                                                                                                                                                                                                    |
| 21 Distributions (**)                                                                                 | This Fund is an accumulation Fund and does not make distributions, as specified in the schedules for each Class Fund                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | All income distributed regularly, or reinvested, at the option of the investor. The frequency is at least annual, and differs per portfolio                                                                                                                              |
| 22 Switching (**)                                                                                     | The Fund offers eligible investors a choice of classes of Units, and the opportunity to switch from one class of Units to another                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Allowed – charges differ                                                                                                                                                                                                                                                 |
| 23 Pledging of securities (see 10) (**)                                                               | The assets of a Class Fund may only be pledged as security for borrowing (refer to borrowing in paragraph 10 above)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Allowed only for purposes of borrowing (refer to borrowing in paragraph 10 above)                                                                                                                                                                                        |
| 24 Scrip lending<br><br>Scrip borrowing                                                               | Not allowed<br><br>Not allowed                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Allowed, but may not exceed 50% of the market value of the portfolio, plus other conditions, as prescribed in the Deed. The supplemental deed of the portfolio must specifically provide for scrip lending<br><br>Not allowed                                            |
| 25 Certificates, if issued and needed for redemption                                                  | Certificates will not be issued to the Unitholders. Entries on the register of Unitholders (the                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Certificates are issued on request by the investor, as specified in the deed.                                                                                                                                                                                            |

|                                                               |                                                                                                                                                                                                                                                                                                              |                                                                                     |
|---------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
|                                                               | Register) shall be conclusive evidence to title in respect of Units                                                                                                                                                                                                                                          |                                                                                     |
| 26 Reporting to supervisory authority                         | Copies of the audited accounts (including the report by the Fund's auditors) of each Class Fund for each accounting period (31 March) and the unaudited reports for each interim accounting period (30 September) will not be sent to holders of Units of that Class Fund, unless they so request in writing | Quarterly and annually                                                              |
| 27 Inspection powers by supervisory authority                 | Yes                                                                                                                                                                                                                                                                                                          | Yes                                                                                 |
| 28 Reporting to investors                                     | Bi-Annual, upon written request. For further details refer to Section 10.2 of the Prospectus                                                                                                                                                                                                                 | Annually                                                                            |
| 29 Legal structure if different from trust                    | The Fund is an open-ended unit trust, structured as an umbrella fund                                                                                                                                                                                                                                         | Collective Investment Scheme, whether trust based, or Open-Ended Investment Company |
| 30 Interest earned on funds pending investment and redemption | The bank accounts are non-interest bearing                                                                                                                                                                                                                                                                   | Interest paid to clients                                                            |
| 31 Any other material difference                              | Not applicable                                                                                                                                                                                                                                                                                               | Not applicable                                                                      |

**\*\* Additional details relating to identified items**

**4 and 5 Investment Restrictions**

For further details concerning the investment restrictions and objectives please refer to Section 2.6, of this Prospectus and the relevant Class Fund Schedules respectively.

**10. Borrowing**

A Class Fund may only borrow for a period not exceeding 61 (sixty-one) days in relation to any specific borrowing transaction. A Class Fund will not be allowed to enter into any leveraging or gearing. Borrowings for the account of each Class Fund shall be restricted so as to ensure that amounts outstanding from time to time do not exceed an amount equal to 10% of the Net Asset Value of the Class Fund save for borrowings on a temporary basis for the purposes of meeting settlement timing differences, redemption requests or defraying operating expenses.

**11. Markets/Exchanges (OTC Markets)**

In respect of a Class Fund investing in securities, at least 90% (ninety per cent) of the market value of such securities included in the Class Fund will be listed on exchanges having obtained full membership of the World Federation of Exchanges. A Class Fund may not include any unlisted derivative instruments. A Class Fund may for the purpose of efficient fund management include investments in unlisted forward currency, interest rate swap, and exchange rate swap transactions.



The investment restrictions applicable to each underlying portfolio are also applicable to each Class Fund, the details of which are located in the Prospectus of each underlying portfolio.

16. Redemption (repurchase) of participatory interests

Unitholders may redeem all or part of their holding on the Subscription Day for the relevant Class Fund in accordance with Section 3 of this Prospectus.

The amount due to Unitholders will be paid within the time period specified for the relevant Class Fund in the relevant Schedule hereto. Payments will be made in the Base Currency of the relevant Class Fund in accordance with instructions included on the Application Form or amended instructions acceptable to the Fund Administrator.

19. Taxation of unitholders

The Fund does not make dividend distributions and whilst there is presently no Capital Gains Tax in Jersey prospective investors should ascertain from their professional advisers, the consequences to them of acquiring, holding, redeeming, transferring, converting, or selling, Units under the relevant laws of the jurisdiction to which they are subject, including the tax consequences, and any exchange control requirements. These consequences will vary with the law, and practice, of an investor's country of citizenship, residence, domicile, or incorporation, and with his personal circumstances as described in further detail at Section 7 of the Prospectus.

21. Distributions

Income and capital gains realised by the Fund on its investments will not be distributed by way of dividends and, accordingly, income on investments and increases in the capital value of the investments of the Fund will be reflected in the value of Units.

22. Switching

The Fund offers investors a choice of classes of Units, and the opportunity to switch from one class of Units to another. Under no circumstances will a Unitholder who switches between the Units of different Class Funds be given a right by law to reverse the transaction, except as a new transaction.

23. Pledging of securities (See 10)

The assets of a Class Fund may only be pledged as security for borrowing (refer to borrowing in paragraph 10 above). If a substantial number of Units are redeemed at one time, the Fund may have to liquidate its positions more rapidly than otherwise desired, to raise the cash necessary to fund those redemptions. The Fund may find it difficult to liquidate its positions on favourable terms if some of the securities it holds are illiquid. This could result in losses or a decrease in the Net Asset Value of The Fund. If the Manager determines that it is inadvisable to liquidate portfolio assets for the purpose of redeeming Units, the Fund is allowed to borrow the cash necessary for that purpose. The Fund may also pledge portfolio assets as collateral security for the repayment of that borrowing. In these circumstances, the continuing Unitholders will bear the risk of any subsequent decline in the value of the Fund's assets.

## SCHEDULE 1 - STRATEGIC U.S. DOLLAR LIQUIDITY FUND

### 1 CLASS FUND RULES

#### 1.1 Investment Objectives and Policy

This Class Fund was established on 31 March 2000.

The investment objective of this Class Fund is to invest in the MGI USD Cash Fund (the **Cash Fund**), a sub-fund of the MGI Funds plc (the **MGI Fund**), a UCITS scheme incorporated under the laws of Ireland. The MGI Fund prospectus includes information about the Cash Fund, and states that the Cash Fund has the investment objective of the preservation of capital and the provision of liquidity.

The Cash Fund will invest in cash deposits and short dated money market securities globally. Such money market securities may include, without limitation, short-term commercial paper, bankers' acceptances, government securities and certificates of deposit, securities issued by or on behalf of or guaranteed by the government of the U.S. or by other OECD sovereign governments or by their sub-divisions or agencies and securities issued by public corporations, local authorities, banks or other financial institutions or corporate issuers.

At least 80% of the assets of the Cash Fund will consist of money market securities or deposits which have a maturity at date of acquisition of not greater than one year.

Further details of the investment policy can be found in the MGI Fund prospectus and the Cash Fund supplement.

Investments in this Class Fund will also be subject to the risks described in this prospectus and also in the MGI Fund prospectus and Cash Fund supplement, and a prospective investor should therefore review and carefully consider such prospectus and supplement when ascertaining whether an investment in this Class Fund is suitable for it. Copies of such prospectus and supplement containing further information about the MGI Fund and Cash Fund (and the risks of investing in this Class Fund) may be obtained from the Manager upon written request.

#### 1.2 Sub-classes and investor eligibility criteria

##### Sub-classes

The following sub-classes of Units issued by this Class Fund are available for subscription by investors who meet the relevant investor criteria set out below for each relevant subclass, the determination of such eligibility to be at the sole and absolute discretion of the Manager:

| Sub-class | Investor eligibility criteria                                                                                                      |
|-----------|------------------------------------------------------------------------------------------------------------------------------------|
| "A"       | Institutional Investors and Individual Investors                                                                                   |
| "B"       | Institutional and certain other investor types as accepted by the Manager from time to time (at its sole and absolute discretion). |

**Institutional Investors** for the purposes of this Schedule means, without limitation, corporations, collective investment funds, pension funds, banks, governmental and quasigovernmental entities, municipalities, hospitals, insurance companies and certain other entities, such as foundations and endowments or ultra-High Net Worth individuals.

**Individual Investors** for the purposes of this Schedule means investors that are not institutional.

Each sub-class of Unit is subject to varied conditions of issue as set out in sections 1.7 and 1.13 of this Schedule.

### **Qualifying for sub-class B Units**

- 1.3 In order to qualify for sub-class B Units, applicants must be Institutional Investors or certain other investor types as accepted by the Manager from time to time (at its sole discretion). The minimum initial investment for such Institutional Investors is £1 million (or Base Currency equivalent). Investors are responsible for indicating their eligibility to purchase sub-class B units at the time of purchase. Remuneration terms in respect of the Management Fee and Service Fee payable by Class B units will be subject to specific agreement between the relevant sub-class B investor and the Manager, provided always that any such agreement by the Manager must be in the best interests of the Class Fund as a whole. **Accounting Date, Subscription Days, Valuation Point**

The accounting date for this Class Fund shall be 31 March in each calendar year and the interim accounting date shall be 30 September in each calendar year.

Every day that is a Business Day shall be a Subscription Day for this Class Fund.

The Valuation Point is close of business in all markets on the Subscription Day. The Subscription Price will be available at 16h30 Jersey time on the following Subscription Day.

### **1.4 Currency Denomination and Class Designation**

The Units of this Class Fund shall be designated A units and each Unit shall be denominated and valued in United States Dollars and shall be subscribed for and redeemed in United States Dollars.

### **1.5 Subscription Price**

The Subscription Price per Unit of this Class Fund shall be calculated based on the Net Asset Value at the Valuation Point on each Subscription Day.

### **1.6 Allotment, Issue, Redemption and Conversion of Units**

#### **Allotment and Issue of Units**

Applications for the issue of Units of this Class Fund must be lodged with the Fund Administrator in writing by 11h00 Jersey time on the Subscription Day on which Units are to be issued.

The Offer Price shall be payable in cleared funds by 11h00 Jersey time on the Subscription Day on which Units are to be issued (or such other time as the Manager may, in its discretion, determine).

### **Redemption of Units**

Redemption requests must be lodged with the Fund Administrator by 11h00 Jersey time on the Subscription Day on which Units are to be redeemed subject to receipt of relevant redemption documentation.

Subject to the receipt of proper documentation, redemption monies will normally be paid within 7 Business Days of the Subscription Day upon which the relevant Units are redeemed.

### **Conversion of Units**

Conversion notices for the conversion of Units of this Class Fund to another Class Fund must be lodged with the Fund Administrator by 11h00 Jersey time on the Subscription Day on which Units are to be converted.

#### **1.7 Minimum holdings and subscription amounts**

The minimum subscription amount for the sub-classes of Units in this Class Fund which shall be accepted in respect of an initial application, the required minimum subsequent subscription amount and the minimum aggregate Net Asset Value of sub-classes of Units which is required to be held by a Unitholder from time to time are as follows:

| <b>Sub-class</b> | <b>Minimum initial subscription amount</b> | <b>Minimum subsequent subscription amount</b> | <b>Minimum Net Asset Value of Units required to be held</b> |
|------------------|--------------------------------------------|-----------------------------------------------|-------------------------------------------------------------|
| "A"              | £2,500*                                    | £2,500*                                       | £2,500*                                                     |
| "B"              | £1,000,000*                                | £25,000*                                      | £250,000*                                                   |

\* or the equivalent in Base Currency of the Class Fund.

#### **1.8 Transfers**

Subject to the terms of the Trust Deed and subject to any regulatory restrictions applicable in a relevant jurisdiction, Units of this Class Fund shall be transferable subject to the prior written consent of the Manager, such consent not to be unreasonably withheld or delayed.

#### **1.9 Dividend Policy**

Income available for distribution attributable to this Class Fund shall be accumulated and not distributed to Unitholders.

#### **1.10 Investment Restrictions of the Class Fund**

In addition to the investment restrictions relating to the Cash Fund, referred to in paragraph 1.13 below, the following investment restrictions apply to this Class Fund:

- (a) The Class Fund shall invest only in the Cash Fund, provided that this limitation shall not operate so as to preclude the placing of monies of the Class Fund on deposit or the acquisition of certificates of deposit, promissory notes, bills, bearer depository receipts, negotiable instruments or other similar money market instruments;
- (b) The amount on deposit with any one Approved Bank shall not exceed 10% of the Net Asset Value of the Class Fund provided that:
  - (i) up to 20% of the Net Asset Value of the Class Fund may be deposited with an Approved Bank with the written approval of the Commission; and
  - (ii) such restriction shall not apply to amounts held on deposit for temporary periods of three months or less; and
- (c) Investment restriction (b) shall not apply in respect of any deposit of up to US\$1,000,000.

Any breach of an investment restriction set out in this Schedule or applicable by operation of any law, regulation or policy will be remedied as soon as is reasonably possible following its discovery or notification to the Trustee or the Manager.

#### **1.11 Borrowing**

Borrowings for the account of this Class Fund shall be restricted so as to ensure that amounts outstanding from time to time do not exceed an amount equal to 10% of the Net Asset Value of the Class Fund for the purposes of meeting settlement timing differences, redemption requests or defraying operating expenses.

#### **1.12 The MGI Fund and the Cash Fund**

The Cash Fund is a separate sub-fund of the MGI Fund which is an open-ended umbrella company incorporated in Ireland on 2 June 2006 and is authorised as a UCITS.

The accounting date of the MGI Fund and Cash Fund is 30 June in each calendar year.

#### **1.13 Efficient Portfolio Management Techniques and Instruments**

The efficient portfolio management techniques of the MGI Fund are applicable to the Cash Fund. Details of which can be found in the MGI Fund prospectus and the Cash Fund supplement.

#### **1.14 Investment restrictions of the MGI Fund and the Cash Fund**

The investment restrictions of the MGI Fund are also applicable to the Cash Fund, and include those applicable to all UCITS schemes, details of which can be found in the MGI Fund prospectus and the Cash Fund supplement.

#### **1.15 Termination of the Cash Fund**

The termination provisions of the MGI Fund and the Cash Fund are as set out in the MGI Fund prospectus.

#### **1.16 Termination of this Class Fund**

This Class Fund shall be terminated on termination of the Fund or otherwise under the terms of the Trust Deed, including (without limitation) by Extraordinary Resolution of the Unitholders in the Fund, due to illegality in relation to the continued existence of the Fund, the liquidation or insolvency of the Manager, an un-remedied material breach of the Trust Deed by the Manager or a failure to replace a retiring trustee or a removed or retiring manager.

In the event of the termination of the Fund, the assets of this Class Fund will be realised and distributed in accordance with the Trust Deed.

In the event of the termination of this Class Fund (otherwise than on termination of the Fund), the Trustee shall (at the discretion of the Manager) realise the assets of this Class Fund and, after repaying all borrowings and paying all other costs, charges and liabilities of this Class Fund, distribute the assets by way of redemption of the Units of this Class Fund (either in cash or in specie) to the Unitholders of this Class Fund in proportion to the number of Units of this Class Fund held. On termination of this Class Fund, the Units of this Class Fund may be redeemed by the Manager on such Subscription Day as the Manager may determine (without prejudice to any terms of the Trust Deed and the exercise by the Trustee and/or Manager of rights thereunder, including in relation to suspension of dealings, compulsory redemptions and conversions).

#### **1.17 Fees and other Payments out of the Class Fund**

##### **Management Fee**

The Management Fee shall be 0.30% per annum of the Net Asset Value of this Class Fund. The Management Fee of 0.30% may be varied by the Manager at its discretion provided that it shall not exceed 1.10% and Unitholders shall be given at least one month's prior notice of the variation.

The amount of the Management Fees payable shall be reduced by an amount equal to any accrued investment management or management fees payable by the Fund (or on its behalf) in respect of this Class Fund (**Underlying Management Fees**), provided that in cases where fees are payable by the Fund (or on its behalf) in respect of any investments of this Class Fund which are exceptional or in addition to Underlying Management Fees (including without limitation, payments that become due as a result of enhanced performance of such investment of this Class Fund or otherwise) (**Performance Fees**), only Underlying Management Fees will be paid from the Management Fees and accordingly any Performance Fees shall be payable by this Class Fund.

##### **Service Fee and other fee collection**

The Manager may also charge a Service Fee on behalf of an adviser (as agreed with a prospective investor) in respect of this Class Fund.

The level of Service Fee shall be variable (up to a maximum of 0.5% per annum of the Net Asset Value of the Class Fund) and the determination of the level of Service Fee shall be subject to specific agreement between a prospective investor and the Manager. The level of Service Fee shall not be increased unless relevant Unitholders are given at least one month's prior notice. The Manager may waive or reduce the service fee at its discretion without prior notice.

Service Fees payable in respect of Units of this Class Fund and any fees specifically agreed with the Manager in respect of this Class Fund will be satisfied by way of a redemption of such Unitholders' Units as are required to meet such fees, as detailed in paragraph 3.10 (Redemptions in respect of the payment of fees) of this Prospectus.

#### **Fund Administration, Trustee, Custodian and Registrar Fees**

The aggregate fee payable in respect of the Fund Administrator, Trustee, Custodian and Registrar shall be 0.1% per annum of the Net Asset Value of the Class Fund. This fee may be increased by the Manager at its discretion provided that it shall not exceed 0.15% and Unitholders shall be given at least one month's notice.

## SCHEDULE 2 - STRATEGIC STERLING LIQUIDITY FUND

### 1 CLASS FUND RULES

#### 1.1 Investment Objectives and Policy

This Class Fund was established on 31 March 2000.

The investment objective of this Class Fund is to invest in the MGI UK Cash Fund (the **Cash Fund**), a sub-fund of the MGI Funds plc (the **MGI Fund**), a UCITS scheme incorporated under the laws of Ireland. The MGI Fund prospectus includes information about the Cash Fund, and states that the Cash Fund has the investment objective of the preservation of capital and the provision of liquidity.

The Cash Fund will invest in cash deposits and short dated money market securities globally. Such money market securities may include, without limitation, short-term commercial paper, bankers' acceptances, government securities and certificates of deposit, securities issued by or on behalf of or guaranteed by the government of the UK or by other OECD sovereign governments or by their sub-divisions or agencies and securities issued by public corporations, local authorities, banks or other financial institutions or corporate issuers.

At least 80% of the assets of the Cash Fund will consist of money market securities or deposits which have a maturity at date of acquisition of not greater than one year.

Further details of the investment policy can be found in the MGI Fund prospectus and the Cash Fund supplement.

Investments in this Class Fund will also be subject to the risks described in this prospectus and also in the MGI Fund prospectus and Cash Fund supplement, and a prospective investor should therefore review and carefully consider such prospectus and supplement when ascertaining whether an investment in this Class Fund is suitable for it. Copies of such prospectus and supplement containing further information about the MGI Fund and Cash Fund (and the risks of investing in this Class Fund) may be obtained from the Manager upon written request.

#### 1.2 Sub-classes and investor eligibility criteria

##### Sub-classes

The following sub-classes of Units issued by this Class Fund are available for subscription by investors who meet the relevant investor criteria set out below for each relevant subclass, the determination of such eligibility to be at the sole and absolute discretion of the Manager:

| Sub-class | Investor eligibility criteria                                                                                                      |
|-----------|------------------------------------------------------------------------------------------------------------------------------------|
| "A"       | Institutional Investors and Individual Investors                                                                                   |
| "B"       | Institutional and certain other investor types as accepted by the Manager from time to time (at its sole and absolute discretion). |



**Institutional Investors** for the purposes of this Schedule means, without limitation, corporations, collective investment funds, pension funds, banks, governmental and quasigovernmental entities, municipalities, hospitals, insurance companies and certain other entities, such as foundations and endowments or ultra-High Net Worth individuals.

**Individual Investors** for the purposes of this Schedule means investors that are not institutional.

Each sub-class of Unit is subject to varied conditions of issue as set out in sections 1.7 and 1.13 of this Schedule.

### **Qualifying for sub-class B Units**

In order to qualify for sub-class B Units, applicants must be Institutional Investors or certain other investor types as accepted by the Manager from time to time (at its sole discretion). The minimum initial investment for such Institutional Investors is £1 million (or Base Currency equivalent). Investors are responsible for indicating their eligibility to purchase sub-class B units at the time of purchase. Remuneration terms in respect of the Management Fee and Service Fee payable by Class B units will be subject to specific agreement between the relevant sub-class B investor and the Manager, provided always that any such agreement by the Manager must be in the best interests of the Class Fund as a whole.

#### **1.3 Accounting Date, Subscription Days, Valuation Point**

The accounting date for this Class Fund shall be 31 March in each calendar year and the interim accounting date shall be 30 September in each calendar year.

Every day that is a Business Day shall be a Subscription Day for this Class Fund.

The Valuation Point is close of business in all markets on the Subscription Day. The Subscription Price will be available at 16h30 Jersey time on the following Subscription Day.

#### **1.4 Currency Denomination and Class Designation**

The Units of this Class Fund shall be designated A units and each Unit shall be denominated and valued in Pounds Sterling and shall be subscribed for and redeemed in Pounds Sterling.

#### **1.5 Subscription Price**

The Subscription Price per Unit for this Class Fund shall be calculated based on the Net Asset Value at the Valuation Point on each Subscription Day.

#### **1.6 Allotment, Issue, Redemption and Conversion of Units**

##### **Allotment and Issue of Units**

Applications for the issue of Units in this Class Fund must be lodged with the Fund Administrator in writing by 11h00 Jersey time on the Subscription Day on which Units are to be issued.

The Offer Price shall be payable in cleared funds by 11h00 Jersey time on the Subscription Day on which Units are to be issued (or such other time as the Manager may, in its discretion, determine).

### **Redemption of Units**

Requests for the redemption of Units of this Class Fund must be lodged with the Fund Administrator by 11h00 Jersey time on the Subscription Day on which Units are to be redeemed subject to receipt of relevant redemption documentation.

Subject to the receipt of proper documentation, redemption monies will normally be paid within 7 Business Days of the Subscription Day upon which the relevant Units are redeemed.

### **Conversion of Units**

Conversion notices to convert Units of this Class Fund to Units of another Class Fund must be lodged with the Fund Administrator by 11h00 Jersey time on the Subscription Day on which Units are to be converted.

#### **1.7 Minimum holdings and subscription amounts**

The minimum subscription amount for the sub-classes of Units in this Class Fund which shall be accepted in respect of an initial application, the required minimum subsequent subscription amount and the minimum aggregate Net Asset Value of sub-classes of Units which is required to be held by a Unitholder from time to time are as follows:

| <b>Sub-class</b> | <b>Minimum initial subscription amount</b> | <b>Minimum subsequent subscription amount</b> | <b>Minimum Net Asset Value of Units required to be held</b> |
|------------------|--------------------------------------------|-----------------------------------------------|-------------------------------------------------------------|
| "A"              | £2,500*                                    | £2,500*                                       | £2,500*                                                     |
| "B"              | £1,000,000*                                | £25,000*                                      | £250,000*                                                   |

\* or the equivalent in Base Currency of the Class Fund.

#### **1.8 Transfers**

Subject to the terms of the Trust Deed and subject to any regulatory restrictions applicable in a relevant jurisdiction, Units of this Class Fund shall be transferable subject to the prior written consent of the Manager, such consent not to be unreasonably withheld or delayed.

#### **1.9 Dividend Policy**

Income available for distribution attributable to this Class Fund shall be accumulated and not distributed to Unitholders.

#### **1.10 Investment Restrictions**

In addition to the investment restrictions relating to the Cash Fund referred to in paragraph 1.13 below, the following investment restrictions shall apply to this Class Fund:

- (a) The Class Fund shall invest only in the Cash Fund, provided that this limitation shall not operate so as to preclude the placing of monies of the Class Fund on deposit or the acquisition of certificates of deposit, promissory notes, bills, bearer depository receipts, negotiable instruments or other similar money market instruments;
- (b) The amount on deposit with any one Approved Bank shall not exceed 10% of the Net Asset Value of the Class Fund provided that:
  - (i) up to 20% of the Net Asset Value of the Class Fund may be deposited with an Approved Bank with the written approval of the Commission; and
  - (ii) such restriction shall not apply to amounts held on deposit for temporary periods of three months or less; and
- (c) Investment restriction (b) shall not apply in respect of any deposit of up to the Base Currency equivalent of US\$1,000,000.

Any breach of an investment restriction set out in this Schedule or applicable by operation of any law, regulation or policy will be remedied as soon as is reasonably possible following its discovery or notification to the Trustee or the Manager.

#### **1.11 Borrowing**

Borrowings for the account of this Class Fund shall be restricted so as to ensure that amounts outstanding from time to time do not exceed an amount equal to 10% of the Net Asset Value of the Class Fund for the purposes of meeting settlement timing differences, redemption requests or defraying operating expenses.

#### **1.12 The MGI Fund and the Cash Fund**

The Cash Fund is a separate sub-fund of the MGI Fund which is an open-ended umbrella company incorporated in Ireland on 2 June 2006 and is authorised as a UCITS.

The accounting date of the MGI Fund and Cash Fund is 30 June in each calendar year.

#### **1.13 Efficient Portfolio Management Techniques and Instruments**

The efficient portfolio management techniques of the MGI Fund are applicable to the Cash Fund. Details of which can be found in the MGI Fund prospectus and the Cash Fund supplement.

#### **1.14 Investment restrictions of MGI Fund and the Cash Fund**

The investment restrictions of the MGI Fund are also applicable to the Cash Fund, and include those applicable to all UCITS schemes, details of which can be found in the MGI Fund prospectus and the Cash Fund supplement.

### 1.15 Termination of the Cash Fund

The termination provisions of the MGI Fund and the Cash Fund are as set out in the MGI Fund prospectus.

### 1.16 Termination of this Class Fund

This Class Fund shall be terminated on termination of the Fund or otherwise under the terms of the Trust Deed, including (without limitation) by Extraordinary Resolution of the Unitholders in the Fund, due to illegality in relation to the continued existence of the Fund, the liquidation or insolvency of the Manager, an un-remedied material breach of the Trust Deed by the Manager or a failure to replace a retiring trustee or a removed or retiring manager.

In the event of the termination of the Fund, the assets of this Class Fund will be realised and distributed in accordance with the Trust Deed.

In the event of the termination of this Class Fund (otherwise than on termination of the Fund), the Trustee shall (at the discretion of the Manager) realise the assets of this Class Fund and, after repaying all borrowings and paying all other costs, charges and liabilities of this Class Fund, distribute the assets by way of redemption of the Units of this Class Fund (either in cash or in specie) to the Unitholders of this Class Fund in proportion to the number of Units of this Class Fund held. On termination of this Class Fund, the Units of this Class Fund may be redeemed by the Manager on such Subscription Day as the Manager may determine (without prejudice to any terms of the Trust Deed and the exercise by the Trustee and/or Manager of rights thereunder, including in relation to suspension of dealings, compulsory redemptions and conversions).

### 1.17 Fees and other Payments out of the Class Fund

#### **Management Fee**

The Management Fee shall be 0.30% per annum of the Net Asset Value of this Class Fund. The Management Fee of 0.30% may be varied by the Manager at its discretion provided that it shall not exceed 1.10% and Unitholders shall be given at least one month's prior notice of the variation.

The amount of the Management Fees payable shall be reduced by an amount equal to any accrued investment management or management fees payable by the Fund (or on its behalf) in respect of this Class Fund (**Underlying Management Fees**), provided that in cases where fees are payable by the Fund (or on its behalf) in respect of any investments of this Class Fund which are exceptional or in addition to Underlying Management Fees (including without limitation, payments that become due as a result of enhanced performance of such investment of this Class Fund or otherwise) (**Performance Fees**), only Underlying Management Fees will be paid from the Management Fees and accordingly any Performance Fees shall be payable by this Class Fund.

#### **Service Fee and other fee collection**

The Manager may also charge a Service Fee on behalf of an adviser (as agreed with a prospective investor) in respect of this Class Fund.

The level of Service Fee shall be variable (up to a maximum of 0.5% per annum of the Net Asset Value of the Class Fund) and the determination of the level of Service Fee shall be subject to specific agreement between a prospective investor and the Manager. The level of Service Fee shall not be increased unless relevant Unitholders are given at least one months' prior notice. The Manager may waive or reduce the service fee at its discretion without prior notice.

Service Fees payable in respect of Units of this Class Fund and any fees specifically agreed with the Manager in respect of this Class Fund will be satisfied by way of a redemption of such Unitholders' Units as are required to meet such fees, as detailed in paragraph 3.10 (Redemptions in respect of the payment of fees) of this Prospectus.

#### **Fund Administration, Trustee, Custodian and Registrar Fees**

The aggregate fee payable in respect of the Fund Administrator, Trustee, Custodian and Registrar shall be 0.1% per annum of the Net Asset Value of the Class Fund. This fee may be increased by the Manager at its discretion provided that it shall not exceed 0.15% and Unitholders shall be given at least one months' notice.

## SCHEDULE 3 - STRATEGIC GLOBAL EQUITY FUND

### 1 CLASS FUND RULES

#### 1.1 Investment Objectives and Policy

This Class Fund was established on 29 April 1997.

The investment objective of this Class Fund is to generate capital appreciation over the long term by investing in predominantly equity. This will be achieved by investing in a mix of collective investment funds invested in equity. It follows an active multi-manager approach which provides a high degree of diversification in terms of investment styles and strategies.

The Strategic Global Equity Fund is suitable for investors with a high-risk tolerance who are primarily seeking exposure to equity markets to achieve maximum capital growth over the long term (more than seven years).

#### 1.2 Sub-classes and investor eligibility criteria

##### Sub-classes

The following sub-classes of Units issued by this Class Fund are available for subscription by investors who meet the relevant investor criteria set out below for each relevant sub-class, the determination of such eligibility to be at the sole and absolute discretion of the Manager:

| Sub-class | Investor eligibility criteria                                                                                                      |
|-----------|------------------------------------------------------------------------------------------------------------------------------------|
| "D"       | Institutional Investors and Individual Investors                                                                                   |
| "A"       | Institutional Investors and Individual Investors                                                                                   |
| "B"       | Institutional and certain other investor types as accepted by the Manager from time to time (at its sole and absolute discretion). |

**Institutional Investors** for the purposes of this Schedule means, without limitation, corporations, collective investment funds, pension funds, banks, governmental and quasi-governmental entities, municipalities, hospitals, insurance companies and certain other entities, such as foundations and endowments or ultra-High Net Worth individuals.

**Individual Investors** for the purposes of this Schedule means investors that are not institutional.

Each sub-class of Unit is subject to varied conditions of issue as set out in sections 1.7 and 1.13 of this Schedule.

## **Qualifying for sub-class B Units**

In order to qualify for sub-class B Units, applicants must be Institutional Investors or certain other investor types as accepted by the Manager from time to time (at its sole discretion). The minimum initial investment for such Institutional Investors is £1 million (or Base Currency equivalent). Investors are responsible for indicating their eligibility to purchase sub-class B units at the time of purchase. Remuneration terms in respect of the Management Fee and Service Fee payable by Class B units will be subject to specific agreement between the relevant sub-class B investor and the Manager, provided always that any such agreement by the Manager must be in the best interests of the Class Fund as a whole.

### **1.3 Accounting Date, Subscription Days, Valuation Point**

The accounting date for this Class Fund shall be 31 March in each calendar year and the interim accounting date shall be 30 September in each calendar year.

Every day that is a Business Day shall be a Subscription Day for this Class Fund.

The Valuation Point is close of business in all financial markets on the Subscription Day. The Subscription Price will be available at 16h30 Jersey time on the following Subscription Day.

### **1.4 Currency Denomination**

This Class Fund shall be denominated and valued in United States Dollars and the Base Currency of each of the sub-classes of Units of this Class Fund shall be subscribed for and redeemed in United States Dollars.

### **1.5 Subscription Price**

The Subscription Price per Unit of this Class Fund shall be calculated based on the Net Asset Value at the Valuation Point on each Subscription Day.

### **1.6 Allotment, Issue, Redemption and Conversion of Units**

#### **Allotment and issue of Units**

Applications for the issue of Units of this Class Fund must be lodged with the Fund Administrator in writing by 11h00 Jersey time on the Subscription Day on which Units are to be issued.

The Offer Price shall be payable in cleared funds by 11h00 Jersey time on the Subscription Day on which Units are to be issued (or such other time as the Manager may, in its discretion, determine).

#### **Redemption of Units**

Requests for redemption of Units of this Class Fund must be lodged with the Fund Administrator by 11h00 Jersey time on the Subscription Day on which Units are to be redeemed subject to receipt of relevant redemption documentation.

Subject to the receipt of proper documentation, redemption monies will normally be paid within 7 Business Days of the Subscription Day upon which the relevant Units are redeemed.

### **Conversion of Units**

Conversion notices must be lodged with the Fund Administrator by 11h00 Jersey time on the Subscription Day on which Units are to be converted.

Sub-class D Units have the option to convert to sub-class A Units by submitting a conversion notice to the Manager.

#### **1.7 Minimum holdings and subscription amounts**

The minimum subscription amount for the sub-classes of Units in this Class Fund which shall be accepted in respect of an initial application, the required minimum subsequent subscription amount and the minimum aggregate Net Asset Value of sub-classes of Units which is required to be held by a Unitholder from time to time are as follows:

| <b>Sub-class</b> | <b>Minimum initial subscription amount</b> | <b>Minimum subsequent subscription amount</b> | <b>Minimum Net Asset Value of Units required to be held</b> |
|------------------|--------------------------------------------|-----------------------------------------------|-------------------------------------------------------------|
| "D"              | £2,500*                                    | £2,500*                                       | £2,500*                                                     |
| "A"              | £2,500*                                    | £2,500*                                       | £2,500*                                                     |
| "B"              | £1,000,000*                                | £25,000*                                      | £250,000*                                                   |

\* or the equivalent in Base Currency of the Class Fund

#### **1.8 Transfers**

Subject to the terms of the Trust Deed and subject to any regulatory restrictions applicable in the relevant jurisdiction, Units of this Class Fund shall be transferable subject to the prior written consent of the Manager, such consent not to be unreasonably withheld or delayed.

#### **1.9 Dividend Policy**

Income available for distribution attributable to this Class Fund shall be accumulated and not distributed to Unitholders.

#### **1.10 Investment Restrictions of the Class Fund**

The following investment restrictions shall apply to this Class Fund:

- (a) The Class Fund shall invest in the class funds of the Fund or any other collective investment schemes;
- (b) The Class Fund shall invest in not fewer than two separate collective investment schemes;
- (c) Not more than 75% of the Net Asset Value of the Class Fund shall be invested in any class fund or sub-fund of a collective investment scheme;



- (d) The Class Fund shall not invest in a fund of funds;
- (e) Not more than 5% of the Net Asset Value of the Class Fund shall be invested in warrant funds;
- (f) No increase in the overall total of initial charges, the Manager's annual fees or any other costs and charges borne by the Unitholders or by the Class Fund shall result, if the schemes in which the Class Fund invests are managed by the Manager, or by a connected person of the Manager; and
- (g) The amount on deposit with any one Approved Bank shall not exceed 10% of the Net Asset Value of the Class Fund provided that:
  - (i) up to 20% of the Net Asset Value of the Class Fund may be deposited with an Approved Bank with the written approval of the Commission; and
  - (ii) such restriction shall not apply to amounts held on deposit for temporary periods of three months or less.

Any breach of an investment restriction set out in this Schedule or applicable by operation of any law, regulation or policy will be remedied as soon as is reasonably possible following its discovery or notification to the Trustee or the Manager.

#### **1.11 Borrowing**

Borrowings for the account of this Class Fund shall be restricted so as to ensure that amounts outstanding from time to time do not exceed an amount equal to 10% of the Net Asset Value of the Class Fund save for borrowings on a temporary basis for the purposes of meeting settlement timing differences, redemption requests or defraying operating expenses.

#### **1.12 Termination of this Class Fund**

This Class Fund shall be terminated on termination of the Fund or otherwise under the terms of the Trust Deed, including (without limitation) by Extraordinary Resolution of the Unitholders in the Fund, due to illegality in relation to the continued existence of the Fund, the liquidation or insolvency of the Manager, an un-remedied material breach of the Trust Deed by the Manager or a failure to replace a retiring trustee or a removed or retiring manager.

In the event of the termination of the Fund, the assets of this Class Fund will be realised and distributed in accordance with the Trust Deed.

In the event of the termination of this Class Fund (otherwise than on termination of the Fund), the Trustee shall (at the discretion of the Manager) realise the assets of this Class Fund and, after repaying all borrowings and paying all other costs, charges and liabilities of this Class Fund, distribute the assets by way of redemption of the Units of this Class Fund (either in cash or in specie) to the Unitholders of this Class Fund in proportion to the number of Units of this Class Fund held. On termination of this Class Fund, the Units of this Class Fund may be redeemed by the Manager on such Subscription Day as the Manager may determine

(without prejudice to any terms of the Trust Deed and the exercise by the Trustee and/or Manager of rights thereunder, including in relation to suspension of dealings, compulsory redemptions and conversions).

### 1.13 Fees and other Payments out of this Class Fund

#### Management Fee and Service Fee

The Management Fee and Service Fee shall vary subject to the sub-class of Units issued by this Class Fund as set out in the table below. The Management Fee in respect to any of the sub-classes of Units may be varied by the Manager at its discretion provided that it shall not exceed 1.85% and Unitholders shall be given at least one month's prior notice of the variation.

The Manager may also charge a service fee (as set out below) in respect of certain sub-classes of units of this Class Fund. The Manager may waive or reduce the service fee at its discretion without prior notice.

The Management Fee and Service Fee levels in respect to each sub-class of Units issued by this Class Fund are as follows:

| Sub-class | Level of Management Fee (%)           | Level of Service Fee (%)                                                                                               |
|-----------|---------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| "D"       | 1.15 *                                | 0.5 *                                                                                                                  |
| "A"       | 1.15, payable out of the Class Fund * | Variable up to a maximum of 0.5 *- payable by redemption of Units, see section headed 'Service Fee Collection' below # |
| "B"       | #                                     | #                                                                                                                      |

\*per annum of the Net Asset Value of the Class Fund

# Remuneration terms in respect to sub-class B units and the service fee in respect of sub-class A Units will be subject to specific agreement between a prospective investor and the Manager

The amount of the Management Fees payable shall be reduced by an amount equal to any accrued investment management or management fees payable by the Fund (or on its behalf) in respect of this Class Fund (**Underlying Management Fees**), provided that in cases where fees are payable by the Fund (or on its behalf) in respect of any investments of this Class Fund which are exceptional or in addition to Underlying Management Fees (excluding payments that become due as a result of enhanced performance of such investment of this Class Fund or otherwise) (**Performance Fees**), only Underlying Management Fees will be paid from the Management Fees. There shall be no Performance Fees payable by this Class Fund.

For the sake of clarity, this Class Fund will not invest in collective investment schemes that have performance related fees.

#### Service Fee and other fee collection

Service Fees payable in respect of sub-class A Units or B Units which may be charged in respect of an adviser (as agreed with a prospective investor), and any other fees agreed with the Manager in respect to sub-class B Units will be satisfied by way of a redemption of such Unitholders' Units as are required to meet such fees, as detailed in paragraph 3.10 (Redemptions in respect of the payment of fees) of this Prospectus.

#### **Fund Administration, Trustee, Custodian and Registrar Fees**

The fee payable in respect of the Fund Administrator, Trustee, Custodian and Registrar shall be 0.1% per annum of the Net Asset Value of the Class Fund and will be applicable to all sub-classes of Units issued by the Class Fund. This fee may be increased by the Manager at its discretion provided that it shall not exceed 0.15% and Unitholders shall be given at least one month's notice.

## SCHEDULE 4 - STRATEGIC GLOBAL AGGRESSIVE FUND

### 1 CLASS FUND RULES

#### 1.1 Investment Objectives and Policy

This Class Fund was established on 30 June 2006.

The investment objective of this Class Fund is to generate capital appreciation over the long term by investing in a mix of collective investment funds. It follows an active multi-manager approach which provides a high degree of diversification in terms of investment styles, and strategies.

The Strategic Global Aggressive Fund is suitable for investors with a high-risk tolerance who are primarily seeking exposure to equity markets to achieve maximum capital growth over the long term (more than seven years).

#### 1.2 Sub-classes and investor eligibility criteria

##### Sub-classes

The following sub-classes of Units issued by this Class Fund are available for subscription by investors who meet the relevant investor criteria set out below for each relevant sub-class, the determination of such eligibility to be at the sole and absolute discretion of the Manager:

| Sub-class | Investor eligibility criteria                                                                                                      |
|-----------|------------------------------------------------------------------------------------------------------------------------------------|
| "D"       | Institutional Investors and Individual Investors                                                                                   |
| "A"       | Institutional Investors and Individual Investors                                                                                   |
| "B"       | Institutional and certain other investor types as accepted by the Manager from time to time (at its sole and absolute discretion). |

**Institutional Investors** for the purposes of this Schedule means, without limitation, corporations, collective investment funds, pension funds, banks, governmental and quasi-governmental entities, municipalities, hospitals, insurance companies and certain other entities, such as foundations and endowments or ultra-High Net Worth individuals.

**Individual Investors** for the purposes of this Schedule means investors that are not institutional.

Each sub-class of Unit is subject to varied conditions of issue as set out in sections 1.7 and 1.13 of this Schedule.

## **Qualifying for sub-class B Units**

In order to qualify for sub-class B Units, applicants must be Institutional Investors or certain other investor types as accepted by the Manager from time to time (at its sole discretion). The minimum initial investment for such Institutional Investors is £1 million (or Base Currency equivalent). Investors are responsible for indicating their eligibility to purchase Class B units at the time of purchase. Remuneration terms in respect of the Management Fee and Service Fee payable by Class B units will be subject to specific agreement between the relevant sub-class B investor and the Manager, provided always that any such agreement by the Manager must be in the best interests of the Class Fund as a whole.

### **1.3 Accounting Date, Subscription Days, Valuation Point**

The accounting date for this Class Fund shall be 31 March in each calendar year and the interim accounting date shall be 30 September in each calendar year.

Every day that is a Business Day shall be a Subscription Day for this Class Fund.

The Valuation Point is close of business in all financial markets on the Subscription Day. The Subscription Price will be available at 16h30 Jersey time on the following Subscription Day.

### **1.4 Currency Denomination**

This Class Fund shall be denominated and valued in United States Dollars and each of the sub-classes of Units of this Class Fund shall be subscribed for and redeemed in United States Dollars.

### **1.5 Subscription Price**

The Subscription Price per Unit of this Class Fund shall be calculated based on the Net Asset Value at the Valuation Point on each Subscription Day.

### **1.6 Allotment, Issue, Redemption and Conversion of Units**

#### **Allotment and issue of Units**

Applications for the issue of Units of this Class Fund must be lodged with the Fund Administrator in writing by 11h00 Jersey time on the Subscription Day on which Units are to be issued.

The Offer Price shall be payable in cleared funds by 11h00 Jersey time on the Subscription Day on which Units are to be issued (or such other time as the Manager may, in its discretion, determine).

#### **Redemption of Units**

Requests for redemption of Units of this Class Fund must be lodged with the Fund Administrator by 11h00 Jersey time on the Subscription Day on which Units are to be redeemed subject to receipt of relevant redemption documentation.

Subject to the receipt of proper documentation, redemption monies will normally be paid within 7 Business Days of the Subscription Day upon which the relevant Units are redeemed.

### **Conversion of Units**

Conversion notices must be lodged with the Fund Administrator by 11h00 Jersey time on the Subscription Day on which Units are to be converted.

Sub-class D Units have the option to convert to sub-class A Units by submitting a conversion notice to the Manager.

#### **1.7 Minimum holdings and subscription amounts**

The minimum subscription amount for the sub-classes of Units in this Class Fund which shall be accepted in respect of an initial application, the required minimum subsequent subscription amount and the minimum aggregate Net Asset Value of sub-classes of Units which is required to be held by a Unitholder from time to time are as follows:

| <b>Sub-class</b> | <b>Minimum initial subscription amount</b> | <b>Minimum subsequent subscription amount</b> | <b>Minimum Net Asset Value of Units required to be held</b> |
|------------------|--------------------------------------------|-----------------------------------------------|-------------------------------------------------------------|
| "D"              | £2,500*                                    | £2,500*                                       | £2,500*                                                     |
| "A"              | £2,500*                                    | £2,500*                                       | £2,500*                                                     |
| "B"              | £1,000,000*                                | £25,000*                                      | £250,000*                                                   |

\* or the equivalent in Base Currency of the Class Fund.

#### **1.8 Transfers**

Subject to the terms of the Trust Deed and subject to any regulatory restrictions applicable in the relevant jurisdiction, Units of this Class Fund shall be transferable subject to the prior written consent of the Manager, such consent not to be unreasonably withheld or delayed.

#### **1.9 Dividend Policy**

Income available for distribution attributable to this Class Fund shall be accumulated and not distributed to Unitholders.

#### **1.10 Investment Restrictions of the Class Fund**

The following investment restrictions shall apply to this Class Fund:

- (a) The Class Fund shall invest in the class funds of the Fund or any other collective investment schemes;
- (b) The Class Fund shall invest in not fewer than two separate collective investment schemes;
- (c) Not more than 75% of the Net Asset Value of the Class Fund shall be invested in any class fund or sub-fund of a collective investment scheme;

- (d) The Class Fund shall not invest in a fund of funds;
- (e) Not more than 5% of the Net Asset Value of the Class Fund shall be invested in warrant funds;
- (f) No increase in the overall total of initial charges, the Manager's annual fees or any other costs and charges borne by the Unitholders or by the Class Fund shall result, if the schemes in which the Class Fund invests are managed by the Manager, or by a connected person of the Manager; and
- (g) The amount on deposit with any one Approved Bank shall not exceed 10% of the Net Asset Value of the Class Fund provided that:
  - (i) up to 20% of the Net Asset Value of the Class Fund may be deposited with an Approved Bank with the written approval of the Commission; and
  - (ii) such restriction shall not apply to amounts held on deposit for temporary periods of three months or less.

Any breach of an investment restriction set out in this Schedule or applicable by operation of any law, regulation or policy will be remedied as soon as is reasonably possible following its discovery or notification to the Trustee or the Manager.

#### **1.11 Borrowing**

Borrowings for the account of this Class Fund shall be restricted so as to ensure that amounts outstanding from time to time do not exceed an amount equal to 10% of the Net Asset Value of the Class Fund save for borrowings on a temporary basis for the purposes of meeting settlement timing differences, redemption requests or defraying operating expenses.

#### **1.12 Termination of this Class Fund**

This Class Fund shall be terminated on termination of the Fund or otherwise under the terms of the Trust Deed, including (without limitation) by Extraordinary Resolution of the Unitholders in the Fund, due to illegality in relation to the continued existence of the Fund, the liquidation or insolvency of the Manager, an un-remedied material breach of the Trust Deed by the Manager or a failure to replace a retiring trustee or a removed or retiring manager.

In the event of the termination of the Fund, the assets of this Class Fund will be realised and distributed in accordance with the Trust Deed.

In the event of the termination of this Class Fund (otherwise than on termination of the Fund), the Trustee shall (at the discretion of the Manager) realise the assets of this Class Fund and, after repaying all borrowings and paying all other costs, charges and liabilities of this Class Fund, distribute the assets by way of redemption of the Units of this Class Fund (either in cash or in specie) to the Unitholders of this Class Fund in proportion to the number of Units of this Class Fund held. On termination of this Class Fund, the Units of this Class Fund may be redeemed by the Manager on such Subscription Day as the Manager may determine

(without prejudice to any terms of the Trust Deed and the exercise by the Trustee and/or Manager of rights thereunder, including in relation to suspension of dealings, compulsory redemptions and conversions).

### 1.13 Fees and other Payments out of this Class Fund

#### Management Fee and Service Fee

The Management Fee and Service Fee shall vary subject to the sub-class of Units issued by this Class Fund as set out in the table below. The Management Fee in respect of any of the sub-classes of Units may be varied by the Manager at its discretion provided that it shall not exceed 1.85% and Unitholders shall be given at least one month's prior notice of the variation.

The Manager may also charge a service fee (as set out below) in respect of certain sub-classes of units of this Class Fund. The Manager may waive or reduce the service fee at its discretion without prior notice.

The Management Fee and Service Fee levels in respect to each sub-class of Units issued by this Class Fund are as follows:

| Sub-class | Level of Management Fee (%)           | Level of Service Fee (%)                                                                                                |
|-----------|---------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| "D"       | 1.15 *                                | 0.75 *                                                                                                                  |
| "A"       | 1.15, payable out of the Class Fund * | Variable up to a maximum of 0.75 *- payable by redemption of Units, see section headed 'Service Fee Collection' below # |
| "B"       | #                                     | #                                                                                                                       |

\*per annum of the Net Asset Value of the Class Fund

# Remuneration terms in respect to sub-class B units and the service fee in respect of sub-class A Units will be subject to specific agreement between a prospective investor and the Manager

The amount of the Management Fees payable shall be reduced by an amount equal to any accrued investment management or management fees payable by the Fund (or on its behalf) in respect of this Class Fund (**Underlying Management Fees**), provided that in cases where fees are payable by the Fund (or on its behalf) in respect of any investments of this Class Fund which are exceptional or in addition to Underlying Management Fees (including without limitation, payments that become due as a result of enhanced performance of such investment of this Class Fund or otherwise) (**Performance Fees**), only Underlying Management Fees will be paid from the Management Fees and accordingly any Performance Fees shall be payable by this Class Fund.

#### Service Fee and other fee collection

Service Fees payable in respect of sub-class A Units or B Units which may be charged in respect of an adviser (as agreed with a prospective investor), and any other fees agreed with the Manager in respect to sub-class B Units will be satisfied by way of a redemption of such



Unitholders' Units as are required to meet such fees, as detailed in paragraph 3.10 (Redemptions in respect of the payment of fees) of this Prospectus.

**Fund Administration, Trustee, Custodian and Registrar Fees**

The fee payable in respect of the Fund Administrator, Trustee, Custodian and Registrar shall be 0.1% per annum of the Net Asset Value of the Class Fund and will be applicable to all sub-classes of Units issued by the Class Fund. This fee may be increased by the Manager at its discretion provided that it shall not exceed 0.15% and Unitholders shall be given at least one month's notice.

## SCHEDULE 5 - STRATEGIC GLOBAL MODERATE FUND

### 1 CLASS FUND RULES

#### 1.1 Investment Objectives and Policy

This Class Fund was established on 30 June 2006.

The investment objective of this Class Fund is to generate capital appreciation over the medium term by investing in a mix of collective investment funds. The Fund is managed within moderate investment parameters with a moderate allocation to equities. It follows an active multi-manager approach which provides a high degree of diversification in terms of investment styles, and strategies.

The Strategic Global Moderate Fund is suitable for investors who require capital growth over the medium term and prefer a moderate exposure to equity markets and would like to outperform inflation in the medium term (between three and five years).

#### 1.2 Sub-classes and investor eligibility criteria

##### Sub-classes

The following sub-classes of Units issued by this Class Fund are available for subscription by investors who meet the relevant investor criteria set out below for each relevant sub-class, the determination of such eligibility to be at the sole and absolute discretion of the Manager:

| Sub-class | Investor eligibility criteria                                                                                                     |
|-----------|-----------------------------------------------------------------------------------------------------------------------------------|
| "D"       | Institutional Investors and Individual Investors                                                                                  |
| "A"       | Institutional Investors and Individual Investors                                                                                  |
| "B"       | Institutional and certain other investor types as accepted by the Manager from time to time (at its sole and absolute discretion) |

**Institutional Investors** for the purposes of this Schedule means, without limitation, corporations, collective investment funds, pension funds, banks, governmental and quasi-governmental entities, municipalities, hospitals, insurance companies and certain other entities, such as foundations and endowments or ultra-High Net Worth individuals.

**Individual Investors** for the purposes of this Schedule means investors that are not institutional.

Each sub-class of Unit is subject to varied conditions of issue as set out in sections 1.7 and 1.13 of this Schedule.

## **Qualifying for sub-class B Units**

In order to qualify for sub-class B Units, applicants must be Institutional Investors or certain other investor types as accepted by the Manager from time to time (at its sole discretion). The minimum initial investment for such Institutional Investors is £1 million (or Base Currency equivalent). Investors are responsible for indicating their eligibility to purchase Class B units at the time of purchase. Remuneration terms in respect of the Management Fee and Service Fee payable by Class B units will be subject to specific agreement between the relevant sub-class B investor and the Manager, provided always that any such agreement by the Manager must be in the best interests of the Class Fund as a whole.

### **1.3 Accounting Date, Subscription Days, Valuation Point**

The accounting date for this Class Fund shall be 31 March in each calendar year and the interim accounting date shall be 30 September in each calendar year.

Every day that is a Business Day shall be a Subscription Day for this Class Fund.

The Valuation Point is close of business in all financial markets on the Subscription Day. The Subscription Price will be available at 16h30 Jersey time on the following Subscription Day.

### **1.4 Currency Denomination**

This Class Fund shall be denominated and valued in United States Dollars and each of the sub-classes of Units of this Class Fund shall be subscribed for and redeemed in United States Dollars.

### **1.5 Subscription Price**

The Subscription Price per Unit of this Class Fund shall be calculated based on the Net Asset Value at the Valuation Point on each Subscription Day.

### **1.6 Allotment, Issue, Redemption and Conversion of Units**

#### **Allotment and issue of Units**

Applications for the issue of Units of this Class Fund must be lodged with the Fund Administrator in writing by 11h00 Jersey time on the Subscription Day on which Units are to be issued.

The Offer Price shall be payable in cleared funds by 11h00 Jersey time on the Subscription Day on which Units are to be issued (or such other time as the Manager may, in its discretion, determine).

#### **Redemption of Units**

Requests for redemption of Units of this Class Fund must be lodged with the Fund Administrator by 11h00 Jersey time on the Subscription Day on which Units are to be redeemed subject to receipt of relevant redemption documentation.

Subject to the receipt of proper documentation, redemption monies will normally be paid within 7 Business Days of the Subscription Day upon which the relevant Units are redeemed.

### **Conversion of Units**

Conversion notices must be lodged with the Fund Administrator by 11h00 Jersey time on the Subscription Day on which Units are to be converted.

Sub-class D Units have the option to convert to sub-class A Units by submitting a conversion notice to the Manager.

#### **1.7 Minimum holdings and subscription amounts**

The minimum subscription amount for the sub-classes of Units in this Class Fund which shall be accepted in respect of an initial application, the required minimum subsequent subscription amount and the minimum aggregate Net Asset Value of sub-classes of Units which is required to be held by a Unitholder from time to time are as follows:

| <b>Sub-class</b> | <b>Minimum initial subscription amount</b> | <b>Minimum subsequent subscription amount</b> | <b>Minimum Net Asset Value of Units required to be held</b> |
|------------------|--------------------------------------------|-----------------------------------------------|-------------------------------------------------------------|
| "D"              | £2,500*                                    | £2,500*                                       | £2,500*                                                     |
| "A"              | £2,500*                                    | £2,500*                                       | £2,500*                                                     |
| "B"              | £1,000,000*                                | £25,000*                                      | £250,000*                                                   |

\* or the equivalent in Base Currency of the Class Fund.

#### **1.8 Transfers**

Subject to the terms of the Trust Deed and subject to any regulatory restrictions applicable in the relevant jurisdiction, Units of this Class Fund shall be transferable subject to the prior written consent of the Manager, such consent not to be unreasonably withheld or delayed.

#### **1.9 Dividend Policy**

Income available for distribution attributable to this Class Fund shall be accumulated and not distributed to Unitholders.

#### **1.10 Investment Restrictions of the Class Fund**

The following investment restrictions shall apply to this Class Fund:

- (a) The Class Fund shall invest in the class funds of the Fund or any other collective investment schemes;
- (b) The Class Fund shall invest in not fewer than two separate collective investment schemes;
- (c) Not more than 75% of the Net Asset Value of the Class Fund shall be invested in any class fund or sub-fund of a collective investment scheme;

- (d) The Class Fund shall not invest in a fund of funds;
- (e) Not more than 5% of the Net Asset Value of the Class Fund shall be invested in warrant funds;
- (f) No increase in the overall total of initial charges, the Manager's annual fees or any other costs and charges borne by the Unitholders or by the Class Fund shall result, if the schemes in which the Class Fund invests are managed by the Manager, or by a connected person of the Manager; and
- (g) The amount on deposit with any one Approved Bank shall not exceed 10% of the Net Asset Value of the Class Fund provided that:
  - (i) up to 20% of the Net Asset Value of the Class Fund may be deposited with an Approved Bank with the written approval of the Commission; and
  - (ii) such restriction shall not apply to amounts held on deposit for temporary periods of three months or less.

Any breach of an investment restriction set out in this Schedule or applicable by operation of any law, regulation or policy will be remedied as soon as is reasonably possible following its discovery or notification to the Trustee or the Manager.

#### **1.11 Borrowing**

Borrowings for the account of this Class Fund shall be restricted so as to ensure that amounts outstanding from time to time do not exceed an amount equal to 10% of the Net Asset Value of the Class Fund save for borrowings on a temporary basis for the purposes of meeting settlement timing differences, redemption requests or defraying operating expenses.

#### **1.12 Termination of this Class Fund**

This Class Fund shall be terminated on termination of the Fund or otherwise under the terms of the Trust Deed, including (without limitation) by Extraordinary Resolution of the Unitholders in the Fund, due to illegality in relation to the continued existence of the Fund, the liquidation or insolvency of the Manager, an un-remedied material breach of the Trust Deed by the Manager or a failure to replace a retiring trustee or a removed or retiring manager.

In the event of the termination of the Fund, the assets of this Class Fund will be realised and distributed in accordance with the Trust Deed.

In the event of the termination of this Class Fund (otherwise than on termination of the Fund), the Trustee shall (at the discretion of the Manager) realise the assets of this Class Fund and, after repaying all borrowings and paying all other costs, charges and liabilities of this Class Fund, distribute the assets by way of redemption of the Units of this Class Fund (either in cash or in specie) to the Unitholders of this Class Fund in proportion to the number of Units of this Class Fund held. On termination of this Class Fund, the Units of this Class Fund may be redeemed by the Manager on such Subscription Day as the Manager may determine

(without prejudice to any terms of the Trust Deed and the exercise by the Trustee and/or Manager of rights thereunder, including in relation to suspension of dealings, compulsory redemptions and conversions).

### 1.13 Fees and other Payments out of this Class Fund

#### Management Fee and Service Fee

The Management Fee and Service Fee shall vary subject to the sub-class of Units issued by this Class Fund as set out in the table below. The Management Fee in respect to any of the sub-classes of Units may be varied by the Manager at its discretion provided that it shall not exceed 1.85% and Unitholders shall be given at least one month's prior notice of the variation.

The Manager may also charge a service fee (as set out below) on behalf of an adviser in respect of certain sub-classes of units of this Class Fund. The Manager may waive or reduce the service fee at its discretion without prior notice.

The Management Fee and Service Fee levels in respect to each sub-class of Units issued by this Class Fund are as follows:

| Sub-class | Level of Management Fee (%)           | Level of Service Fee (%)                                                                                                              |
|-----------|---------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| "D"       | 1.10 *                                | 0.75 *                                                                                                                                |
| "A"       | 1.10, payable out of the Class Fund * | Variable up to a maximum of 0.75 *- payable by redemption of Units, see section headed 'Service Fee and other fee Collection' below # |
| "B"       | #                                     | #                                                                                                                                     |

\*per annum of the Net Asset Value of the Class Fund

# Remuneration terms in respect to sub-class B units and the service fee in respect of sub-class A Units will be subject to specific agreement between a prospective investor and the Manager

The amount of the Management Fees payable shall be reduced by an amount equal to any accrued investment management or management fees payable by the Fund (or on its behalf) in respect of this Class Fund (**Underlying Management Fees**), provided that in cases where fees are payable by the Fund (or on its behalf) in respect of any investments of this Class Fund which are exceptional or in addition to Underlying Management Fees (including without limitation, payments that become due as a result of enhanced performance of such investment of this Class Fund or otherwise) (**Performance Fees**), only Underlying Management Fees will be paid from the Management Fees and accordingly any Performance Fees shall be payable by this Class Fund.

#### Service Fee and other fee collection

Service Fees payable in respect of sub-class A Units or B Units which may be charged in respect of an adviser (as agreed with a prospective investor), and any other fees agreed with

the Manager in respect to sub-class B Units will be satisfied by way of a redemption of such Unitholders' Units as are required to meet such fees, as detailed in paragraph 3.10 (Redemptions in respect of the payment of fees) of this Prospectus.

#### **Fund Administration, Trustee, Custodian and Registrar Fees**

The fee payable in respect of the Fund Administrator, Trustee, Custodian and Registrar shall be 0.1% per annum of the Net Asset Value of the Class Fund and will be applicable to all sub-classes of Units issued by the Class Fund. This fee may be increased by the Manager at its discretion provided that it shall not exceed 0.15% and Unitholders shall be given at least one month's notice.

## SCHEDULE 6 - STRATEGIC GLOBAL CONSERVATIVE FUND

### 1 CLASS FUND RULES

#### 1.1 Investment Objectives and Policy

This Class Fund was established on 30 June 2006.

The investment objective of this Class Fund is to generate capital appreciation over the short to medium term by investing in a mix of collective investment funds. It follows an active multi-manager approach which provides a high degree of diversification in terms of investment styles and strategies.

The Strategic Global Conservative Fund is suitable for investors who are conservative in nature, and therefore prefer a limited exposure to equity markets and a short to medium term investment (less than two years)

The Fund offers investors returns with low volatility managed within conservative investment parameters.

#### 1.2 Sub-classes and investor eligibility criteria

##### Sub-classes

The following sub-classes of Units issued by this Class Fund are available for subscription by investors who meet the relevant investor criteria set out below for each relevant sub-class, the determination of such eligibility to be at the sole and absolute discretion of the Manager:

| Sub-class | Investor eligibility criteria                                                                                                     |
|-----------|-----------------------------------------------------------------------------------------------------------------------------------|
| "D"       | Institutional Investors and Individual Investors                                                                                  |
| "A"       | Institutional Investors and Individual Investors                                                                                  |
| "B"       | Institutional and certain other investor types as accepted by the Manager from time to time (at its sole and absolute discretion) |

**Institutional Investors** for the purposes of this Schedule means, without limitation, corporations, collective investment funds, pension funds, banks, governmental and quasi-governmental entities, municipalities, hospitals, insurance companies and certain other entities, such as foundations and endowments or ultra-High Net Worth individuals.

**Individual Investors** for the purposes of this Schedule means investors that are not institutional.

Each sub-class of Unit is subject to varied conditions of issue as set out in sections 1.7 and 1.13 of this Schedule.

##### Qualifying for sub-class B Units



In order to qualify for sub-class B Units, applicants must be Institutional Investors or certain other investor types as accepted by the Manager from time to time (at its sole discretion). The minimum initial investment for such Institutional Investors is £1 million (or Base Currency equivalent). Investors are responsible for indicating their eligibility to purchase Class B units at the time of purchase. Remuneration terms in respect of the Management Fee and Service Fee payable by Class B units will be subject to specific agreement between the relevant sub-class B investor and the Manager, provided always that any such agreement by the Manager must be in the best interests of the Class Fund as a whole.

### **1.3 Accounting Date, Subscription Days, Valuation Point**

The accounting date for this Class Fund shall be 31 March in each calendar year and the interim accounting date shall be 30 September in each calendar year.

Every day that is a Business Day shall be a Subscription Day for this Class Fund.

The Valuation Point is close of business in all financial markets on the Subscription Day. The Subscription Price will be available at 16h30 Jersey time on the following Subscription Day.

### **1.4 Currency Denomination**

This Class Fund shall be denominated and valued in United States Dollars and each of the sub-classes of Units of this Class Fund shall be subscribed for and redeemed in United States Dollars.

### **1.5 Subscription Price**

The Subscription Price per Unit of this Class Fund shall be calculated based on the Net Asset Value at the Valuation Point on each Subscription Day.

### **1.6 Allotment, Issue, Redemption and Conversion of Units**

#### **Allotment and issue of Units**

Applications for the issue of Units of this Class Fund must be lodged with the Fund Administrator in writing by 11h00 Jersey time on the Subscription Day on which Units are to be issued.

The Offer Price shall be payable in cleared funds by 11h00 Jersey time on the Subscription Day on which Units are to be issued (or such other time as the Manager may, in its discretion, determine).

#### **Redemption of Units**

Requests for redemption of Units of this Class Fund must be lodged with the Fund Administrator by 11h00 Jersey time on the Subscription Day on which Units are to be redeemed subject to receipt of relevant redemption documentation.

Subject to the receipt of proper documentation, redemption monies will normally be paid within 7 Business Days of the Subscription Day upon which the relevant Units are redeemed.

## Conversion of Units

Conversion notices must be lodged with the Fund Administrator by 11h00 Jersey time on the Subscription Day on which Units are to be converted.

Sub-class D Units have the option to convert to sub-class A Units by submitting a conversion notice to the Manager.

### 1.7 Minimum holdings and subscription amounts

The minimum subscription amount for the sub-classes of Units in this Class Fund which shall be accepted in respect of an initial application, the required minimum subsequent subscription amount and the minimum aggregate Net Asset Value of sub-classes of Units which is required to be held by a Unitholder from time to time are as follows:

| Sub-class | Minimum initial subscription amount | Minimum subsequent subscription amount | Minimum Net Asset Value of Units required to be held |
|-----------|-------------------------------------|----------------------------------------|------------------------------------------------------|
| "D"       | £2,500*                             | £2,500*                                | £2,500*                                              |
| "A"       | £2,500*                             | £2,500*                                | £2,500*                                              |
| "B"       | £1,000,000*                         | £25,000*                               | £250,000*                                            |

\* or the equivalent in Base Currency of the Class Fund.

### 1.8 Transfers

Subject to the terms of the Trust Deed and subject to any regulatory restrictions applicable in the relevant jurisdiction, Units of this Class Fund shall be transferable subject to the prior written consent of the Manager, such consent not to be unreasonably withheld or delayed.

### 1.9 Dividend Policy

Income available for distribution attributable to this Class Fund shall be accumulated and not distributed to Unitholders.

### 1.10 Investment Restrictions of the Class Fund

The following investment restrictions shall apply to this Class Fund:

- (a) The Class Fund shall invest in the class funds of the Fund or any other collective investment schemes;
- (b) The Class Fund shall invest in not fewer than two separate collective investment schemes;
- (c) Not more than 75% of the Net Asset Value of the Class Fund shall be invested in any class fund or sub-fund of a collective investment scheme;
- (d) The Class Fund shall not invest in a fund of funds;
- (e) Not more than 5% of the Net Asset Value of the Class Fund shall be invested in warrant funds;

- (f) No increase in the overall total of initial charges, the Manager's annual fees or any other costs and charges borne by the Unitholders or by the Class Fund shall result, if the schemes in which the Class Fund invests are managed by the Manager, or by a connected person of the Manager; and
- (g) The amount on deposit with any one Approved Bank shall not exceed 10% of the Net Asset Value of the Class Fund provided that:
  - (i) up to 20% of the Net Asset Value of the Class Fund may be deposited with an Approved Bank with the written approval of the Commission; and
  - (ii) such restriction shall not apply to amounts held on deposit for temporary periods of three months or less.

Any breach of an investment restriction set out in this Schedule or applicable by operation of any law, regulation or policy will be remedied as soon as is reasonably possible following its discovery or notification to the Trustee or the Manager.

#### **1.11 Borrowing**

Borrowings for the account of this Class Fund shall be restricted so as to ensure that amounts outstanding from time to time do not exceed an amount equal to 10% of the Net Asset Value of the Class Fund save for borrowings on a temporary basis for the purposes of meeting settlement timing differences, redemption requests or defraying operating expenses.

#### **1.12 Termination of this Class Fund**

This Class Fund shall be terminated on termination of the Fund or otherwise under the terms of the Trust Deed, including (without limitation) by Extraordinary Resolution of the Unitholders in the Fund, due to illegality in relation to the continued existence of the Fund, the liquidation or insolvency of the Manager, an un-remedied material breach of the Trust Deed by the Manager or a failure to replace a retiring trustee or a removed or retiring manager.

In the event of the termination of the Fund, the assets of this Class Fund will be realised and distributed in accordance with the Trust Deed.

In the event of the termination of this Class Fund (otherwise than on termination of the Fund), the Trustee shall (at the discretion of the Manager) realise the assets of this Class Fund and, after repaying all borrowings and paying all other costs, charges and liabilities of this Class Fund, distribute the assets by way of redemption of the Units of this Class Fund (either in cash or in specie) to the Unitholders of this Class Fund in proportion to the number of Units of this Class Fund held. On termination of this Class Fund, the Units of this Class Fund may be redeemed by the Manager on such Subscription Day as the Manager may determine (without prejudice to any terms of the Trust Deed and the exercise by the Trustee and/or Manager of rights thereunder, including in relation to suspension of dealings, compulsory redemptions and conversions).

#### **1.13 Fees and other Payments out of this Class Fund**

## Management Fee and Service Fee

The Management Fee and Service Fee shall vary subject to the sub-class of Units issued by this Class Fund as set out in the table below. The Management Fee in respect to any of the sub-classes of Units may be varied by the Manager at its discretion provided that it shall not exceed 1.85% and Unitholders shall be given at least one month's prior notice of the variation.

The Manager may also charge a service fee (as set out below) on behalf of an adviser in respect of certain sub-classes of units of this Class Fund. The Manager may waive or reduce the service fee at its discretion without prior notice.

The Management Fee and Service Fee levels in respect to each sub-class of Units issued by this Class Fund are as follows:

| Sub-class | Level of Management Fee (%)           | Level of Service Fee (%)                                                                                                              |
|-----------|---------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| "D"       | 1.10 *                                | 0.75 *                                                                                                                                |
| "A"       | 1.10, payable out of the Class Fund * | Variable up to a maximum of 0.75 *- payable by redemption of Units, see section headed 'Service Fee and other fee Collection' below # |
| "B"       | #                                     | #                                                                                                                                     |

\*per annum of the Net Asset Value of the Class Fund

# Remuneration terms in respect to sub-class B units and the service fee in respect of sub-class A Units will be subject to specific agreement between a prospective investor and the Manager

The amount of the Management Fees payable shall be reduced by an amount equal to any accrued investment management or management fees payable by the Fund (or on its behalf) in respect of this Class Fund (**Underlying Management Fees**), provided that in cases where fees are payable by the Fund (or on its behalf) in respect of any investments of this Class Fund which are exceptional or in addition to Underlying Management Fees (including without limitation, payments that become due as a result of enhanced performance of such investment of this Class Fund or otherwise) (**Performance Fees**), only Underlying Management Fees will be paid from the Management Fees and accordingly any Performance Fees shall be payable by this Class Fund.

## Service Fee and other fee collection

Service Fees payable in respect of sub-class A Units or B Units which may be charged in respect of an adviser (as agreed with a prospective investor), and any other fees agreed with the Manager in respect to sub-class B Units will be satisfied by way of a redemption of such Unitholders' Units as are required to meet such fees, as detailed in paragraph 3.10 (Redemptions in respect of the payment of fees) of this Prospectus.

## Fund Administration, Trustee, Custodian and Registrar Fees

The fee payable in respect of the Fund Administrator, Trustee, Custodian and Registrar shall be 0.1% per annum of the Net Asset Value of the Class Fund and will be applicable to all sub-classes of Units issued by the Class Fund. This fee may be increased by the Manager at its discretion provided that it shall not exceed 0.15% and Unitholders shall be given at least one month's notice.

## SCHEDULE 7 - STRATEGIC GLOBAL BALANCED FUND

### 1 CLASS FUND RULES

#### 1.1 Investment Objectives and Policy

This Class Fund was established on 30 June 2006.

The investment objective of this Class Fund is to generate capital appreciation over the medium to long term by investing in a mix of collective investment funds. It follows an active multi-manager approach which provides a high degree of diversification in terms of investment styles and strategies.

The Strategic Global Balanced Fund is suitable for investors who want to maximise capital growth over the medium to long term (five to seven years). It is aimed at investors who have a relatively low aversion to risk and would like exposure to equity markets. The Fund's relatively high weighting to equities is designed to increase the possibility of returns above inflation in the medium to long term (five to seven years).

#### 1.2 Sub-classes and investor eligibility criteria

##### Sub-classes

The following sub-classes of Units issued by this Class Fund are available for subscription by investors who meet the relevant investor criteria set out below for each relevant sub-class, the determination of such eligibility to be at the sole and absolute discretion of the Manager:

| Sub-class | Investor eligibility criteria                                                                                                      |
|-----------|------------------------------------------------------------------------------------------------------------------------------------|
| "D"       | Institutional Investors and Individual Investors                                                                                   |
| "A"       | Institutional Investors and Individual Investors                                                                                   |
| "B"       | Institutional and certain other investor types as accepted by the Manager from time to time (at its sole and absolute discretion). |

**Institutional Investors** for the purposes of this Schedule means, without limitation, corporations, collective investment funds, pension funds, banks, governmental and quasi-governmental entities, municipalities, hospitals, insurance companies and certain other entities, such as foundations and endowments or ultra-High Net Worth individuals.

**Individual Investors** for the purposes of this Schedule means investors that are not institutional.

Each sub-class of Unit is subject to varied conditions of issue as set out in sections 1.7 and 1.13 of this Schedule.

##### Qualifying for sub-class B Units

In order to qualify for sub-class B Units, applicants must be Institutional Investors or certain other investor types as accepted by the Manager from time to time (at its sole discretion).

The minimum initial investment for such Institutional Investors is £1 million (or Base Currency equivalent). Investors are responsible for indicating their eligibility to purchase Class B units at the time of purchase. Remuneration terms in respect of the Management Fee and Service Fee payable by Class B units will be subject to specific agreement between the relevant sub-class B investor and the Manager, provided always that any such agreement by the Manager must be in the best interests of the Class Fund as a whole.

### **1.3 Accounting Date, Subscription Days, Valuation Point**

The accounting date for this Class Fund shall be 31 March in each calendar year and the interim accounting date shall be 30 September in each calendar year.

Every day that is a Business Day shall be a Subscription Day for this Class Fund.

The Valuation Point is close of business in all financial markets on the Subscription Day. The Subscription Price will be available at 16h30 Jersey time on the following Subscription Day.

### **1.4 Currency Denomination**

This Class Fund shall be denominated and valued in United States Dollars and each of the sub-classes of Units of this Class Fund shall be subscribed for and redeemed in United States Dollars.

### **1.5 Subscription Price**

The Subscription Price per Unit of this Class Fund shall be calculated based on the Net Asset Value at the Valuation Point on each Subscription Day.

### **1.6 Allotment, Issue, Redemption and Conversion of Units**

#### **Allotment and issue of Units**

Applications for the issue of Units of this Class Fund must be lodged with the Fund Administrator in writing by 11h00 Jersey time on the Subscription Day on which Units are to be issued.

The Offer Price shall be payable in cleared funds by 11h00 Jersey time on the Subscription Day on which Units are to be issued (or such other time as the Manager may, in its discretion, determine).

#### **Redemption of Units**

Requests for redemption of Units of this Class Fund must be lodged with the Fund Administrator by 11h00 Jersey time on the Subscription Day on which Units are to be redeemed subject to receipt of relevant redemption documentation.

Subject to the receipt of proper documentation, redemption monies will normally be paid within 7 Business Days of the Subscription Day upon which the relevant Units are redeemed.

#### **Conversion of Units**

Conversion notices must be lodged with the Fund Administrator by 11h00 Jersey time on the Subscription Day on which Units are to be converted.

Sub-class D Units have the option to convert to sub-class A Units by submitting a conversion notice to the Manager.

### 1.7 Minimum holdings and subscription amounts

The minimum subscription amount for the sub-classes of Units in this Class Fund which shall be accepted in respect of an initial application, the required minimum subsequent subscription amount and the minimum aggregate Net Asset Value of sub-classes of Units which is required to be held by a Unitholder from time to time are as follows:

| <b>Sub-class</b> | <b>Minimum initial subscription amount</b> | <b>Minimum subsequent subscription amount</b> | <b>Minimum Net Asset Value of Units required to be held</b> |
|------------------|--------------------------------------------|-----------------------------------------------|-------------------------------------------------------------|
| "D"              | £2,500*                                    | £2,500*                                       | £2,500*                                                     |
| "A"              | £2,500*                                    | £2,500*                                       | £2,500*                                                     |
| "B"              | £1,000,000*                                | £25,000*                                      | £250,000*                                                   |

\* or the equivalent in Base Currency of the Class Fund.

### 1.8 Transfers

Subject to the terms of the Trust Deed and subject to any regulatory restrictions applicable in the relevant jurisdiction, Units of this Class Fund shall be transferable subject to the prior written consent of the Manager, such consent not to be unreasonably withheld or delayed.

### 1.9 Dividend Policy

Income available for distribution attributable to this Class Fund shall be accumulated and not distributed to Unitholders.

### 1.10 Investment Restrictions of the Class Fund

The following investment restrictions shall apply to this Class Fund:

- (a) The Class Fund shall invest in the class funds of the Fund or any other collective investment schemes;
- (b) The Class Fund shall invest in not fewer than two separate collective investment schemes;
- (c) Not more than 75% of the Net Asset Value of the Class Fund shall be invested in any class fund or sub-fund of a collective investment scheme;
- (d) The Class Fund shall not invest in a fund of funds;



- (e) Not more than 5% of the Net Asset Value of the Class Fund shall be invested in warrant funds;
- (f) No increase in the overall total of initial charges, the Manager's annual fees or any other costs and charges borne by the Unitholders or by the Class Fund shall result, if the schemes in which the Class Fund invests are managed by the Manager, or by a connected person of the Manager; and
- (g) The amount on deposit with any one Approved Bank shall not exceed 10% of the Net Asset Value of the Class Fund provided that:
  - (i) up to 20% of the Net Asset Value of the Class Fund may be deposited with an Approved Bank with the written approval of the Commission; and
  - (ii) such restriction shall not apply to amounts held on deposit for temporary periods of three months or less.

Any breach of an investment restriction set out in this Schedule or applicable by operation of any law, regulation or policy will be remedied as soon as is reasonably possible following its discovery or notification to the Trustee or the Manager.

#### **1.11 Borrowing**

Borrowings for the account of this Class Fund shall be restricted so as to ensure that amounts outstanding from time to time do not exceed an amount equal to 10% of the Net Asset Value of the Class Fund save for borrowings on a temporary basis for the purposes of meeting settlement timing differences, redemption requests or defraying operating expenses.

#### **1.12 Termination of this Class Fund**

This Class Fund shall be terminated on termination of the Fund or otherwise under the terms of the Trust Deed, including (without limitation) by Extraordinary Resolution of the Unitholders in the Fund, due to illegality in relation to the continued existence of the Fund, the liquidation or insolvency of the Manager, an un-remedied material breach of the Trust Deed by the Manager or a failure to replace a retiring trustee or a removed or retiring manager.

In the event of the termination of the Fund, the assets of this Class Fund will be realised and distributed in accordance with the Trust Deed.

In the event of the termination of this Class Fund (otherwise than on termination of the Fund), the Trustee shall (at the discretion of the Manager) realise the assets of this Class Fund and, after repaying all borrowings and paying all other costs, charges and liabilities of this Class Fund, distribute the assets by way of redemption of the Units of this Class Fund (either in cash or in specie) to the Unitholders of this Class Fund in proportion to the number of Units of this Class Fund held. On termination of this Class Fund, the Units of this Class Fund may be redeemed by the Manager on such Subscription Day as the Manager may determine (without prejudice to any terms of the Trust Deed and the exercise by the Trustee and/or

Manager of rights thereunder, including in relation to suspension of dealings, compulsory redemptions and conversions).

### 1.13 Fees and other Payments out of this Class Fund

#### Management Fee and Service Fee

The Management Fee and Service Fee shall vary subject to the sub-class of Units issued by this Class Fund as set out in the table below. The Management Fee in respect to any of the sub-classes of Units may be varied by the Manager at its discretion provided that it shall not exceed 1.85% and Unitholders shall be given at least one month's prior notice of the variation.

The Manager may also charge a service fee (as set out below) on behalf of an adviser in respect of certain sub-classes of units of this Class Fund. The Manager may waive or reduce the service fee at its discretion without prior notice.

The Management Fee and Service Fee levels in respect to each sub-class of Units issued by this Class Fund are as follows:

| Sub-class | Level of Management Fee (%)           | Level of Service Fee (%)                                                                                                              |
|-----------|---------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| "D"       | 1.20 *                                | 0.75 *                                                                                                                                |
| "A"       | 1.20, payable out of the Class Fund * | Variable up to a maximum of 0.75 *- payable by redemption of Units, see section headed 'Service Fee and other fee Collection' below # |
| "B"       | #                                     | #                                                                                                                                     |

\*per annum of the Net Asset Value of the Class Fund

# Remuneration terms in respect to sub-class B units and the service fee in respect of sub-class A Units will be subject to specific agreement between a prospective investor and the Manager

The amount of the Management Fees payable shall be reduced by an amount equal to any accrued investment management or management fees payable by the Fund (or on its behalf) in respect of this Class Fund (**Underlying Management Fees**), provided that in cases where fees are payable by the Fund (or on its behalf) in respect of any investments of this Class Fund which are exceptional or in addition to Underlying Management Fees (excluding payments that become due as a result of enhanced performance of such investment of this Class Fund or otherwise) (**Performance Fees**), only Underlying Management Fees will be paid from the Management Fees. There shall be no Performance Fees payable by this Class Fund.

For the sake of clarity, this Class Fund will not invest in collective investment schemes that have performance related fees.

#### Service Fee and other fee collection

Service Fees payable in respect of sub-class A Units or B Units which may be charged in respect of an adviser (as agreed with a prospective investor), and any other fees agreed with the Manager in respect to sub-class B Units will be satisfied by way of a redemption of such Unitholders' Units as are required to meet such fees, as detailed in paragraph 3.10 (Redemptions in respect of the payment of fees) of this Prospectus.

#### **Fund Administration, Trustee, Custodian and Registrar Fees**

The fee payable in respect of the Fund Administrator, Trustee, Custodian and Registrar shall be 0.1% per annum of the Net Asset Value of the Class Fund and will be applicable to all sub-classes of Units issued by the Class Fund. This fee may be increased by the Manager at its discretion provided that it shall not exceed 0.15% and Unitholders shall be given at least one month's notice.

**The following Class Funds have not been approved by the Financial Sector Conduct Authority of South Africa to be solicited to members of the public of the Republic of South Africa**

## SCHEDULE 8– ALEXANDER FORBES CONSERVATIVE FUND

**This Class Fund is NOT approved by the Financial Sector Conduct Authority of South Africa**

### 1 CLASS FUND RULES

#### 1.1 Investment Objectives and Policy

This Class Fund was established on 15 January 2015.

The investment objective of this Class Fund is to achieve capital preservation over the medium term by investing in a mix of collective investment vehicles (including funds, Investment Trusts and Exchange Traded Funds) across a variety of asset classes.

It follows an active multi-manager approach which provides a high degree of diversification in terms of investment styles and strategies. The Fund will typically have a broad, core exposure to government, corporate and specialist bond funds, together with a low to medium weighting to equity funds, providing investors with a lower risk strategy. It will have a core exposure to Sterling, however it is internationally diversified with access to investment opportunities globally as well as in the UK. Equity exposure is typically capped at 45% and the strategy is more suitable for investors wishing to move further away from equity biased investments.

The Alexander Forbes Conservative Fund is suitable for investors who are conservative in nature, and therefore prefer a limited exposure to equity markets and a medium-term investment (five years).

#### 1.2 Sub-classes and investor eligibility criteria

##### Sub-classes

The following sub-classes of Units issued by this Class Fund are available for subscription by investors who meet the relevant investor criteria set out below for each relevant sub-class, the determination of such eligibility to be at the sole and absolute discretion of the Manager:

| Sub-class | Investor eligibility criteria                                                                                                      |
|-----------|------------------------------------------------------------------------------------------------------------------------------------|
| “A” **    | Institutional Investors and Individual Investors                                                                                   |
| “B”       | Institutional and certain other investor types as accepted by the Manager from time to time (at its sole and absolute discretion). |

**\*\*Currently restricted from sale.**

**Institutional Investors** for the purposes of this Schedule means, without limitation, corporations, collective investment funds, pension funds, banks, governmental and quasi-governmental entities, municipalities, hospitals, insurance companies and certain other entities, such as foundations and endowments or ultra-High Net Worth individuals.

**Individual Investors** for the purposes of this Schedule means investors that are not institutional.

Each sub-class of Unit is subject to varied conditions of issue as set out in paragraphs 1.7 and 1.17 of this Schedule.

### **Qualifying for sub-class B Units**

In order to qualify for sub-class B Units, applicants must be Institutional Investors or certain other investor types as accepted by the Manager from time to time (at its sole discretion). The minimum initial investment for such Institutional Investors is £1 million (or Base Currency equivalent). Investors are responsible for indicating their eligibility to purchase Class B units at the time of purchase. Remuneration terms in respect of the Management Fee and Service Fee payable by Class B units will be subject to specific agreement between the relevant sub-class B investor and the Manager, provided always that any such agreement by the Manager must be in the best interests of the Class Fund as a whole.

#### **1.3 Accounting Date, Subscription Days, Valuation Point**

The accounting date for this Class Fund shall be 31 March in each calendar year and the interim accounting date shall be 30 September in each calendar year.

Every day that is a Business Day shall be a Subscription Day for this Class Fund.

The Valuation Point is close of business in all financial markets on the Subscription Day. The Subscription Price will be available at 16h30 Jersey time on the following Subscription Day.

#### **1.4 Currency Denomination**

This Class Fund shall be denominated and valued in Pounds Sterling and each of the sub-classes of Units of this Class Fund shall be subscribed for and redeemed in Pounds Sterling.

#### **1.5 Subscription Price**

The Subscription Price per Unit of this Class Fund shall be calculated based on the Net Asset Value at the Valuation Point on each Subscription Day.

#### **1.6 Allotment, Issue, Redemption and Conversion of Units**

##### **Allotment and issue of Units**

Applications for the issue of Units of this Class Fund must be lodged with the Fund Administrator in writing by 11h00 Jersey time on the Subscription Day on which Units are to be issued.

The Offer Price shall be payable in cleared funds by 11h00 Jersey time on the Subscription Day on which Units are to be issued (or such other time as the Manager may, in its discretion, determine).

##### **Redemption of Units**

Requests for redemption of Units of this Class Fund must be lodged with the Fund Administrator by 11h00 Jersey time on the Subscription Day on which Units are to be redeemed subject to receipt of relevant redemption documentation.

Subject to the receipt of proper documentation, redemption monies will normally be paid within 7 Business Days of the Subscription Day upon which the relevant Units are redeemed.

### **Conversion of Units**

Conversion notices must be lodged with the Fund Administrator by 11h00 Jersey time on the Subscription Day on which Units are to be converted.

#### **1.7 Minimum holdings and subscription amounts**

The minimum subscription amount for the sub-classes of Units in this Class Fund which shall be accepted in respect of an initial application, the required minimum subsequent subscription amount and the minimum aggregate Net Asset Value of sub-classes of Units which is required to be held by a Unitholder from time to time are as follows:

| <b>Sub-class</b> | <b>Minimum initial subscription amount</b> | <b>Minimum subsequent subscription amount</b> | <b>Minimum Net Asset Value of Units required to be held</b> |
|------------------|--------------------------------------------|-----------------------------------------------|-------------------------------------------------------------|
| "A" **           | £2,500                                     | £250                                          | £2,500                                                      |
| "B"              | £1,000,000                                 | £25,000                                       | £250,000                                                    |

**\*\*Currently restricted from sale.**

#### **1.8 Transfers**

Subject to the terms of the Trust Deed and subject to any regulatory restrictions applicable in the relevant jurisdiction, Units of this Class Fund shall be transferable subject to the prior written consent of the Manager, such consent not to be unreasonably withheld or delayed.

#### **1.9 Dividend Policy**

Income available for distribution attributable to this Class Fund shall be accumulated and not distributed to Unitholders.

#### **1.10 Investment Restrictions of the Class Fund**

The following investment restrictions shall apply to this Class Fund:

- (a) The Class Fund shall invest in the class funds of the Fund or any other collective investment schemes;
- (b) The Class Fund shall invest in not fewer than two separate collective investment schemes;
- (c) Not more than 75% of the Net Asset Value of the Class Fund shall be invested in any class fund or sub-fund of a collective investment scheme;
- (d) The Class Fund shall not invest in a fund of funds;
- (e) Not more than 5% of the Net Asset Value of the Class Fund shall be invested in warrant funds;

- (f) No increase in the overall total of initial charges, the Manager's annual fees or any other costs and charges borne by the Unitholders or by the Class Fund shall result, if the schemes in which the Class Fund invests are managed by the Manager, or by a connected person of the Manager; and
- (g) The amount on deposit with any one Approved Bank shall not exceed 10% of the Net Asset Value of the Class Fund provided that:
  - (i) up to 20% of the Net Asset Value of the Class Fund may be deposited with an Approved Bank with the written approval of the Commission; and
  - (ii) such restriction shall not apply to amounts held on deposit for temporary periods of three months or less.

Any breach of an investment restriction set out in this Schedule or applicable by operation of any law, regulation or policy will be remedied as soon as is reasonably possible following its discovery or notification to the Trustee or the Manager.

#### **1.11 Borrowing**

Borrowings for the account of this Class Fund shall be restricted so as to ensure that amounts outstanding from time to time do not exceed an amount equal to 10% of the Net Asset Value of the Class Fund save for borrowings on a temporary basis for the purposes of meeting settlement timing differences, redemption requests or defraying operating expenses.

#### **1.12 Termination of this Class Fund**

This Class Fund shall be terminated on termination of the Fund or otherwise under the terms of the Trust Deed, including (without limitation) by Extraordinary Resolution of the Unitholders in the Fund, due to illegality in relation to the continued existence of the Fund, the liquidation or insolvency of the Manager, an un-remedied material breach of the Trust Deed by the Manager or a failure to replace a retiring trustee or a removed or retiring manager.

In the event of the termination of the Fund, the assets of this Class Fund will be realised and distributed in accordance with the Trust Deed.

In the event of the termination of this Class Fund (otherwise than on termination of the Fund), the Trustee shall (at the discretion of the Manager) realise the assets of this Class Fund and, after repaying all borrowings and paying all other costs, charges and liabilities of this Class Fund, distribute the assets by way of redemption of the Units of this Class Fund (either in cash or in specie) to the Unitholders of this Class Fund in proportion to the number of Units of this Class Fund held. On termination of this Class Fund, the Units of this Class Fund may be redeemed by the Manager on such Subscription Day as the Manager may determine (without prejudice to any terms of the Trust Deed and the exercise by the Trustee and/or Manager of rights thereunder, including in relation to suspension of dealings, compulsory redemptions and conversions).

#### **1.13 Fees and other Payments out of this Class Fund**



## Management Fee and Service Fee

The Management Fee and Service Fee shall vary subject to the sub-class of Units issued by this Class Fund as set out in the table below. The Management Fee in respect to any of the sub-classes of Units may be varied by the Manager at its discretion provided that it shall not exceed 1.60 % and Unitholders shall be given at least one month's prior notice of the variation.

The Manager may also charge a service fee (as set out below) in respect of certain sub-classes of units of this Class Fund. The Manager may waive or reduce the service fee at its discretion without prior notice.

The Management Fee and Service Fee levels in respect to each sub-class of Units issued by this Class Fund are as follows:

| Sub-class | Level of Management Fee (%)          | Level of Service Fee (%)                                                                                                                  |
|-----------|--------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| "A" **    | 0.90% payable out of the Class Fund* | Variable up to a maximum of 0.60%<br>*- payable by redemption of Units, see section headed 'Service Fee and other fee Collection' below # |
| "B"       | #                                    | #                                                                                                                                         |

\*per annum of the Net Asset Value of the Class Fund

\*\***Currently restricted from sale.**

# Remuneration terms in respect to sub-class B units and the service fee in respect of sub-class A Units will be subject to specific agreement between a prospective investor and the Manager

## Service Fee and other fee collection

Service Fees payable in respect of sub-class A Units or B Units which may be charged in respect of an adviser (as agreed with a prospective investor), and any other fees agreed with the Manager in respect to sub-class B Units will be satisfied by way of a redemption of such Unitholders' Units as are required to meet such fees, as detailed in paragraph 3.10 (Redemptions in respect of the payment of fees) of this Prospectus.

## Fund Administration, Trustee, Custodian and Registrar Fees

The fee payable in respect of the Fund Administrator, Trustee, Custodian and Registrar shall be 0.1% per annum of the Net Asset Value of the Class Fund and will be applicable to all sub-classes of Units issued by the Class Fund. This fee may be increased by the Manager at its discretion provided that it shall not exceed 0.15% and Unitholders shall be given at least one month's notice.

## SCHEDULE 9 – ALEXANDER FORBES BALANCED FUND

**This Class Fund is NOT approved by the Financial Sector Conduct Authority of South Africa**

### 1 CLASS FUND RULES

#### 1.1 Investment Objectives and Policy

This Class Fund was established on 15 January 2015.

The investment objective of this Class Fund is to achieve a balance of capital growth and income over the medium to long term by investing in a mix of collective investment vehicles (including funds, Investment Trusts and Exchange Traded Funds) across a variety of asset classes.

It follows an active multi-manager approach which provides a high degree of diversification in terms of investment styles and strategies. This Class Fund will typically have broad exposure to equities, bonds and alternative investments and provides investors with a medium risk strategy. It will have a core exposure to Sterling, however it is internationally diversified with access to investment opportunities globally as well as in the UK. Equity exposure is capped at 70% and the fund is more suitable for investors seeking to balance risk and return whilst maintaining a diverse spread of assets.

The Alexander Forbes Balanced Fund is suitable for investors who want to maximise capital growth over the medium to long term (five to seven years). It is aimed at investors who have a relatively low aversion to risk and would like exposure to equity markets. The Fund's relatively high weighting to equities is designed to increase the possibility of returns above inflation in the medium to long term (five to seven years).

#### 1.2 Sub-classes and investor eligibility criteria

##### Sub-classes

The following sub-classes of Units issued by this Class Fund are available for subscription by investors who meet the relevant investor criteria set out below for each relevant sub-class, the determination of such eligibility to be at the sole and absolute discretion of the Manager:

| Sub-class | Investor eligibility criteria                                                                                                      |
|-----------|------------------------------------------------------------------------------------------------------------------------------------|
| "A" **    | Institutional Investors and Individual Investors                                                                                   |
| "B"       | Institutional and certain other investor types as accepted by the Manager from time to time (at its sole and absolute discretion). |

**\*\*Currently restricted from sale.**

**Institutional Investors** for the purposes of this Schedule means, without limitation, corporations, collective investment funds, pension funds, banks, governmental and quasi-governmental entities, municipalities, hospitals, insurance companies and certain other entities, such as foundations and endowments or ultra-High Net Worth individuals.

**Individual Investors** for the purposes of this Schedule means investors that are not institutional.

Each sub-class of Unit is subject to varied conditions of issue as set out in paragraphs 1.7 and 1.17 of this Schedule.

### **Qualifying for sub-class B Units**

In order to qualify for sub-class B Units, applicants must be Institutional Investors or certain other investor types as accepted by the Manager from time to time (at its sole discretion). The minimum initial investment for such Institutional Investors is £1 million (or Base Currency equivalent). Investors are responsible for indicating their eligibility to purchase Class B units at the time of purchase. Remuneration terms in respect of the Management Fee and Service Fee payable by Class B units will be subject to specific agreement between the relevant sub-class B investor and the Manager, provided always that any such agreement by the Manager must be in the best interests of the Class Fund as a whole.

#### **1.3 Accounting Date, Subscription Days, Valuation Point**

The accounting date for this Class Fund shall be 31 March in each calendar year and the interim accounting date shall be 30 September in each calendar year.

Every day that is a Business Day shall be a Subscription Day for this Class Fund.

The Valuation Point is close of business in all financial markets on the Subscription Day. The Subscription Price will be available at 16h30 Jersey time on the following Subscription Day.

#### **1.4 Currency Denomination**

This Class Fund shall be denominated and valued in Pounds Sterling and each of the sub-classes of Units of this Class Fund shall be subscribed for and redeemed in Pounds Sterling.

#### **1.5 Subscription Price**

The Subscription Price per Unit of this Class Fund shall be calculated based on the Net Asset Value at the Valuation Point on each Subscription Day.

#### **1.6 Allotment, Issue, Redemption and Conversion of Units**

##### **Allotment and issue of Units**

Applications for the issue of Units of this Class Fund must be lodged with the Fund Administrator in writing by 11h00 Jersey time on the Subscription Day on which Units are to be issued.

The Offer Price shall be payable in cleared funds by 11h00 Jersey time on the Subscription Day on which Units are to be issued (or such other time as the Manager may, in its discretion, determine).

##### **Redemption of Units**

Requests for redemption of Units of this Class Fund must be lodged with the Fund Administrator by 11h00 Jersey time on the Subscription Day on which Units are to be redeemed subject to receipt of relevant redemption documentation.

Subject to the receipt of proper documentation, redemption monies will normally be paid within 7 Business Days of the Subscription Day upon which the relevant Units are redeemed

### **Conversion of Units**

Conversion notices must be lodged with the Fund Administrator by 11h00 Jersey time on the Subscription Day on which Units are to be converted.

#### **1.7 Minimum holdings and subscription amounts**

The minimum subscription amount for the sub-classes of Units in this Class Fund which shall be accepted in respect of an initial application, the required minimum subsequent subscription amount and the minimum aggregate Net Asset Value of sub-classes of Units which is required to be held by a Unitholder from time to time are as follows:

| <b>Sub-class</b> | <b>Minimum initial subscription amount</b> | <b>Minimum subsequent subscription amount</b> | <b>Minimum Net Asset Value of Units required to be held</b> |
|------------------|--------------------------------------------|-----------------------------------------------|-------------------------------------------------------------|
| "A" **           | £2,500                                     | £250                                          | £2,500                                                      |
| "B"              | £1,000,000                                 | £25,000                                       | £250,000                                                    |

**\*\*Currently restricted from sale.**

#### **1.8 Transfers**

Subject to the terms of the Trust Deed and subject to any regulatory restrictions applicable in the relevant jurisdiction, Units of this Class Fund shall be transferable subject to the prior written consent of the Manager, such consent not to be unreasonably withheld or delayed.

#### **1.9 Dividend Policy**

Income available for distribution attributable to this Class Fund shall be accumulated and not distributed to Unitholders.

#### **1.10 Investment Restrictions of the Class Fund**

The following investment restrictions shall apply to this Class Fund:

- (a) The Class Fund shall invest in the class funds of the Fund or any other collective investment schemes;
- (b) The Class Fund shall invest in not fewer than two separate collective investment schemes;
- (c) Not more than 75% of the Net Asset Value of the Class Fund shall be invested in any class fund or sub-fund of a collective investment scheme;

- (d) The Class Fund shall not invest in a fund of funds;
- (e) Not more than 5% of the Net Asset Value of the Class Fund shall be invested in warrant funds;
- (f) No increase in the overall total of initial charges, the Manager's annual fees or any other costs and charges borne by the Unitholders or by the Class Fund shall result, if the schemes in which the Class Fund invests are managed by the Manager, or by a connected person of the Manager; and
- (g) The amount on deposit with any one Approved Bank shall not exceed 10% of the Net Asset Value of the Class Fund provided that:
  - (i) up to 20% of the Net Asset Value of the Class Fund may be deposited with an Approved Bank with the written approval of the Commission; and
  - (ii) such restriction shall not apply to amounts held on deposit for temporary periods of three months or less.

Any breach of an investment restriction set out in this Schedule or applicable by operation of any law, regulation or policy will be remedied as soon as is reasonably possible following its discovery or notification to the Trustee or the Manager.

#### **1.11 Borrowing**

Borrowings for the account of this Class Fund shall be restricted so as to ensure that amounts outstanding from time to time do not exceed an amount equal to 10% of the Net Asset Value of the Class Fund save for borrowings on a temporary basis for the purposes of meeting settlement timing differences, redemption requests or defraying operating expenses.

#### **1.12 Termination of this Class Fund**

This Class Fund shall be terminated on termination of the Fund or otherwise under the terms of the Trust Deed, including (without limitation) by Extraordinary Resolution of the Unitholders in the Fund, due to illegality in relation to the continued existence of the Fund, the liquidation or insolvency of the Manager, an un-remedied material breach of the Trust Deed by the Manager or a failure to replace a retiring trustee or a removed or retiring manager.

In the event of the termination of the Fund, the assets of this Class Fund will be realised and distributed in accordance with the Trust Deed.

In the event of the termination of this Class Fund (otherwise than on termination of the Fund), the Trustee shall (at the discretion of the Manager) realise the assets of this Class Fund and, after repaying all borrowings and paying all other costs, charges and liabilities of this Class Fund, distribute the assets by way of redemption of the Units of this Class Fund (either in cash or in specie) to the Unitholders of this Class Fund in proportion to the number of Units of this Class Fund held. On termination of this Class Fund, the Units of this Class Fund may be redeemed by the Manager on such Subscription Day as the Manager may determine

(without prejudice to any terms of the Trust Deed and the exercise by the Trustee and/or Manager of rights thereunder, including in relation to suspension of dealings, compulsory redemptions and conversions).

### 1.13 Fees and other Payments out of this Class Fund

#### Management Fee and Service Fee

The Management Fee and Service Fee shall vary subject to the sub-class of Units issued by this Class Fund as set out in the table below. The Management Fee in respect to any of the sub-classes of Units may be varied by the Manager at its discretion provided that it shall not exceed 1.60 % and Unitholders shall be given at least one month's prior notice of the variation.

The Manager may also charge a service fee (as set out below) in respect of certain sub-classes of units of this Class Fund. The Manager may waive or reduce the service fee at its discretion without prior notice.

The Management Fee and Service Fee levels in respect to each sub-class of Units issued by this Class Fund are as follows:

| Sub-class | Level of Management Fee (%)          | Level of Service Fee (%)                                                                                                                  |
|-----------|--------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| "A" **    | 0.90% payable out of the Class Fund* | Variable up to a maximum of 0.60%<br>*- payable by redemption of Units, see section headed 'Service Fee and other fee Collection' below # |
| "B"       | #                                    | #                                                                                                                                         |

\*per annum of the Net Asset Value of the Class Fund

\*\*Currently restricted from sale.

# Remuneration terms in respect to sub-class B units and the service fee in respect of sub-class A Units will be subject to specific agreement between a prospective investor and the Manager

#### Service Fee and other fee collection

Service Fees payable in respect of sub-class A Units or B Units which may be charged in respect of an adviser (as agreed with a prospective investor), and any other fees agreed with the Manager in respect to sub-class B Units will be satisfied by way of a redemption of such Unitholders' Units as are required to meet such fees, as detailed in paragraph 3.10 (Redemptions in respect of the payment of fees) of this Prospectus.

#### Fund Administration, Trustee, Custodian and Registrar Fees

The fee payable in respect of the Fund Administrator, Trustee, Custodian and Registrar shall be 0.1% per annum of the Net Asset Value of the Class Fund and will be applicable to all sub-classes of Units issued by the Class Fund. This fee may be increased by the Manager at

its discretion provided that it shall not exceed 0.15% and Unitholders shall be given at least one month's notice.

## SCHEDULE 10 – ALEXANDER FORBES DYNAMIC FUND

**This Class Fund is NOT approved by the Financial Sector Conduct Authority of South Africa**

### 1 CLASS FUND RULES

#### 1.1 Investment Objectives and Policy

This Class Fund was established on 15 January 2015.

The investment objective of this Class Fund is to generate capital growth over the long term by investing in a mix of collective investment vehicles (including funds, Investment Trusts and Exchange Traded Funds) across a variety of asset classes.

It follows an active multi-manager approach which provides a high degree of diversification in terms of investment styles and strategies. This Class Fund will typically have a high weighting to equities and provides investors with a diversified growth strategy. It will have a core exposure to Sterling, however it is internationally diversified with access to investment opportunities globally as well as in the UK. This approach has the potential for higher returns over the longer term, however investors should expect a higher level of volatility and the potential for greater capital drawdowns. Equity exposure is capped at 92% and the fund is more suitable for investors with a long-term investment horizon or those willing to accept a higher risk profile.

The Alexander Forbes Dynamic Fund is suitable for investors with a high-risk tolerance who are primarily seeking exposure to equity markets to achieve maximum capital growth over the long term (more than seven years).

#### 1.2 Sub-classes and investor eligibility criteria

##### Sub-classes

The following sub-classes of Units issued by this Class Fund are available for subscription by investors who meet the relevant investor criteria set out below for each relevant sub-class, the determination of such eligibility to be at the sole and absolute discretion of the Manager:

| Sub-class | Investor eligibility criteria                                                                                                      |
|-----------|------------------------------------------------------------------------------------------------------------------------------------|
| "A" **    | Institutional Investors and Individual Investors                                                                                   |
| "B"       | Institutional and certain other investor types as accepted by the Manager from time to time (at its sole and absolute discretion). |

**\*\*Currently restricted from sale.**

**Institutional Investors** for the purposes of this Schedule means, without limitation, corporations, collective investment funds, pension funds, banks, governmental and quasi-governmental entities, municipalities, hospitals, insurance companies and certain other entities, such as foundations and endowments or ultra-High Net Worth individuals.



**Individual Investors** for the purposes of this Schedule means investors that are not institutional.

Each sub-class of Unit is subject to varied conditions of issue as set out in sections paragraphs 1.7 and 1.17 of this Schedule.

### **Qualifying for sub-class B Units**

In order to qualify for sub-class B Units, applicants must be Institutional Investors or certain other investor types as accepted by the Manager from time to time (at its sole discretion). The minimum initial investment for such Institutional Investors is £1 million (or Base Currency equivalent). Investors are responsible for indicating their eligibility to purchase Class B units at the time of purchase. Remuneration terms in respect of the Management Fee and Service Fee payable by Class B units will be subject to specific agreement between the relevant sub-class B investor and the Manager, provided always that any such agreement by the Manager must be in the best interests of the Class Fund as a whole.

#### **1.3 Accounting Date, Subscription Days, Valuation Point**

The accounting date for this Class Fund shall be 31 March in each calendar year and the interim accounting date shall be 30 September in each calendar year.

Every day that is a Business Day shall be a Subscription Day for this Class Fund.

The Valuation Point is close of business in all financial markets on the Subscription Day. The Subscription Price will be available at 16h30 Jersey time on the following Subscription Day.

#### **1.4 Currency Denomination**

This Class Fund shall be denominated and valued in Pounds Sterling and each of the sub-classes of Units of this Class Fund shall be subscribed for and redeemed in Pounds Sterling.

#### **1.5 Subscription Price**

The Subscription Price per Unit of this Class Fund shall be calculated based on the Net Asset Value at the Valuation Point on each Subscription Day.

#### **1.6 Allotment, Issue, Redemption and Conversion of Units**

##### **Allotment and issue of Units**

Applications for the issue of Units of this Class Fund must be lodged with the Fund Administrator in writing by 11h00 Jersey time on the Subscription Day on which Units are to be issued.

The Offer Price shall be payable in cleared funds by 11h00 Jersey time on the Subscription Day on which Units are to be issued (or such other time as the Manager may, in its discretion, determine).

##### **Redemption of Units**

Requests for redemption of Units of this Class Fund must be lodged with the Fund Administrator by 11h00 Jersey time on the Subscription Day on which Units are to be redeemed subject to receipt of relevant redemption documentation.

Subject to the receipt of proper documentation, redemption monies will normally be paid within 7 Business Days of the Subscription Day upon which the relevant Units are redeemed.

### **Conversion of Units**

Conversion notices must be lodged with the Fund Administrator by 11h00 Jersey time on the Subscription Day on which Units are to be converted.

#### **1.7 Minimum holdings and subscription amounts**

The minimum subscription amount for the sub-classes of Units in this Class Fund which shall be accepted in respect of an initial application, the required minimum subsequent subscription amount and the minimum aggregate Net Asset Value of sub-classes of Units which is required to be held by a Unitholder from time to time are as follows:

| <b>Sub-class</b> | <b>Minimum initial subscription amount</b> | <b>Minimum subsequent subscription amount</b> | <b>Minimum Net Asset Value of Units required to be held</b> |
|------------------|--------------------------------------------|-----------------------------------------------|-------------------------------------------------------------|
| "A" **           | £2,500                                     | £250                                          | £2,500                                                      |
| "B"              | £1,000,000                                 | £25,000                                       | £250,000                                                    |

**\*\*Currently restricted from sale.**

#### **1.8 Transfers**

Subject to the terms of the Trust Deed and subject to any regulatory restrictions applicable in the relevant jurisdiction, Units of this Class Fund shall be transferable subject to the prior written consent of the Manager, such consent not to be unreasonably withheld or delayed.

#### **1.9 Dividend Policy**

Income available for distribution attributable to this Class Fund shall be accumulated and not distributed to Unitholders.

#### **1.10 Investment Restrictions of the Class Fund**

The following investment restrictions shall apply to this Class Fund:

- (a) The Class Fund shall invest in the class funds of the Fund or any other collective investment schemes;
- (b) The Class Fund shall invest in not fewer than two separate collective investment schemes;
- (c) Not more than 75% of the Net Asset Value of the Class Fund shall be invested in any class fund or sub-fund of a collective investment scheme;

- (d) The Class Fund shall not invest in a fund of funds;
- (e) Not more than 5% of the Net Asset Value of the Class Fund shall be invested in warrant funds;
- (f) No increase in the overall total of initial charges, the Manager's annual fees or any other costs and charges borne by the Unitholders or by the Class Fund shall result, if the schemes in which the Class Fund invests are managed by the Manager, or by a connected person of the Manager; and
- (g) The amount on deposit with any one Approved Bank shall not exceed 10% of the Net Asset Value of the Class Fund provided that:
  - (i) up to 20% of the Net Asset Value of the Class Fund may be deposited with an Approved Bank with the written approval of the Commission; and
  - (ii) such restriction shall not apply to amounts held on deposit for temporary periods of three months or less.

Any breach of an investment restriction set out in this Schedule or applicable by operation of any law, regulation or policy will be remedied as soon as is reasonably possible following its discovery or notification to the Trustee or the Manager.

#### **1.11 Borrowing**

Borrowings for the account of this Class Fund shall be restricted so as to ensure that amounts outstanding from time to time do not exceed an amount equal to 10% of the Net Asset Value of the Class Fund save for borrowings on a temporary basis for the purposes of meeting settlement timing differences, redemption requests or defraying operating expenses.

#### **1.12 Termination of this Class Fund**

This Class Fund shall be terminated on termination of the Fund or otherwise under the terms of the Trust Deed, including (without limitation) by Extraordinary Resolution of the Unitholders in the Fund, due to illegality in relation to the continued existence of the Fund, the liquidation or insolvency of the Manager, an un-remedied material breach of the Trust Deed by the Manager or a failure to replace a retiring trustee or a removed or retiring manager.

In the event of the termination of the Fund, the assets of this Class Fund will be realised and distributed in accordance with the Trust Deed.

In the event of the termination of this Class Fund (otherwise than on termination of the Fund), the Trustee shall (at the discretion of the Manager) realise the assets of this Class Fund and, after repaying all borrowings and paying all other costs, charges and liabilities of this Class Fund, distribute the assets by way of redemption of the Units of this Class Fund (either in cash or in specie) to the Unitholders of this Class Fund in proportion to the number of Units of this Class Fund held. On termination of this Class Fund, the Units of this Class Fund may be redeemed by the Manager on such Subscription Day as the Manager may determine

(without prejudice to any terms of the Trust Deed and the exercise by the Trustee and/or Manager of rights thereunder, including in relation to suspension of dealings, compulsory redemptions and conversions).

### 1.13 Fees and other Payments out of this Class Fund

#### Management Fee and Service Fee

The Management Fee and Service Fee shall vary subject to the sub-class of Units issued by this Class Fund as set out in the table below. The Management Fee in respect to any of the sub-classes of Units may be varied by the Manager at its discretion provided that it shall not exceed 1.60% and relevant Unitholders shall be given at least one month's prior notice of the variation.

The Manager may also charge a service fee (as set out below) in respect of certain sub-classes of units of this Class Fund. The Manager may waive or reduce the service fee at its discretion without prior notice.

The Management Fee and Service Fee levels in respect to each sub-class of Units issued by this Class Fund are as follows:

| Sub-class | Level of Management Fee (%)          | Level of Service Fee (%)                                                                                                                  |
|-----------|--------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| "A" **    | 0.90% payable out of the Class Fund* | Variable up to a maximum of 0.60%<br>*- payable by redemption of Units, see section headed 'Service Fee and other fee Collection' below # |
| "B"       | #                                    | #                                                                                                                                         |

\*per annum of the Net Asset Value of the Class Fund

\*\*Currently restricted from sale.

# Remuneration terms in respect to sub-class B units and the service fee in respect of sub-class A Units will be subject to specific agreement between a prospective investor and the Manager

#### Service Fee and other fee collection

Service Fees payable in respect of sub-class A Units or B Units which may be charged in respect of an adviser (as agreed with a prospective investor), and any other fees agreed with the Manager in respect to sub-class B Units will be satisfied by way of a redemption of such Unitholders' Units as are required to meet such fees, as detailed in paragraph 3.10 (Redemptions in respect of the payment of fees) of this Prospectus.

#### Fund Administration, Trustee, Custodian and Registrar Fees

The fee payable in respect of the Fund Administrator, Trustee, Custodian and Registrar shall be 0.1% per annum of the Net Asset Value of the Class Fund and will be applicable to all sub-classes of Units issued by the Class Fund. This fee may be increased by the Manager at

its discretion provided that it shall not exceed 0.15% and Unitholders shall be given at least one month's notice.

## SCHEDULE 11 – ALEXANDER FORBES ALL EQUITY FUND

**This Class Fund is NOT approved by the Financial Sector Conduct Authority of South Africa**

### 1 CLASS FUND RULES

#### 1.1 Investment Objectives and Policy

This Class Fund was established on 15 January 2015.

The investment objective of this Class Fund is to generate capital growth over the long term by investing in a mix of collective investment vehicles (including funds, Investment Trusts and Exchange Traded Funds) across global equity markets.

It follows an active multi-manager approach which provides a high degree of diversification in terms of investment styles and strategies. Whilst the fund may on occasion hold a small amount of cash, typically it will be fully invested in equities and provides investors with an aggressive growth strategy. It will have a core exposure to Sterling, however it is internationally diversified with access to investment opportunities globally as well as in the UK. This approach has the potential for equity market returns over the longer term, however investors should expect a high level of volatility and the potential for large capital drawdowns. It is therefore more suitable for investors with a long-term investment horizon or those willing to accept a higher risk profile as short-term volatility could be significant.

The Alexander Forbes All Equity Fund is suitable for investors with a high-risk appetite who are seeking total exposure to equity markets to achieve maximum capital growth over the long term (more than seven years).

#### 1.2 Sub-classes and investor eligibility criteria

##### Sub-classes

The following sub-classes of Units issued by this Class Fund are available for subscription by investors who meet the relevant investor criteria set out below for each relevant sub-class, the determination of such eligibility to be at the sole and absolute discretion of the Manager:

| Sub-class | Investor eligibility criteria                                                                                                      |
|-----------|------------------------------------------------------------------------------------------------------------------------------------|
| "A" **    | Institutional Investors and Individual Investors                                                                                   |
| "B"       | Institutional and certain other investor types as accepted by the Manager from time to time (at its sole and absolute discretion). |

**\*\*Currently restricted from sale.**

**Institutional Investors** for the purposes of this Schedule means, without limitation, corporations, collective investment funds, pension funds, banks, governmental and quasi-governmental entities, municipalities, hospitals, insurance companies and certain other entities, such as foundations and endowments or ultra-High Net Worth individuals.

**Individual Investors** for the purposes of this Schedule means investors that are not institutional.

Each sub-class of Unit is subject to varied conditions of issue as set out in paragraphs 1.7 and 1.17 of this Schedule.

### **Qualifying for sub-class B Units**

In order to qualify for sub-class B Units, applicants must be Institutional Investors or certain other investor types as accepted by the Manager from time to time (at its sole discretion). The minimum initial investment for such Institutional Investors is £1 million (or Base Currency equivalent). Investors are responsible for indicating their eligibility to purchase Class B units at the time of purchase. Remuneration terms in respect of the Management Fee and Service Fee payable by Class B units will be subject to specific agreement between the relevant sub-class B investor and the Manager, provided always that any such agreement by the Manager must be in the best interests of the Class Fund as a whole.

#### **1.3 Accounting Date, Subscription Days, Valuation Point**

The accounting date for this Class Fund shall be 31 March in each calendar year and the interim accounting date shall be 30 September in each calendar year.

Every day that is a Business Day shall be a Subscription Day for this Class Fund.

The Valuation Point is close of business in all financial markets on the Subscription Day. The Subscription Price will be available at 16h30 Jersey time on the following Subscription Day.

#### **1.4 Currency Denomination**

This Class Fund shall be denominated and valued in Pounds Sterling and each of the sub-classes of Units of this Class Fund shall be subscribed for and redeemed in Pounds Sterling.

#### **1.5 Subscription Price**

The Subscription Price per Unit of this Class Fund shall be calculated based on the Net Asset Value at the Valuation Point on each Subscription Day.

#### **1.6 Allotment, Issue, Redemption and Conversion of Units**

##### **Allotment and issue of Units**

Applications for the issue of Units of this Class Fund must be lodged with the Fund Administrator in writing by 11h00 Jersey time on the Subscription Day on which Units are to be issued.

The Offer Price shall be payable in cleared funds by 11h00 Jersey time on the Subscription Day on which Units are to be issued (or such other time as the Manager may, in its discretion, determine).

##### **Redemption of Units**

Requests for redemption of Units of this Class Fund must be lodged with the Fund Administrator by 11h00 Jersey time on the Subscription Day on which Units are to be redeemed subject to receipt of relevant redemption documentation.

Subject to the receipt of proper documentation, redemption monies will normally be paid within 7 Business Days of the Subscription Day upon which the relevant Units are redeemed.

### **Conversion of Units**

Conversion notices must be lodged with the Fund Administrator by 11h00 Jersey time on the Subscription Day on which Units are to be converted.

#### **1.7 Minimum holdings and subscription amounts**

The minimum subscription amount for the sub-classes of Units in this Class Fund which shall be accepted in respect of an initial application, the required minimum subsequent subscription amount and the minimum aggregate Net Asset Value of sub-classes of Units which is required to be held by a Unitholder from time to time are as follows:

| <b>Sub-class</b> | <b>Minimum initial subscription amount</b> | <b>Minimum subsequent subscription amount</b> | <b>Minimum Net Asset Value of Units required to be held</b> |
|------------------|--------------------------------------------|-----------------------------------------------|-------------------------------------------------------------|
| "A" **           | £2,500                                     | £250                                          | £2,500                                                      |
| "B"              | £1,000,000                                 | £25,000                                       | £250,000                                                    |

**\*\*Currently restricted from sale.**

#### **1.8 Transfers**

Subject to the terms of the Trust Deed and subject to any regulatory restrictions applicable in the relevant jurisdiction, Units of this Class Fund shall be transferable subject to the prior written consent of the Manager, such consent not to be unreasonably withheld or delayed.

#### **1.9 Dividend Policy**

Income available for distribution attributable to this Class Fund shall be accumulated and not distributed to Unitholders.

#### **1.10 Investment Restrictions of the Class Fund**

The following investment restrictions shall apply to this Class Fund:

- (a) The Class Fund shall invest in the class funds of the Fund or any other collective investment schemes;
- (b) The Class Fund shall invest in not fewer than two separate collective investment schemes;
- (c) Not more than 75% of the Net Asset Value of the Class Fund shall be invested in any class fund or sub-fund of a collective investment scheme;



- (d) The Class Fund shall not invest in a fund of funds;
- (e) Not more than 5% of the Net Asset Value of the Class Fund shall be invested in warrant funds;
- (f) No increase in the overall total of initial charges, the Manager's annual fees or any other costs and charges borne by the Unitholders or by the Class Fund shall result, if the schemes in which the Class Fund invests are managed by the Manager, or by a connected person of the Manager; and
- (g) The amount on deposit with any one Approved Bank shall not exceed 10% of the Net Asset Value of the Class Fund provided that:
  - (i) up to 20% of the Net Asset Value of the Class Fund may be deposited with an Approved Bank with the written approval of the Commission; and
  - (ii) such restriction shall not apply to amounts held on deposit for temporary periods of three months or less.

Any breach of an investment restriction set out in this Schedule or applicable by operation of any law, regulation or policy will be remedied as soon as is reasonably possible following its discovery or notification to the Trustee or the Manager.

#### **1.11 Borrowing**

Borrowings for the account of this Class Fund shall be restricted so as to ensure that amounts outstanding from time to time do not exceed an amount equal to 10% of the Net Asset Value of the Class Fund save for borrowings on a temporary basis for the purposes of meeting settlement timing differences, redemption requests or defraying operating expenses.

#### **1.12 Termination of this Class Fund**

This Class Fund shall be terminated on termination of the Fund or otherwise under the terms of the Trust Deed, including (without limitation) by Extraordinary Resolution of the Unitholders in the Fund, due to illegality in relation to the continued existence of the Fund, the liquidation or insolvency of the Manager, an un-remedied material breach of the Trust Deed by the Manager or a failure to replace a retiring trustee or a removed or retiring manager.

In the event of the termination of the Fund, the assets of this Class Fund will be realised and distributed in accordance with the Trust Deed.

In the event of the termination of this Class Fund (otherwise than on termination of the Fund), the Trustee shall (at the discretion of the Manager) realise the assets of this Class Fund and, after repaying all borrowings and paying all other costs, charges and liabilities of this Class Fund, distribute the assets by way of redemption of the Units of this Class Fund (either in cash or in specie) to the Unitholders of this Class Fund in proportion to the number of Units of this Class Fund held. On termination of this Class Fund, the Units of this Class Fund may be redeemed by the Manager on such Subscription Day as the Manager may determine

(without prejudice to any terms of the Trust Deed and the exercise by the Trustee and/or Manager of rights thereunder, including in relation to suspension of dealings, compulsory redemptions and conversions).

### 1.13 Fees and other Payments out of this Class Fund

#### Management Fee and Service Fee

The Management Fee and Service Fee shall vary subject to the sub-class of Units issued by this Class Fund as set out in the table below. The Management Fee in respect to any of the sub-classes of Units may be varied by the Manager at its discretion provided that it shall not exceed 1.60% and relevant Unitholders shall be given at least one month's prior notice of the variation.

The Manager may also charge a service fee (as set out below) in respect of certain sub-classes of units of this Class Fund. The Manager may waive or reduce the service fee at its discretion without prior notice.

The Management Fee and Service Fee levels in respect to each sub-class of Units issued by this Class Fund are as follows:

| Sub-class | Level of Management Fee (%)          | Level of Service Fee (%)                                                                                                                  |
|-----------|--------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| "A" **    | 0.90% payable out of the Class Fund* | Variable up to a maximum of 0.60%<br>*- payable by redemption of Units, see section headed 'Service Fee and other fee Collection' below # |
| "B"       | #                                    | #                                                                                                                                         |

\*per annum of the Net Asset Value of the Class Fund

\*\*Currently restricted from sale.

# Remuneration terms in respect to sub-class B units and the service fee in respect of sub-class A Units will be subject to specific agreement between a prospective investor and the Manager

#### Service Fee and other fee collection

Service Fees payable in respect of sub-class A Units or B Units which may be charged in respect of an adviser (as agreed with a prospective investor), and any other fees agreed with the Manager in respect to sub-class B Units will be satisfied by way of a redemption of such Unitholders' Units as are required to meet such fees, as detailed in paragraph 3.10 (Redemptions in respect of the payment of fees) of this Prospectus.

#### Fund Administration, Trustee, Custodian and Registrar Fees

The fee payable in respect of the Fund Administrator, Trustee, Custodian and Registrar shall be 0.1% per annum of the Net Asset Value of the Class Fund and will be applicable to all sub-classes of Units issued by the Class Fund. This fee may be increased by the Manager at

its discretion provided that it shall not exceed 0.15 % and Unitholders shall be given at least one month's notice.

## SCHEDULE 12 - AF GLOBAL EQUITY FEEDER FUND

|                                                                                                  |
|--------------------------------------------------------------------------------------------------|
| <b>This Class Fund is NOT approved by the Financial Sector Conduct Authority of South Africa</b> |
|--------------------------------------------------------------------------------------------------|

### 1 CLASS FUND RULES

#### 1.1 Investment Objectives and Policy

This Class Fund was established on 28 February 2020.

The investment objective of this Class Fund is to invest in the MGI Global Equity Fund (the **Equity Fund**), a sub-fund of the MGI Funds plc (the MGI Fund), a UCITS scheme incorporated under the laws of Ireland. The MGI Fund prospectus includes information about the Equity Fund, and states that the Equity Fund has the investment objective of achieving long-term growth.

The Equity Fund will primarily hold direct investments, which will generally be made across equity securities listed on Recognised Markets across Developed Markets and will include common stocks, convertibles and warrants across a broad range of companies in different countries and industry sectors. The Equity Fund blends best-in-class specialist asset managers to pursue this objective, giving each a specific mandate to actively select stocks in order to beat their respective benchmark index.

The AF Global Equity Feeder Fund is suitable for investors with a high-risk tolerance who are primarily seeking exposure to equity markets to achieve maximum capital growth over the long term (more than seven years).

Further details of the investment policy can be found in the MGI Fund prospectus and the Equity Fund supplement.

Investments in this Class Fund will also be subject to the risks described in this prospectus, in the MGI Fund prospectus and the Equity Fund supplement, and a prospective investor should therefore review and carefully consider such prospectus and supplement when ascertaining whether an investment in this Class Fund is suitable for it. Copies of such prospectus and supplement containing further information about the MGI Fund and Equity Fund (and the risks of investing in this Class Fund) may be obtained from the Manager upon written request.

#### 1.2 Sub-classes and investor eligibility criteria

##### Sub-classes

The following sub-classes of Units issued by this Class Fund are available for subscription by investors who meet the relevant investor criteria set out below for each relevant sub-class, the determination of such eligibility to be at the sole and absolute discretion of the Manager:

| Sub-class | Investor eligibility criteria |
|-----------|-------------------------------|
|           |                               |

|     |                                                                                                                                    |
|-----|------------------------------------------------------------------------------------------------------------------------------------|
| "A" | Institutional Investors and Individual Investors                                                                                   |
| "B" | Institutional and certain other investor types as accepted by the Manager from time to time (at its sole and absolute discretion). |

\*\*Currently restricted from sale.

**Institutional Investors** for the purposes of this Schedule means, without limitation, corporations, collective investment funds, pension funds, banks, governmental and quasi-governmental entities, municipalities, hospitals, insurance companies and certain other entities, such as foundations and endowments or ultra-High Net Worth individuals.

**Individual Investors** for the purposes of this Schedule means investors that are not institutional.

Each sub-class of Unit is subject to varied conditions of issue as set out in sections 1.7 and 1.17 of this Schedule.

### **Qualifying for sub-class B Units**

In order to qualify for sub-class B Units, applicants must be Institutional Investors or certain other investor types as accepted by the Manager from time to time (at its sole discretion). The minimum initial investment for such Institutional Investors is £1 million (or Base Currency equivalent). Investors are responsible for indicating their eligibility to purchase sub-class B units at the time of purchase. Remuneration terms in respect of the Management Fee and Service Fee payable by Class B units will be subject to specific agreement between the relevant sub-class B investor and the Manager, provided always that any such agreement by the Manager must be in the best interests of the Class Fund as a whole.

### **1.3 Accounting Date, Subscription Days, Valuation Point**

The accounting date for this Class Fund shall be 31 March in each calendar year and the interim accounting date shall be 30 September in each calendar year.

Every day that is a Business Day shall be a Subscription Day for this Class Fund.

The Valuation Point is close of business in all markets on the Subscription Day. The Subscription Price will be available at 16h30 Jersey time on the following Subscription Day.

### **1.4 Currency Denomination**

The Class Fund shall be denominated and valued in United States Dollars and shall be subscribed for and redeemed in United States Dollars.

### **1.5 Subscription Price**

The Subscription Price per Unit of this Class Fund shall be calculated based on the Net Asset Value at the Valuation Point on each Subscription Day.

### **1.6 Allotment, Issue, Redemption and Conversion of Units**

## Allotment and Issue of Units

Applications for the issue of Units of this Class Fund must be lodged with the Fund Administrator in writing by 11h00 Jersey time on the Subscription Day on which Units are to be issued.

The Offer Price shall be payable in cleared funds by 11h00 Jersey time on the Subscription Day on which Units are to be issued (or such other time as the Manager may, in its discretion, determine).

## Redemption of Units

Redemption requests must be lodged with the Fund Administrator by 11h00 Jersey time on the Subscription Day on which Units are to be redeemed subject to receipt of relevant redemption documentation.

Subject to the receipt of proper documentation, redemption monies will normally be paid within 7 Business Days of the Subscription Day upon which the relevant Units are redeemed.

## Conversion of Units

Conversion notices for the conversion of Units of this Class Fund to another Class Fund must be lodged with the Fund Administrator by 11h00 Jersey time on the Subscription Day on which Units are to be converted.

### 1.7 Minimum holdings and subscription amounts

The minimum subscription amount for the sub-classes of Units in this Class Fund which shall be accepted in respect of an initial application, the required minimum subsequent subscription amount and the minimum aggregate Net Asset Value of sub-classes of Units which is required to be held by a Unitholder from time to time are as follows:

| Sub-class | Minimum initial subscription amount | Minimum subsequent subscription amount | Minimum Net Asset Value of Units required to be held |
|-----------|-------------------------------------|----------------------------------------|------------------------------------------------------|
| "A"***    | £2,500*                             | £2,500*                                | £2,500*                                              |
| "B"       | £1,000,000*                         | £25,000*                               | £250,000*                                            |

\* or the equivalent in Base Currency of the Class Fund

\*\*\*Currently restricted from sale.

### 1.8 Transfers

Subject to the terms of the Trust Deed and subject to any regulatory restrictions applicable in a relevant jurisdiction, Units of this Class Fund shall be transferable subject to the prior written consent of the Manager, such consent not to be unreasonably withheld or delayed.

### 1.9 Dividend Policy

Income available for distribution attributable to this Class Fund shall be accumulated and not distributed to Unitholders.

#### **1.10 Investment Restrictions of the Class Fund**

In addition to the investment restrictions relating to the Equity Fund, referred to in paragraph 1.13 below, the following investment restrictions apply to this Class Fund:

- (a) The Class Fund shall invest only in the Equity Fund, provided that this limitation shall not operate so as to preclude the placing of monies of the Class Fund on deposit or the acquisition of certificates of deposit, promissory notes, bills, bearer depository receipts, negotiable instruments or other similar money market instruments;
- (b) The amount on deposit with any one Approved Bank shall not exceed 10% of the Net Asset Value of the Class Fund provided that:
  - (i) up to 20% of the Net Asset Value of the Class Fund may be deposited with an Approved Bank with the written approval of the Commission; and
  - (ii) such restriction shall not apply to amounts held on deposit for temporary periods of three months or less; and
- (c) Investment restriction (b) shall not apply in respect of any deposit of up to US\$1,000,000.

Any breach of an investment restriction set out in this Schedule or applicable by operation of any law, regulation or policy will be remedied as soon as is reasonably possible following its discovery or notification to the Trustee or the Manager.

#### **1.11 Borrowing**

Borrowings for the account of this Class Fund shall be restricted so as to ensure that amounts outstanding from time to time do not exceed an amount equal to 10% of the Net Asset Value of the Class Fund for the purposes of meeting settlement timing differences, redemption requests or defraying operating expenses.

#### **1.12 The MGI Fund and the Equity Fund**

The Equity Fund is a separate sub-fund of the MGI Fund which is an open-ended umbrella company incorporated in Ireland on 2 June 2006 and is authorised as a UCITS.

The accounting date of the MGI Fund and Equity Fund is 30 June in each calendar year.

#### **1.13 Efficient Portfolio Management Techniques and Instruments**

The efficient portfolio management techniques of the MGI Fund are applicable to the Equity Fund. Details of which can be found in the MGI Fund prospectus and the Equity Fund supplement.

#### **1.14 Investment restrictions of the MGI Fund and the Equity Fund**

The investment restrictions of the MGI Fund are also applicable to the Equity Fund, and include those applicable to all UCITS schemes, details of which can be found in the MGI Fund prospectus and the Equity Fund supplement.

#### **1.15 Termination of the Equity Fund**

The termination provisions of the MGI Fund and the Equity Fund are as set out in the MGI Fund prospectus.

#### **1.16 Termination of this Class Fund**

This Class Fund shall be terminated on termination of the Fund or otherwise under the terms of the Trust Deed, including (without limitation) by Extraordinary Resolution of the Unitholders in the Fund, due to illegality in relation to the continued existence of the Fund, the liquidation or insolvency of the Manager, an un-remedied material breach of the Trust Deed by the Manager or a failure to replace a retiring trustee or a removed or retiring manager.

In the event of the termination of the Fund, the assets of this Class Fund will be realised and distributed in accordance with the Trust Deed.

In the event of the termination of this Class Fund (otherwise than on termination of the Fund), the Trustee shall (at the discretion of the Manager) realise the assets of this Class Fund and, after repaying all borrowings and paying all other costs, charges and liabilities of this Class Fund, distribute the assets by way of redemption of the Units of this Class Fund (either in cash or in specie) to the Unitholders of this Class Fund in proportion to the number of Units of this Class Fund held. On termination of this Class Fund, the Units of this Class Fund may be redeemed by the Manager on such Subscription Day as the Manager may determine (without prejudice to any terms of the Trust Deed and the exercise by the Trustee and/or Manager of rights thereunder, including in relation to suspension of dealings, compulsory redemptions and conversions).

#### **1.17 Fees and other Payments out of the Class Fund**

##### **Management Fee and Service Fee**

The Management Fee and Service Fee shall vary subject to the sub-class of Units issued by this Class Fund as set out in the table below. The Management Fee in respect to any of the sub-classes of Units may be varied by the Manager at its discretion provided that it shall not exceed 1.85% and Unitholders shall be given at least one month's prior notice of the variation.

The Manager may also charge a service fee (as set out below) in respect of certain sub-classes of units of this Class Fund. The Manager may waive or reduce the service fee at its discretion without prior notice.



The Management Fee and Service Fee levels in respect to each sub-class of Units issued by this Class Fund are as follows:

| Sub-class | Level of Management Fee (%)           | Level of Service Fee (%)                                                                                                |
|-----------|---------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| "A"***    | 1.00% payable out of the Class Fund * | Variable up to a maximum of 0.75 %- payable by redemption of Units, see section headed 'Service Fee Collection' below # |
| "B"       | #                                     | #                                                                                                                       |

\*per annum of the Net Asset Value of the Class Fund

\*\*\*Currently restricted from sale.

# Remuneration terms in respect to sub-class B units and the service fee in respect of sub-class A Units will be subject to specific agreement between a prospective investor and the Manager

The amount of the Management Fees payable shall be reduced by an amount equal to any accrued investment management or management fees payable by the Fund (or on its behalf) in respect of this Class Fund (**Underlying Management Fees**), provided that in cases where fees are payable by the Fund (or on its behalf) in respect of any investments of this Class Fund which are exceptional or in addition to Underlying Management Fees (including without limitation, payments that become due as a result of enhanced performance of such investment of this Class Fund or otherwise) (**Performance Fees**), only Underlying Management Fees will be paid from the Management Fees and accordingly any Performance Fees shall be payable by this Class Fund.

#### **Service Fee and other fee collection**

Service Fees payable in respect of sub-class A Units or B Units which may be charged in respect of an adviser (as agreed with a prospective investor), and any other fees agreed with the Manager in respect to sub-class B Units will be satisfied by way of a redemption of such Unitholders' Units as are required to meet such fees, as detailed in paragraph 3.10 (Redemptions in respect of the payment of fees) of this Prospectus.

#### **Fund Administration, Trustee, Custodian and Registrar Fees**

The fee payable in respect of the Fund Administrator, Trustee, Custodian and Registrar shall be 0.1% per annum of the Net Asset Value of the Class Fund and will be applicable to all sub-classes of Units issued by the Class Fund. This fee may be increased by the Manager at its discretion provided that it shall not exceed 0.15% and Unitholders shall be given at least one month's notice.

## SCHEDULE 13 – AF GLOBAL GROWTH PASSIVE FUND

### 1 CLASS FUND RULES

#### 1.1 Investment Objectives and Policy

This Class Fund was established on 12 April 2024.

The investment objective of this Class Fund is to generate capital appreciation over the long term by investing in a mix of global passive collective investment funds (including funds, Investment Trusts and Exchange Traded Funds) across a variety of asset classes and markets.

It follows a passive asset management approach which provides investors with a return that closely reflects the returns of the markets and indices it tracks. This Class Fund will typically have a high weighting to equities and provides investors with a diversified growth strategy. This approach has the potential for higher returns over the longer term, however investors should expect a higher level of volatility and the potential for greater capital drawdowns. The fund is more suitable for investors with a long-term investment horizon or those willing to accept a higher risk profile.

The AF Global Growth PassiveFund is suitable for investors with a high-risk tolerance who are primarily seeking exposure to equity markets to achieve maximum capital growth over the long term (more than seven years).

#### 1.2 Sub-classes and investor eligibility criteria

##### Sub-classes

The following sub-classes of Units issued by this Class Fund are available for subscription by investors who meet the relevant investor criteria set out below for each relevant sub-class, the determination of such eligibility to be at the sole and absolute discretion of the Manager:

| Sub-class | Investor eligibility criteria                                                                                                      |
|-----------|------------------------------------------------------------------------------------------------------------------------------------|
| "A"***    | Institutional Investors and Individual Investors                                                                                   |
| "B"       | Institutional and certain other investor types as accepted by the Manager from time to time (at its sole and absolute discretion). |

\*\*\*Currently restricted from sale.

**Institutional Investors** for the purposes of this Schedule means, without limitation, corporations, collective investment funds, pension funds, banks, governmental and quasi-governmental entities, municipalities, hospitals, insurance companies and certain other entities, such as foundations and endowments or ultra-High Net Worth individuals.

**Individual Investors** for the purposes of this Schedule means investors that are not institutional.

Each sub-class of Unit is subject to varied conditions of issue as set out in sections 1.7 and 1.13 of this Schedule.

## **Qualifying for sub-class B Units**

In order to qualify for sub-class B Units, applicants must be Institutional Investors or certain other investor types as accepted by the Manager from time to time (at its sole discretion). The minimum initial investment for such Institutional Investors is £1 million (or Base Currency equivalent). Investors are responsible for indicating their eligibility to purchase Class B units at the time of purchase. Remuneration terms in respect of the Management Fee and Service Fee payable by Class B units will be subject to specific agreement between the relevant sub-class B investor and the Manager, provided always that any such agreement by the Manager must be in the best interests of the Class Fund as a whole.

### **1.3 Accounting Date, Subscription Days, Valuation Point**

The accounting date for this Class Fund shall be 31 March in each calendar year and the interim accounting date shall be 30 September in each calendar year.

Every day that is a Business Day shall be a Subscription Day for this Class Fund.

The Valuation Point is close of business in all financial markets on the Subscription Day. The Subscription Price will be available at 16h30 Jersey time on the following Subscription Day.

### **1.4 Currency Denomination**

This Class Fund shall be denominated and valued in United States Dollars and each of the sub-classes of Units of this Class Fund shall be subscribed for and redeemed in United States Dollars.

### **1.5 Subscription Price**

The Subscription Price per Unit of this Class Fund shall be calculated based on the Net Asset Value at the Valuation Point on each Subscription Day.

### **1.6 Allotment, Issue, Redemption and Conversion of Units**

#### **Allotment and issue of Units**

Applications for the issue of Units of this Class Fund must be lodged with the Fund Administrator in writing by 11h00 Jersey time on the Subscription Day on which Units are to be issued.

The Offer Price shall be payable in cleared funds by 11h00 Jersey time on the Subscription Day on which Units are to be issued (or such other time as the Manager may, in its discretion, determine).

#### **Redemption of Units**

Requests for redemption of Units of this Class Fund must be lodged with the Fund Administrator by 11h00 Jersey time on the Subscription Day on which Units are to be redeemed subject to receipt of relevant redemption documentation.

Subject to the receipt of proper documentation, redemption monies will normally be paid within 7 Business Days of the Subscription Day upon which the relevant Units are redeemed.

### **Conversion of Units**

Conversion notices must be lodged with the Fund Administrator by 11h00 Jersey time on the Subscription Day on which Units are to be converted.

#### **1.7 Minimum holdings and subscription amounts**

The minimum subscription amount for the sub-classes of Units in this Class Fund which shall be accepted in respect of an initial application, the required minimum subsequent subscription amount and the minimum aggregate Net Asset Value of sub-classes of Units which is required to be held by a Unitholder from time to time are as follows:

| <b>Sub-class</b> | <b>Minimum initial subscription amount</b> | <b>Minimum subsequent subscription amount</b> | <b>Minimum Net Asset Value of Units required to be held</b> |
|------------------|--------------------------------------------|-----------------------------------------------|-------------------------------------------------------------|
| "A"***           | £2,500*                                    | £2,500*                                       | £2,500*                                                     |
| "B"              | £1,000,000*                                | £25,000*                                      | £250,000*                                                   |

\* or the equivalent in Base Currency of the Class Fund.

\*\*Currently restricted from sale.

#### **1.8 Transfers**

Subject to the terms of the Trust Deed and subject to any regulatory restrictions applicable in the relevant jurisdiction, Units of this Class Fund shall be transferable subject to the prior written consent of the Manager, such consent not to be unreasonably withheld or delayed.

#### **1.9 Dividend Policy**

Income available for distribution attributable to this Class Fund shall be accumulated and not distributed to Unitholders.

#### **1.10 Investment Restrictions of the Class Fund**

The following investment restrictions shall apply to this Class Fund:

- (a) The Class Fund shall invest in the class funds of the Fund or any other collective investment schemes;
- (b) The Class Fund shall invest in not fewer than two separate collective investment schemes;
- (c) Not more than 75% of the Net Asset Value of the Class Fund shall be invested in any class fund or sub-fund of a collective investment scheme;

- (d) The Class Fund shall not invest in a fund of funds;
- (e) Not more than 5% of the Net Asset Value of the Class Fund shall be invested in warrant funds;
- (f) No increase in the overall total of initial charges, the Manager's annual fees or any other costs and charges borne by the Unitholders or by the Class Fund shall result, if the schemes in which the Class Fund invests are managed by the Manager, or by a connected person of the Manager; and
- (g) The amount on deposit with any one Approved Bank shall not exceed 10% of the Net Asset Value of the Class Fund provided that:
  - (i) up to 20% of the Net Asset Value of the Class Fund may be deposited with an Approved Bank with the written approval of the Commission; and
  - (ii) such restriction shall not apply to amounts held on deposit for temporary periods of three months or less.

Any breach of an investment restriction set out in this Schedule or applicable by operation of any law, regulation or policy will be remedied as soon as is reasonably possible following its discovery or notification to the Trustee or the Manager.

#### **1.11 Borrowing**

Borrowings for the account of this Class Fund shall be restricted so as to ensure that amounts outstanding from time to time do not exceed an amount equal to 10% of the Net Asset Value of the Class Fund save for borrowings on a temporary basis for the purposes of meeting settlement timing differences, redemption requests or defraying operating expenses.

#### **1.12 Termination of this Class Fund**

This Class Fund shall be terminated on termination of the Fund or otherwise under the terms of the Trust Deed, including (without limitation) by Extraordinary Resolution of the Unitholders in the Fund, due to illegality in relation to the continued existence of the Fund, the liquidation or insolvency of the Manager, an un-remedied material breach of the Trust Deed by the Manager or a failure to replace a retiring trustee or a removed or retiring manager.

In the event of the termination of the Fund, the assets of this Class Fund will be realised and distributed in accordance with the Trust Deed.

In the event of the termination of this Class Fund (otherwise than on termination of the Fund), the Trustee shall (at the discretion of the Manager) realise the assets of this Class Fund and, after repaying all borrowings and paying all other costs, charges and liabilities of this Class Fund, distribute the assets by way of redemption of the Units of this Class Fund (either in cash or in specie) to the Unitholders of this Class Fund in proportion to the number of Units of this Class Fund held. On termination of this Class Fund, the Units of this Class Fund may be redeemed by the Manager on such Subscription Day as the Manager may determine

(without prejudice to any terms of the Trust Deed and the exercise by the Trustee and/or Manager of rights thereunder, including in relation to suspension of dealings, compulsory redemptions and conversions).

### 1.13 Fees and other Payments out of this Class Fund

#### Management Fee and Service Fee

The Management Fee and Service Fee shall vary subject to the sub-class of Units issued by this Class Fund as set out in the table below. The Management Fee in respect of any of the sub-classes of Units may be varied by the Manager at its discretion provided that it shall not exceed 1.85% and Unitholders shall be given at least one month's prior notice of the variation.

The Manager may also charge a service fee (as set out below) in respect of certain sub-classes of units of this Class Fund. The Manager may waive or reduce the service fee at its discretion without prior notice.

The Management Fee and Service Fee levels in respect to each sub-class of Units issued by this Class Fund are as follows:

| Sub-class | Level of Management Fee (%)              | Level of Service Fee (%)                                                                                                |
|-----------|------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| "A"       | 1.15, payable out of the Class Fund<br>* | Variable up to a maximum of 0.75 *- payable by redemption of Units, see section headed 'Service Fee Collection' below # |
| "B"       | #                                        | #                                                                                                                       |

\*per annum of the Net Asset Value of the Class Fund

\*\*Currently restricted from sale

# Remuneration terms in respect to sub-class B units and the service fee in respect of sub-class A Units will be subject to specific agreement between a prospective investor and the Manager or Adviser.

The amount of the Management Fees payable shall be reduced by an amount equal to any accrued investment management or management fees payable by the Fund (or on its behalf) in respect of this Class Fund (**Underlying Management Fees**), provided that in cases where fees are payable by the Fund (or on its behalf) in respect of any investments of this Class Fund which are exceptional or in addition to Underlying Management Fees (including without limitation, payments that become due as a result of enhanced performance of such investment of this Class Fund or otherwise) (**Performance Fees**), only Underlying Management Fees will be paid from the Management Fees and accordingly any Performance Fees shall be payable by this Class Fund.

#### Service Fee and other fee collection

Service Fees payable in respect of sub-class A Units or B Units which may be charged in respect of an adviser (as agreed with a prospective investor), and any other fees agreed with the Manager in respect to sub-class B Units will be satisfied by way of a redemption of such.

