

# **IFSL BRUNSDON OEIC**

**An Investment Company with Variable Capital**

## **Prospectus**

Prepared in accordance with the Collective Investment Schemes Sourcebook  
Dated and valid as at 12<sup>th</sup> September 2019

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**Authorised Corporate Director**

Investment Fund Services Limited, a wholly owned subsidiary of UFC Fund Management plc  
Registered Office and Operating Address:

Marlborough House

59 Chorley New Road

Bolton, BL1 4QP

(Authorised and regulated by the Financial Conduct Authority)

**Investment Manager**

Brooks Macdonald Asset Management Limited

72 Welbeck Street,

London,

W1G 0AY

(Authorised and regulated by the Financial Conduct Authority)

**Registered and Head Office of the Company**

Marlborough House

59 Chorley New Road

Bolton, BL1 4QP

**Depositary**

NatWest Trustee and Depositary Services Limited

250 Bishopsgate

London

EC2M 4AA

**Principal Place of Business**

Trustee & Depositary Services

Drummond House

1 Redheughs Avenue

Edinburgh

EH12 9RH (Authorised and regulated by the Financial Conduct Authority)

**Custodian**

BNP Paribas Securities Services, London Branch

10 Harewood Avenue

London

NW1 6AA

(Authorised and supervised in France by Autorité Controlè Prudentiel and by the Autorité de Marchés Financiers ("AMF"), and is authorised by and subject to limited regulation by the Financial Conduct Authority for the conduct of its business in the UK)

**Administrator and Registrar**

Investment Fund Services Limited, a wholly owned subsidiary of UFC Fund Management plc  
Registered Office and Operating Address:

Marlborough House

59 Chorley New Road

Bolton, BL1 4QP

(Authorised and regulated by the Financial Conduct Authority)

**Solicitors**

Burges Salmon LLP

One Glass Wharf

Bristol

BS2 0ZX

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**Sponsor**

Brunsdon Asset Management Limited  
Goodridge House  
Goodridge Avenue  
Gloucester  
GL2 5EA

**Auditors**

Ernst & Young LLP  
Atria One  
144 Morrison Street  
Edinburgh  
EH3 8EX

The roles of each of the parties set out above and the relationships between them are set out in sections 5-10 of this Prospectus

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**THIS PROSPECTUS IS IMPORTANT. IF YOU ARE IN ANY DOUBT AS TO THE MEANING OF ANY INFORMATION CONTAINED IN THIS PROSPECTUS, YOU SHOULD CONSULT THE AUTHORISED CORPORATE DIRECTOR OR YOUR INDEPENDENT FINANCIAL ADVISER.**

This Prospectus is intended for distribution in the United Kingdom. Its distribution may be restricted in other countries. It does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is unlawful or in which the person making such offer or solicitation is not qualified so to do, or to anyone to whom it is unlawful to make such an offer or solicitation.

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

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

Intending investors should inform themselves about and observe the legal requirements within their own countries for the acquisition of Shares of the Company and any taxation or exchange control legislation affecting them personally, including the obtaining of any necessary governmental or other consents and the observation of any other formalities.

This Prospectus has been issued for the purpose of Section 21 of the Financial Services and Markets Act 2000 by Investment Fund Services Limited.

Shareholders are deemed to have taken notice of the provisions of the Instrument of Incorporation which is binding on each of the shareholders. A copy of the Instrument of Incorporation is available on request from the ACD.

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

This Prospectus is based on information, law and practice as at the date "valid as at date" which appears on the front cover and below. The Company and ACD cannot be bound by a prospectus which is out of date when a new version has been issued. Investors should check with Marlborough Fund Managers Limited that this is the most recently published prospectus.

The ACD, Investment Fund Services Limited has taken all reasonable care to ensure that the information contained in this document is, to the best of its knowledge and belief, in accordance with the facts and does not omit anything material to such information. The ACD accepts responsibility accordingly.

The Investment Manager accepts sole responsibility for the information relating to it contained in this Prospectus and has taken all reasonable care to ensure that the information set out in this Prospectus is, to the best of its knowledge and belief, accurate as at the date of this Prospectus.

The Depositary is not responsible for the information contained in this Prospectus and accordingly does not accept any responsibility therefore under the Act or the Regulations or otherwise.

### **US Tax Reporting**

The Company is required to comply with certain reporting requirements in order to avoid a 30% US withholding tax on interest income and the proceeds of sales of US securities and other US

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financial instruments. Complying with such requirements may require the Company to request certain information and documentation from Shareholders, and to agree to provide such information and documentation to the IRS if requested to do so. Any Shareholder that fails to provide the required information may be subject to a compulsory redemption of their shares and/or mandatory penalties.

Shares have not been and will not be registered under the United States Securities Act of 1933, as amended. They may not be offered or sold in the United States of America, its territories and possessions, any State of the United States of America and the District of Columbia or offered or sold to US Persons (as defined below). The Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended. The ACD has not been and will not be registered under the United States Investment Advisers Act of 1940.

A "U.S Person" means any citizen or resident of the United States of America, its territories and possessions including the State and District of Columbia and all areas subject to its jurisdiction (including the Commonwealth of Puerto Rico), any corporation, trust, partnership or other entity created or organised in or under the laws of the United States of America, any state thereof or any estate or trust the income of which is subject to United States federal income tax, regardless of source. The expression also includes any person falling within the definition of the term "U.S Person" under Regulation S promulgated under the United States Securities Act of 1933.

This Prospectus is dated and valid as at 12<sup>th</sup> September 2019.

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## CONTENTS

1	INTERPRETATION.....	1
2	CONSTITUTION OF THE COMPANY.....	3
3	INVESTMENT OBJECTIVES AND POLICIES.....	4
4	RISK FACTORS.....	4
5	THE AUTHORISED CORPORATE DIRECTOR.....	7
6	THE DEPOSITARY.....	8
7	INVESTMENT MANAGER.....	10
8	ADMINISTRATOR.....	11
9	THE AUDITORS.....	11
10	REGISTER.....	11
11	NO LIABILITY TO ACCOUNT.....	11
12	SHARES IN THE COMPANY.....	11
13	VALUATIONS.....	12
14	PRICES OF SHARES.....	15
15	DILUTION ADJUSTMENT.....	16
16	STAMP DUTY RESERVE TAX.....	17
17	PURCHASE, REDEMPTION AND EXCHANGE OF SHARES.....	17
18	SWITCHING AND CONVERSIONS.....	21
19	SUSPENSION OF DEALINGS.....	22
20	MANDATORY REDEMPTION OF SHARES.....	22
21	DISTRIBUTION.....	23

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22	INCOME EQUALISATION.....	24
23	THE AUTHORISED CORPORATE DIRECTOR'S CHARGES .....	25
24	THE FEES, CHARGES AND EXPENSES OF THE DEPOSITARY .....	26
25	OTHER PAYMENTS OUT OF THE COMPANY.....	28
26	TAXATION.....	30
27	REPORTS AND ACCOUNTS .....	32
28	ANNUAL GENERAL MEETING .....	33
29	VOTING .....	33
30	INVESTMENT AND BORROWING POWERS.....	34
31	TRANSFER OF SHARES.....	34
32	WINDING UP OF THE COMPANY AND TERMINATION OF FUNDS .....	35
33	OTHER INFORMATION.....	35
34	GENERAL.....	37
	Appendix 1.....	39
	Investment Objectives and Policies.....	39
	Appendix 2.....	42
	Investment and Borrowing Powers .....	42
	Appendix 3.....	52
	Eligible Markets.....	52
	Appendix 4.....	54
	Additional Information.....	54
	Appendix 5.....	56
	Historical Information.....	56

## 1 INTERPRETATION

In this Prospectus the words and expressions set out in the first column below shall have the meanings set opposite them unless the context requires otherwise. Words and expressions contained in this Prospectus but not defined herein shall have the same meanings as in the Act or Regulations (as defined below) unless the contrary is stated. The definitions are as follows:

"ACD"	the Authorised Corporate Director of the Company holding office from time to time pursuant to the Regulations being Investment Fund Services Limited at the date of this Prospectus;
"Act"	the Financial Services and Markets Act 2000, as amended from time to time;
"ACP"	means Autorité Controlè Prudentiel;
"Administrator"	Investment Fund Services Limited;
"AIFM Directive"	The Directive 2011/61/EU of the European Parliament and the Council of 08 June 2011 on Alternative Investment Fund Managers and amending Directives 2004/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010;
"Applicant"	means any person applying for shares issued by the Company in respect of the Funds;
"Business Day"	Monday to Friday excluding UK public and bank holidays or any day on which the London Stock Exchange is not open and excluding the last trading day before the 25th December or any day on which the ACD has notified the Depositary that it is not open for normal business or otherwise agreed between the ACD and the Depositary;
"Collective Investment Schemes Sourcebook" or "COLL"	the Collective Investment Schemes Sourcebook issued by the FCA pursuant to the Act, as amended from time to time;
"Company"	<b>IFSL Brunsdon OEIC;</b>
"Depositary"	the person appointed from time to time by the Company or otherwise pursuant to the Regulations to which all of the scheme property of the Company is entrusted for safe keeping pursuant to the Regulations, being NatWest Trustee and Depositary Services Limited at the date of this Prospectus;
"Dealing Day"	means 9.00 a.m. to 5 p.m. on any Business Day;
"FCA"	means the Financial Services Authority in respect of matters prior to 1 April and, in respect of matters after that date, the Financial Conduct Authority or any successor entity from time to time;
"FCA Rules"	means the rules contained in the handbook of rules and guidance published by the FCA as amended from time to time;
"Fund" or "Sub-Fund"	a sub-fund of the Company (being part of the scheme property which is



or " <b>Funds</b> " or " <b>Sub-Funds</b> "	pooled separately and to which specific assets and liabilities of the Company may be allocated), which is invested in accordance with the investment objective applicable to such sub-fund;
" <b>FUND Sourcebook</b> " or " <b>FUND</b> "	means the rules contained in the Investment Funds Sourcebook issued by the FCA as amended from time to time;
" <b>Investment Manager</b> "	means Brooks Macdonald Asset Management Limited;
" <b>Instrument</b> "	means the instrument of incorporation constituting the Company, as amended;
" <b>Leverage</b> "	means any method by which exposure of the Company or a Fund is increased whether through borrowing of cash or transferable securities or leverage embedded in derivative positions or by any other means;
" <b>NAV</b> " or " <b>net asset value</b> "	the value of the scheme property of the Company or of any Fund (as the context may require) less the liabilities of the Company or of any Fund as calculated in accordance with the Regulations;
" <b>Non-UCITS Retail Scheme</b> "	means a type of collective investment scheme such as the Company which is authorised by the FCA and therefore meets the standards set by the FCA to enable the scheme to be marketed to the public within the UK, but which does not comply with the conditions necessary for it to benefit from certain passporting rights under the UCITS Directive.
" <b>OEIC Regulations</b> "	Open-Ended Investment Companies Regulations 2001 (as amended);
" <b>Regulations</b> "	the OEIC Regulations and COLL or FUND as relevant;
" <b>scheme property</b> "	means those assets which comprise the property of the Company (or a Fund);
" <b>Shareholder</b> "	a holder of registered shares in the Company;
" <b>Sponsor</b> "	Brunsdon Asset Management Limited, the sponsor of the Company who has engaged with the ACD to assist with the design, manufacture and ongoing operation of the Company;
" <b>UCITS Directive</b> "	the European Parliament and Council Directive of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (No. 2009/65) (as amended).

## 2 CONSTITUTION OF THE COMPANY

The Company is an open-ended investment company with variable capital incorporated under the OEIC Regulations. The Company is a Non-UCITS Retail Scheme as defined in COLL and is also an umbrella company for the purposes of the OEIC Regulations. The Company is incorporated in England and Wales with registered number IC000895. The Company was authorised by an order made by the FCA with effect from 10 June 2011 with the Product Reference Number (PRN) 541330.

The head office of the Company is at Marlborough House, 59 Chorley New Road, Bolton BL1 4QP. This is also the address for the service on the Company of notices or other documents required or authorised to be served on it.

The base currency for the Company is pounds sterling. The maximum size of the Company's capital is £100,000,000,000 and the minimum size is £1.

The operation of the Company is governed by the Regulations, the Company's Instrument and this prospectus. The Company has unlimited duration.

Shareholders do not have any proprietary interest in the underlying assets of the Funds. The shareholders of the Company will not be liable for the debts of the Company.

### *The Funds*

The Company currently has two Funds:

- **IFSL Brunson Cautious Growth Fund (PRN: 633734); and**
- **IFSL Brunson Adventurous Growth Fund (PRN: 633735).**

Further Funds may be added in the future in accordance with the Company's Instrument and the Regulations. This Prospectus will be revised on the introduction of a new Fund or class of share within a Fund.

The property attributable to the Funds is managed as if each Fund belonged to the "Non-UCITS Retail Scheme" category as specified in COLL. The Funds are operated separately and the property attributable to each Fund is managed in accordance with the investment objective and policy applicable to that Fund.

Subject to the terms set out in this Prospectus, holders of shares in a Fund are entitled to receive the net income derived from that Fund and to redeem their shares at a price linked to the value of the property of the relevant Fund.

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

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

Subject to the above, each Fund will be charged with the liabilities, expenses, costs and charges of the Company attributable to that Fund, and within each Fund charges will be allocated between classes in accordance with the terms of issue of shares of those classes. Any assets, liabilities, expenses, costs or charges not attributable to a particular Fund may be allocated by the ACD in a

manner which it believes is fair to the shareholders generally. This will normally be pro rata to the net asset value of the relevant Funds.

### 3 INVESTMENT OBJECTIVES AND POLICIES

Investment of the assets of each of the Funds must comply with COLL, the Company's Instrument and the investment objective and policy of the relevant Fund. Details of these investment objectives and policies are set out in Appendix 1. A detailed statement of the general investment and borrowing restrictions prescribed by COLL as applicable to the Funds is set out in Appendix 2.

### 4 RISK FACTORS

Investors should bear in mind that all investment carries risk and the level of risk may vary between Funds. In particular investors should be aware of the following:

*General risk warnings:*

- (a) Past performance is not a guide to the future. There can be no assurance that any appreciation in the value of the investments will occur. The value of shares and the income derived from them can go down as well as up and as a result the investor may not get back the amount originally invested. This can be as a result of market movements and also of variations in the exchange rates between currencies. There is no certainty that the investment objectives of the Funds will be achieved.
- (b) The Company and the Funds are classed as NURS for the purposes of the Regulations. Such funds can have wider investment and borrowing powers than UCITS schemes with higher investment limits in various areas. They can also invest to a greater extent in areas such as property and unregulated schemes and have the option to borrow on a permanent basis. Such additional powers can increase potential reward, but may also increase risk.
- (c) The ACD's initial charge (where applicable) is deducted from an investment at the outset such that an equivalent rise in the value of the shares is required before the original investment can be recovered. The shares should therefore be viewed as a medium to long term investment.
- (d) In certain circumstances, for efficient portfolio management purposes, the Funds may enter into certain derivatives transactions, including, without limitation, forward transactions, futures and options. The value of these investments may fluctuate significantly. By holding these types of investments there is a risk of capital depreciation in relation to certain Fund assets. There is also the potential for capital appreciation of such assets. **The ACD does not anticipate that the use of derivatives in this way will have any significant effect on the risk profile of the Funds.**
- (e) The summary of the UK tax treatment in section 26 is based on current law and practice which may change. It does not take into account particular circumstances which may affect the UK tax treatment. In particular the levels of relief from taxation will depend upon individual circumstances and may change.

- (f) As explained above, under the OEIC Regulations, each Fund is a segregated portfolio of assets and those assets can only be used to meet the liabilities of, or claims against, that Fund. Whilst the provisions of the OEIC Regulations provide for segregated liability between Funds, the concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known whether a foreign court would give effect to the segregated liability and cross-investment provisions contained in the OEIC Regulations. Therefore, it is not possible to be certain that the assets of a Fund will always be completely insulated from the liabilities of another Fund of the Company in every circumstance.
- (g) Investors are reminded that in certain circumstances their right to redeem shares (including a redemption by way of switching) may be suspended and/or deferred.
- (h) Whilst equity investments carry potential for attractive returns over the longer term, the volatility of these returns can also be relatively high.
- (i) Investment in smaller companies can be higher risk than investment in larger companies. The shares of smaller companies may be less liquid and their performance more volatile over short time periods.
- (j) Investment in emerging markets may involve a higher than average risk due to the volatility of currency exchange rates, limited geographic focus, investment in a smaller number of issues, political and economic instability and less liquid markets.
- (k) Fixed interest securities are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of capital may fall, and vice versa. The value of a fixed interest security may fall in the event of a default or reduced credit rating of the issuer.
- (l) Currency fluctuations may adversely affect the value of a Fund's investments and the income thereon and, depending on the reference currency of the relevant share class, currency fluctuations may also adversely affect the value of a share class.
- (m) The Funds may invest in other collective investment schemes and as such a Fund will bear its portion of the expenses of the other collective investment scheme, including management, performance and/or other fees. These fees will be in addition to the management fees and other expenses which a Fund bears directly with its own operations.
- (n) Where a Fund invests in other collective investment schemes, these underlying schemes may suspend the issue, cancellation, sale, redemption and exchange of shares in those schemes. This would prevent these underlying schemes being sold during the period of the suspension and may have liquidity implications for the Fund.
- (o) The ACD may apply a dilution adjustment to the Funds (as explained further in section 15) to the price payable on the purchase or redemption of shares. Where a dilution adjustment is not applied the Fund in question may incur dilution which may constrain capital growth.

- (p) Subject to COLL the Funds may invest in unregulated collective investment schemes (including hedge funds). Investment in unregulated collective investment schemes carries additional risks as they may not be under the regulation of a competent regulatory authority, may use leverage and may carry increased liquidity risk as units/shares in such schemes may not be readily realisable.
- (q) The Company's investments may be subject to liquidity constraints, which means that the investments may trade infrequently and in small volumes, or that a particular instrument is difficult to buy or sell. Normally liquid investments may also be subject to periods of disruption in difficult market conditions. As a result, changes in the value of investments may be unpredictable and, in certain circumstances, it may be difficult to deal an investment at the last market price quoted or at a value considered by the ACD to be fair.
- (r) There will be a variation in performance between Funds with similar investment objectives due to the different assets selected. The degree of risk depends on the risk profile of the Fund chosen.
- (s) Where assets are held in custody, there may be a risk of loss resulting from the insolvency, negligence or fraudulent action of the custodian or sub-custodian.
- (t) A shareholder's investment in a Fund may be subject to Leverage, which may increase risk. Leverage means that the return or loss on an investment is subject to a multiplier increasing exposure to that investment and magnifying the volatility and risk of loss should the value of that investment decline. The use of Leverage creates special risks and may significantly increase a Fund's investment risk. Leverage may create an opportunity for greater yield and total return but, at the same time, will increase the exposure of a Fund to capital risk. The Funds may be subject to Leverage through the use of derivatives for efficient portfolio management. The Funds may be subject to Leverage within the limits disclosed in Appendix 2.
- (u) The Company and the Funds may incur Leverage through borrowing cash up to 10% of the value of the scheme property, in which case the Company's or a Fund's exposure may be increased by reinvesting such cash borrowings. In the event that the interest costs associated with the borrowings are greater than any investment income and gains earned on investments made through the use of borrowing, the net asset value of the shares in a Fund may decline more rapidly than would otherwise be the case.
- (v) A Fund will be exposed to a credit risk on parties with whom it trades and will also bear the risk of settlement default. The Funds may enter into transactions in over-the-counter markets which will expose the Funds to the credit of its counterparties and their abilities to satisfy the terms of such contracts.
- (w) The real value of any returns that an investor may receive from a Fund could be affected by interest rates and inflation over time.
- (x) The Funds may invest in property funds. The value of investments held in a property fund are generally determined by the opinion of an independent valuer and is therefore subjective. Investment in such funds should be considered as long term in nature. Property investments can be relatively illiquid compared to bonds and equities and may be subject to significantly wider price spreads which could affect the valuation.

- (y) The Funds may invest in structured products in accordance with COLL. Structured products are designed to combine the potential upside of market performance with limited downside and typically are investments which are linked to the performance of one or more underlying instruments or assets such as market prices, rates, indices, securities, currencies and commodities and other financial instruments that may introduce risk that may affect the performance of the Funds.
- (z) Investors should bear in mind that commodity prices react, among other things, to economic factors such as changing supply and demand relationships, weather conditions and other natural events, the agricultural, trade, fiscal, monetary and other policies of governments and other unforeseeable events.

### ***Typical Investor***

The Funds are suitable for retail investors, professional investors and eligible counterparties whose investment requirements are aligned with the objectives, policies and risk profiles of the Funds. The Funds will be distributed primarily via fund platforms, wealth managers, discretionary fund managers and financial institutions. The Funds have no complex features or guarantees and investors do not necessarily need to have investment experience however a basic understanding of investment markets, the kind of underlying investments of the Funds and the risks involved in investment is important.

This Prospectus contains detail on the Funds' objectives, investment strategies, risks, performance, distribution policy and fees and expenses. All investors are expected to have also read the Key Investor Information Document (KIID) which is intended to help investors understand the nature and risks of investing in the Funds.

The Funds may not be suitable for certain investors, including but not limited to those whose objectives and needs are not consistent with the nature of the Funds, those who are unable to commit capital for a sufficient term or do not have sufficient resources to bear any loss which may result from an investment in the Funds. The Funds are also not committed to meeting any specific ethical, social, religious or environmental restrictions which some investors may be seeking.

Further information on the intended target market for the Funds is available from the Manager upon request. If you are in any doubt as to the suitability of the Funds, you should consult an appropriately qualified financial adviser prior to making an investment.

The Funds may only be appropriate for investors who might need to access their capital in the medium to long term (7 years plus).

## **5 THE AUTHORISED CORPORATE DIRECTOR**

The authorised corporate director ("**ACD**") of the Company is Investment Fund Services Limited, a wholly owned subsidiary of Marlborough Group Holdings Limited and the ultimate holding company of Investment Fund Services Limited is UFC Fund Management plc. The ACD is a private company limited by shares, incorporated in England and Wales on 16 February 2007 under the Companies Act 1985. The registered and head office of the ACD is at Marlborough House, 59 Chorley New Road, Bolton BL1 4QP. This is the address at which notices or other documents may be served on the Company. The amount of the ACD's issued and fully paid share capital is £10,000.

The ACD is authorised and regulated by the FCA. The ACD may provide investment services to other clients and funds and to companies in which the Company may invest in accordance with the Regulations.

The ACD is also the authorised corporate director in respect of the schemes listed in Appendix 4.

The directors of the ACD are listed in Appendix 4.

### ***ACD Agreement***

The ACD provides its services to the Company under the terms of a service agreement (the "**ACD Agreement**"). The ACD Agreement will terminate with immediate effect if the ACD ceases to hold office as such. The ACD's appointment may be terminated by the Company in a general meeting at any time. Otherwise, save by reason of certain events of default as specified in the ACD Agreement, the Company may terminate the ACD's appointment on 12 month's notice. No such notice shall take effect until the appointment of a successor ACD. The ACD Agreement contains an indemnity from the Company to the ACD in respect of losses, claims and similar liabilities incurred by the ACD as such, save where such losses, claims and similar liabilities arise from the negligence, default, breach of duty or breach of trust of the ACD.

The ACD is responsible for managing and administering the Company's affairs in compliance with the provisions of the Instrument of the Company, this Prospectus and the Regulations. The ACD may delegate its management and administration functions, but not responsibility for such functions, to third parties, including associates subject to the Regulations. The ACD works closely with the Sponsor on the manufacture, design and features of the Company and is actively involved in the day to day operation of the Company. Whilst the ACD remains at all times responsible for the Company on a legal and regulatory basis, the Sponsor's consent is required before certain changes can be made to the Company. For example, any changes to be made to the investment objective and policies of the Funds (unless these are required by the Regulators) or any material change to the Instrument of Incorporation or this Prospectus. The Sponsor is also involved in the preparation of documentation relating to the Company.

The Sponsor also acts as the global distributor for the Company and as such procures prospective investors to invest in the Company.

The Sponsor is also authorised to give investment advice and may advise investors on investment into the Company.

The Sponsor is an associate of the ACD for the purposes of the Handbook of Rules and Guidance of the FCA.

The ACD has delegated the investment management function to Brooks Macdonald Asset Management Limited.

Further details in respect of the ACD's delegated functions are set out in sections 7 and 8 below.

When managing investments of the Company, the ACD will not be obliged to make use of information which in doing so would be a breach of duty or confidence to any other person or which comes to the notice of an employee or agent of the ACD but properly does not come to the notice of an individual managing the assets of the Company.

## **6 THE DEPOSITARY**

NatWest Trustee and Depositary Services Limited is the Depositary of the Company. The Depositary is a private limited company incorporated in England. The ultimate holding company

of the Depositary is The Royal Bank of Scotland Group plc which is incorporated in Scotland.

The Depositary's duties include the following:-

- (a) Safekeeping the assets of the Company, which includes (i) holding in custody all financial instruments that can be physically delivered to the Depositary; and (ii) verifying the ownership of other assets and maintaining records accordingly;
- (b) Ensuring that the Company's cash flows are properly monitored and verified;
- (c) Ensuring that issues and cancellations of the shares of the Company are carried out in accordance with the Instrument of the Company, this Prospectus and the applicable laws and regulations;
- (d) Ensuring that in transactions involving the Company's assets any consideration is remitted to the Company within the usual time limits;
- (e) Ensuring that the value of the shares of the Company are calculated in accordance with the Instrument of the Company, this Prospectus and the applicable laws and regulations;
- (f) Ensuring that the Company's income is applied in accordance with the Instrument of the Company, this Prospectus and the applicable laws and regulations; and
- (g) Carrying out the instructions of the ACD, unless they conflict with the Instrument of the Company, this Prospectus or the applicable laws and regulations.

#### ***Registered Office and Head Office***

The registered office and head office of the Depositary is 250 Bishopsgate, London, EC2M 4AA.

#### ***Principal Business Activity***

The principal business activity of the Depositary is the provision of trustee and depositary services. The Depositary is authorised and regulated by the Financial Conduct Authority.

#### ***Terms of Appointment***

The Depositary was appointed under a Depositary Agreement between the ACD, the Company and the Depositary (the "Depositary Agreement").

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

However, the Depositary Agreement excludes the Depositary from any liability except in the case of fraud, wilful default, negligence or failure to exercise due care and diligence in the performance or non-performance of its obligations. It also provides that the Company will indemnify the Depositary for any loss suffered in the performance or non-performance of its obligations except in the case of fraud, wilful default, negligence or failure to exercise due care and diligence on its part.

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



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

The Depositary is entitled to the fees, charges and expenses as set out in more detail below in the section headed "The Fees, Charges and Expenses of the Depositary" in section 24 of this Prospectus

### ***Delegation of Safekeeping Functions***

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

The Depositary has delegated safekeeping of the Scheme Property to BNP Paribas Securities Services, London Branch ("the Custodian"). In turn, the Custodian has delegated the custody of assets in certain markets in which the Scheme may invest to various sub-delegates ("Sub-Custodians").

### ***Conflicts of Interest***

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

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

Nevertheless, as the Depositary operates independently from the Company, Shareholders, the ACD and its associated suppliers and the Custodian, the Depositary does not anticipate any conflicts of interest with any of the aforementioned parties.

### ***Updated Information***

The ACD will supply a Shareholder with up-to-date details of the above information on written request to its operating address.

## **7 INVESTMENT MANAGER**

Brooks Macdonald Asset Management Limited ("**Brooks Macdonald**") has been appointed to provide investment management services to the Funds. Brooks Macdonald is authorised and regulated by the Financial Conduct Authority. Its principal activity is the provision of investment management services.

Pursuant to an agreement (the "**Brooks Macdonald Investment Management Agreement**") between Brooks Macdonald and the ACD, Brooks Macdonald provides general discretionary investment management services in respect of the Funds.

Brooks Macdonald has the authority to make decisions on behalf of the ACD in relation to the management, purchase, sale, retention, exchange or other dealings with assets and otherwise to act as it shall deem appropriate, subject always to the provisions of the Instrument of the

Company, this Prospectus, the Regulations and the investment objectives and policies of the Company and the Fund.

The ACD may terminate the Brooks Macdonald Investment Management Agreement with immediate effect where, in the ACD's opinion, it is in the interests of the shareholders to do so, in accordance with the Regulations.

## **8 ADMINISTRATOR**

The ACD shall assume the administrative duties in relation to the Funds.

## **9 THE AUDITORS**

The auditors of the Company are Ernst & Young LLP, whose address is at Atria One, 144 Morrison Street, Edinburgh, EH3 8EX.

## **10 REGISTER**

The ACD is the registrar to the Company. The register of shareholders will be maintained at the offices of the Registrar at Marlborough House, 59 Chorley New Road, Bolton BL1 4QP where it can be inspected by shareholders during normal office hours. The Company has the power to close the register for any period or periods not exceeding thirty days in any one year.

## **11 NO LIABILITY TO ACCOUNT**

Neither the ACD, Depositary nor any other person involved with the establishment and/or operation of the Company are liable to account to each other or to the shareholders or former shareholders of the Company for any profits or benefits they may make or receive which are made, derived from or in connection with: (i) dealings in the shares of the Company; (ii) any transaction in the underlying property of the Company; or (iii) the supply of services to the Company.

## **12 SHARES IN THE COMPANY**

Under the Instrument of Incorporation, the Company is currently permitted to issue income and accumulation shares (net and gross) in the Funds in such designations as the ACD may resolve, and which may be distinguished by different fee structures, reference currencies and criteria for subscription. It is currently intended for the following share classes to be issued in respect of the Funds:

### **C Accumulation Shares;**

Further classes of shares may be established from time to time by the ACD in accordance with the Instrument. On the introduction of any new class of shares, a revised Prospectus will be prepared, setting out the details of the new share class.

The currency in which each new class of shares will be denominated will be determined at the date of creation and set out in the Prospectus issued in respect of the new class of shares.

Each share is deemed to represent one undivided unit of entitlement in the property of a Fund.

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

The Instrument of Incorporation also allows the Company to issue gross income and gross accumulation shares as well as net income and net accumulation shares. Net shares are shares in respect of which income allocated to them is distributed periodically to the relevant shareholder (in the case of income shares) or credited periodically to capital (in the case of accumulation shares), in either case in accordance with relevant tax law, net of any tax deducted or accounted for by the Company. Gross shares are income or accumulation shares where, in accordance with relevant tax law, distribution or allocation of income is made without any tax being deducted or accounted for by the Company.

If both Income and Accumulation shares are in existence in relation to a Fund, the income of that Fund is allocated as between income shares and accumulation shares according to the respective units of entitlement in the property of the relevant Fund represented by the accumulation shares and income shares in existence at the end of the relevant accounting period.

Where the Company has different share classes, each class may attract different charges and so monies may be deducted from the scheme property attributable to such classes in unequal proportions. In these circumstances, the proportionate interests of the classes within a Fund will be adjusted accordingly.

The rights attaching to the shares of all classes may be expressed in two denominations and, in each of these classes, the proportion of a larger denomination share represented by a smaller denomination share shall be ten thousandths of the larger denomination.

No certificates will be issued in respect of a holding of shares. Ownership of shares will be evidenced by an entry in the Company's register of Shareholders. Should any shareholder require evidence of title to shares the ACD will, upon such proof of identity and the payment of such fee (if any) as the ACD may reasonably require, supply the shareholder with a certified copy of the relevant entry in the register relating to the shareholder's holding of shares.

Shareholders should notify the Registrar in writing of any change to their name or address.

### **13 VALUATIONS**

Each share linked to the Funds represents a proportional share of the overall property attributable to that Fund. Therefore, the value of a share attributable to the Funds is calculated, in broad outline, by calculating the net asset value of the property attributable to that Fund, and dividing that value (or that part of that value attributed to shares of the class in question) by the number of shares (of the class in question) in issue.

Valuations are normally carried out on each Dealing Day. The valuation point for the Funds is 12 noon (UK time) on each Dealing Day.

The ACD may carry out additional valuations if it considers it desirable to do so. Valuations will not be made during a period of suspension of dealings (see "**Suspension of Dealings**" below). The ACD is required to notify the Depositary if it carries out an additional valuation.

#### **Determination of Net Asset Value**

The property attributable to the Funds is, for all purposes, valued on the following basis (which is set out in full in the Company's Instrument):

- 1 All the scheme property (including receivables) is to be included, subject to the following provisions.
- 2 Property which is not cash (or other assets dealt with in paragraphs 3 and 4 below) shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:
  - (a) units or shares in a collective investment scheme:
    - (i) if a single price for buying and selling units or shares is quoted, at that price; or
    - (ii) if separate buying and selling prices are quoted, at the average of the two prices provided the buying price has been reduced by any initial charge included therein and the selling price has been increased by any exit or redemption charge attributable thereto; or
    - (iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a value which, in the opinion of the ACD, is fair and reasonable;
  - (b) exchange-traded derivative contracts:
    - (i) if a single price for buying and selling the exchange-traded derivative contract is quoted, at that price; or
    - (ii) if separate buying and selling prices are quoted, at the average of the two prices;
  - (c) over-the-counter derivative contracts shall be valued in accordance with the method of valuation as shall have been agreed between the ACD and the Depositary;
  - (d) any other investment:
    - (i) if a single price for buying and selling the security is quoted, at that price; or
    - (ii) if separate buying and selling prices are quoted, at the average of the two prices; or
    - (iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if the most recent price available does not reflect the ACD's best estimate of the value, at a value which, in the opinion of the ACD, is fair and reasonable;
  - (e) property other than that described in (a), (b), (c) and (d) above: at a value which, in the opinion of the ACD, represents a fair and reasonable mid-market price.
- 3 Cash and amounts held in current, margin and deposit accounts and in other time-related deposits shall be valued at their nominal values.
- 4 In determining the value of the scheme property, all instructions given to issue or cancel shares shall be assumed (unless the contrary is shown) to have been carried out and any

- cash payment made or received and all consequential action required by the Regulations or this Instrument shall be assumed (unless the contrary has been shown) to have taken place.
- 5 Subject to paragraphs 6 and 7 below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the ACD, their omission shall not materially affect the final net asset amount.
  - 6 Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph 5.
  - 7 All agreements are to be included under paragraph 5 which are, or ought reasonably to have been, known to the person valuing the property assuming that all other persons in the ACD's employment take all reasonable steps to inform it immediately of the making of any agreement.
  - 8 Deduct an estimated amount for anticipated tax liabilities (on unrealised gains where the liabilities have accrued and are payable out of the property of the Scheme; on realised capital gains in respect of previously completed and current accounting periods; and on income where liabilities have accrued) including (as applicable and without limitation) capital gains tax, income tax, corporation tax, value added tax, stamp duty and stamp duty reserve tax.
  - 9 Deduct an estimated amount for any liabilities payable out of the scheme property and any tax thereon treating periodic items as accruing from day to day.
  - 10 Deduct the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings.
  - 11 Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.
  - 12 Add any other credits or amounts due to be paid into the scheme property.
  - 13 Add a sum representing any interest or any income accrued due or deemed to have accrued but not received and any stamp duty reserve tax provision anticipated to be received.
  - 14 Currencies or values in currencies other than base currency shall be converted at the relevant valuation point at a rate of exchange that is not likely to result in any material prejudice to the interests of shareholders or potential shareholders.
  - 15 The Company is permitted to invest in immovable property in accordance with the Instrument, although it does not do so currently. In the event the Prospectus is amended to permit the Company and its Funds to invest in immovable property (following receipt of FCA approval) such immovable property shall be valued as follows:
    - (a) by a standing independent valuer (as defined in the glossary to the FCA Rules) appointed by the ACD with the approval of the Depositary and undertaken in accordance with UKPS 2.3 of the RICS Valuation Standards (The Red Book) (6th edition published January 2008), or in the case of overseas immovables on an appropriate basis.
    - (b) on the basis of a full valuation with physical inspection (including, where the immovable is or includes a building, internal inspection), at least once a year; and

- (c) on the basis of the last full valuation, at least once a month.

#### *Valuations – general points*

For the above purposes, instructions given to issue or cancel shares are assumed to have been carried out (and any cash paid or received) and uncompleted arrangements for the unconditional sale or purchase of property are (with certain exceptions) assumed to have been completed and all consequential action taken.

The Funds have credited to them the proceeds of all shares attributed to it, together with the assets in which such proceeds are invested or reinvested and all income, earnings, profits, or assets deriving from such investments. All liabilities and expenses attributable to the Funds are charged to the relevant Fund.

The Company is required to allocate (and the ACD may from time to time reallocate) any assets, costs, charges or expenses which are not attributable to a particular Fund against all the Funds in a manner which is fair to the shareholders of the Company generally.

#### *Fair Value Pricing*

Where the ACD has reasonable grounds to believe that:

- (a) no reasonable price exists for a security at a valuation point; or
- (b) the most recent price available does not reflect the ACD's best estimate of the value of a security at a valuation point;

it will value an investment at a price which, in its opinion, reflects a fair and reasonable price for that investment (the fair value price).

The circumstance which may give rise to a fair value price being used includes where there has been no recent trade in the security concerned or where there has been the occurrence of a significant event since the most recent closure of the market where the price of the security is taken.

## **14 PRICES OF SHARES**

The Company deals on a forward pricing basis. A forward price is the price calculated at the next valuation of the scheme property after the purchase, redemption or switch of shares is agreed. Shares in the Company are "single priced". Investors should bear in mind that on purchase, the ACD's initial charge is deducted from the investment at the outset. In addition, for both purchases and sales by investors, there may be a dilution adjustment as described below.

The price of a share is calculated at or about the valuation point each dealing day (to at least four significant figures) by:

- taking the value of the property attributable to a Fund and therefore all shares (of the relevant class) in issue (on the basis of the units of entitlement in the property of the Fund attributable to that class at the most recent valuation of that Fund); and
- dividing the result by the number of shares of the relevant class in issue immediately before the valuation concerned.

#### *Publication of Prices*

The most recent share prices are published on the following websites:

[www.ifslfunds.com](http://www.ifslfunds.com)

[www.fundlistings.com](http://www.fundlistings.com)

Prices are also available by telephoning the ACD on 0808 178 9321.

The ACD is not responsible for any errors in publication or non-publication. As the ACD deals on a forward pricing basis the price that appears in these sources will not necessarily be the same as the one at which investors can currently deal.

## **15 DILUTION ADJUSTMENT**

***What is 'dilution'?*** - Where a Fund buys or sells underlying investments in response to a request for the issue or redemption of shares, it will generally incur a cost (diluting the value of the Fund), made up of dealing costs and any spread between the bid and offer prices of the investments concerned, which is not reflected in the purchase or redemption price paid by or to the shareholder and which is referred to as "dilution".

To mitigate the effect of dilution on the Funds as explained above, the ACD will recover the costs of dilution from investors on the issue or redemption of shares in the Funds. Instead of making a separate charge to investors when shares in the Funds are bought and sold, COLL permits the ACD to move the price at which shares are bought or sold on any given day. The single price can be swung higher or lower at the discretion of the ACD on the sale or redemption of shares in the Funds. This price movement from the mid-market price is known as the dilution adjustment. Any dilution adjustment applied is included in the price applied to the deal and is not disclosed separately.

The dilution adjustment for the Funds will be calculated by reference to the estimated costs of dealing in the underlying investments of the Funds, including any dealing spreads, commission and transfer taxes. The need to apply the dilution adjustment will depend on the volume of sales (shares issued) or redemptions. The amount of the dilution adjustment is reflected in the relevant Fund in respect of which it has been applied.

***What is the ACD's policy regarding dilution adjustment?*** The ACD may apply a dilution adjustment based on historical data, on the issue and redemption of shares in the Funds if, in its opinion, the existing shareholders or remaining shareholders might otherwise be adversely affected, and if applying a dilution adjustment, so far as practicable, is fair to all shareholders and potential shareholders. Where a dilution adjustment is applied the Net Asset Value of the relevant Fund will be adjusted by an amount not exceeding 1%.

The ACD's policy will be to normally impose a dilution adjustment:

- where a Fund is in the opinion of the ACD, in continual decline in terms of Net Asset Value, as a result of poor market conditions or continual net redemptions;
- on a Fund experiencing large levels of net sales and net purchases relative to the size of that Fund (i.e. net redemptions or investments equivalent to or greater than 2% of the Net Asset Value of the Fund);
- in any other case where the ACD is of the opinion that the interests of the shareholders require the imposition of a dilution adjustment.

*How will it affect shareholders?* On the occasions that the dilution adjustment is not applied there may be an adverse impact on the total assets of the relevant Fund which may otherwise constrain the future growth of that Fund. As dilution is directly related to the inflows and outflows of monies from the relevant Fund it is not possible to accurately predict whether dilution will occur at any point in time. Consequently it is also not possible to accurately predict how frequently the ACD will need to apply a dilution adjustment, however based on the number of shareholders in each Fund and their average shareholding, as well as historic subscription and redemption volumes, the ACD considers that it likely that a dilution adjustment will only be imposed on a very infrequent basis.

The ACD will review the dilution adjustment on a quarterly basis, however it may at its discretion re-evaluate the adjustment in the event of significant market movement. The ACD may alter its current dilution adjustment policy by giving shareholders notice and amending the prospectus at least 60 days before the change to the dilution policy is to take effect.

## **16 STAMP DUTY RESERVE TAX**

*This section is based on current law and HM Revenue & Customs practice which may change.*

There is no longer any Stamp Duty Reserve Tax ("SDRT") charge levied on the surrender of Shares in the Scheme, except in the case of an in-specie redemption which is not settled pro-rata to the assets held by the Scheme. In that event, the redeeming Shareholder will be liable to SDRT at the rate of 0.5% of the value of the Shares surrendered

## **17 PURCHASE, REDEMPTION AND EXCHANGE OF SHARES**

### **The ACD's own dealing**

Requests for the purchase, redemption and exchange of shares are normally dealt with by the issue or cancellation of such shares by the Company. However, in certain circumstances, the ACD may deal with such requests by selling shares to and/or repurchasing them from the Applicant as appropriate. In other words, the ACD is entitled to hold shares for its own account and to satisfy requests for the sale of shares from its own holding (this is generally referred to as the ACD dealing from its "box"). The ACD is required to procure the issue or cancellation of shares by the Company where necessary to meet any obligations to sell or redeem shares. Shares will be issued, cancelled, sold or repurchased at the price calculated by reference to the valuation point following receipt of the request (on a forward basis).

The ACD may not sell a share at a higher price, or redeem a share at a lower price from its "box" (in both cases before application of any initial charge or dilution levy, or deduction of SDRT as applicable) than the price notified to the Depositary in respect of the valuation point concerned.

The ACD is under no obligation to account to the Company or to shareholders or any of them for any profit it makes on the issue of shares or on the reissue or cancellation of shares which it has redeemed from its "box" and will not do so.

### **Purchase**

#### *Applications*

Subject to restrictions applicable to certain classes of shares, applications for shares linked to the Funds may be made by any person. Shares to satisfy an application received before the valuation point of the Funds (see "Valuations" for details of the valuation points) on a Dealing Day will be sold at a price based on that day's valuation and shares to satisfy an application received after the



valuation point, or on a day which is not a Business Day, will be sold at a price based on the valuation made on the next Business Day.

Applications may be made by completing an application form and delivering it to the registrar at Marlborough House, 59 Chorley New Road, Bolton BL1 4QP. The ACD may also, at its sole discretion, accept instructions by facsimile on such terms as it may specify. Applications may be faxed to the ACD on **01204 533045** or submitted through approved agents. The ACD may also, at its sole discretion, accept instructions by telephone on 0808 164 5458 between 9.00am and 5.00pm on any business day on such terms as it may specify. Application forms are available from the ACD.

The ACD does not currently accept applications for shares on the authority of electronic communications from Applicants however the ACD may decide to accept such electronic communications in the future and will update this Prospectus with the conditions that must be satisfied to effect an electronic application accordingly.

Applications, however made, are irrevocable. Subject to its obligations under COLL, the ACD reserves the right to reject any application in whole or in part. In that event application monies or any balance will be returned to the Applicant by post at the Applicant's risk.

Applications will not be acknowledged but a contract note will be sent on or before the Business Day next following the relevant Dealing Day. Certificates will not be issued. Where the total price payable for all shares for which the application is made would include a fraction of one penny it will be rounded up or down to the nearest penny.

Payment in respect of applications must be received no later than the fourth Business Day after the relevant Business Day. However, the ACD reserves the right to request that payment in respect of applications be received prior to the relevant Business Day.

If an Applicant defaults in making any payment in money or transfer of property due to the ACD in respect of the sale or issue of shares, the Applicant shall indemnify the ACD and/or the Company (as the case may be) in respect of any loss or cost incurred by either of them as a result of such default and the Company is entitled to make any necessary amendment to the register and the ACD will become entitled to the shares in place of the Applicant (subject, in case of an issue of shares, to the ACD's payment of the purchase price to the Company). The ACD may in its discretion delay arranging for the issue of the shares until payment has been received.

### ***Money laundering prevention***

The Company is subject to the United Kingdom's anti-money laundering regulations and the ACD may in its absolute discretion require verification of identity from any Applicant including, without limitation, any Applicant who:

- (a) tenders payment by way of cheque or banker's draft on an account in the name of a person or persons other than the Applicant; or
- (b) appears to the ACD to be acting on behalf of some other person.

In the former case verification of the identity of the Applicant may be required. In the latter case, verification of the identity of any person on whose behalf the Applicant appears to be acting may be required.

Until satisfactory proof of identity is provided, the ACD reserves the right to refuse to issue shares, pay the proceeds of a redemption of shares, or pay income on shares to investors. In the case of a purchase of shares where the Applicant is not willing or is unable to provide the information

request within a reasonable period, the ACD also reserves the right to sell the shares purchased and return the proceeds to the account from which the subscription was made. These proceeds may be less than the original investment. The ACD will not be liable for any share price movements occurring during delays while money laundering checks are carried out. The ACD or registrar may use external credit reference agencies to verify your identity and/or bank details. This will not have any effect on your credit history.

### ***Deferred Redemption***

Subject to COLL the ACD may refuse any application for the purchase of shares in the Company, or any request for redemption of shares in the Company, if it has reasonable grounds to do so. If requested redemptions in respect of a Fund at a valuation point exceed 10% of a Fund's value, the ACD may defer redemptions to the next valuation point in accordance with COLL.

Any such deferral would be undertaken in such manner as to ensure consistent treatment of all shareholders who had sought to redeem shares at the relevant valuation point at which redemptions were deferred, and so that all deals relating to the earlier valuation point were completed before those relating to a later valuation point were considered.

### ***In Specie Application***

The ACD may, by special arrangement and at its discretion, agree to arrange for the issue of shares in exchange for assets other than cash but only if the Depositary is satisfied that acquisition of the assets in exchange for the shares to be issued is not likely to result in any material prejudice to the interests of shareholders or potential shareholders of the Fund concerned.

### ***Minimum Purchase***

The minimum value of shares which any one person may purchase initially is £1,000, and the minimum value of shares which may be the subject of any subsequent purchase is £1,000. However, the ACD may, by special arrangement and at its discretion, either agree on an individual basis a lower amount in relation to the minimum value requirements, or waive such requirements at its discretion.

### ***Redemption***

Shares in each Fund may be redeemed on any Dealing Day. Dealings are on a forward price basis as explained in the section headed "**Prices of Shares**" above. Shares to be redeemed pursuant to a redemption request received before the valuation point of the relevant Fund on a Dealing Day will be redeemed at a price based on that day's valuation and shares to be redeemed pursuant to a redemption request received after that time, or on a day which is not a Business Day, will be redeemed at a price based on the valuation made on the next Business Day.

Redemption instructions may be given by delivery to the registrar of written instructions for redemption by letter at Marlborough House, 59 Chorley New Road, Bolton BL1 4QP or by fax to **01204 533045**. Redemption instructions sent by fax must be followed up with the original signed instructions. Redemption instructions may be given by telephone on 0808 164 5458 between 9.00am and 5.00pm on any business day. Redemption instructions given by telephone must be confirmed in writing to the ACD prior to redemption proceeds being remitted. Redemption instructions are irrevocable.

The ACD does not currently accept redemption instructions on the authority of electronic communications received from shareholders.

A redemption contract note will be sent on or before the next Business Day following the relevant Dealing Day. Where the total consideration for the transaction would include a fraction of one

penny it will be rounded up or down to the nearest penny. There may also be deducted, if the consideration is to be remitted abroad, the cost of remitting the proceeds (if any). If a redeeming shareholder wishes to be paid other than by cheque, the ACD will endeavour to arrange this but at the cost of the shareholder. The redemption proceeds will be paid not later than the close of business on the fourth Business Day after the later of the following times:

- (a) the valuation point immediately following the receipt by the ACD of the request to redeem the shares; or
- (b) the time when the ACD has received all duly executed instruments and authorisations which effect (or enable the ACD to effect) transfer of title to the shares.

But neither the Company nor the ACD is required to make payment in respect of a redemption of shares where the money due on the earlier issue of those shares has not yet been received or where the ACD considers it necessary to carry out or complete identification procedures in relation to the holder or another person pursuant to the United Kingdom's anti-money laundering regulations.

### ***In Specie Redemption***

Where a shareholder requests redemption of a number of shares, the ACD at its discretion may, by serving a notice of election on the shareholder not later than the close of business on the second Business Day following the day of receipt of the request, elect that the shareholder shall not be paid the redemption price of his shares but instead there shall be a transfer to that holder of property of the relevant Fund having the appropriate value. Typically the ACD may exercise its discretion where a Fund experiences a large level of net redemptions relative to the size of the Fund, for example where net redemptions are equivalent to or greater than 2% of the net asset value of the relevant Fund.

Where such a notice is so served on a shareholder, the shareholder may serve a further notice on the ACD not later than the close of business on the fourth Business Day following the day of receipt by the shareholder of the first mentioned notice requiring the ACD, instead of arranging for a transfer of property, to arrange for a sale of that property and the payment to the shareholder of the net proceeds of that sale.

The selection of scheme property to be transferred (or sold) is made by the ACD in consultation with the Depositary. The Depositary may pay out of the scheme property assets other than cash for the redemption of shares in a Fund if the Depositary has taken reasonable care to ensure that the property concerned would not be likely to result in any material prejudice to the interests of shareholders or potential shareholders of the Fund concerned. The Company may retain out of the property to be transferred (or the proceeds of sale) property or cash of value or amount equivalent to any SDRT to be paid in relation to the cancellation of the shares.

### ***Minimum Redemption and Holding***

If the redemption request is in respect of only some of the shares held, the minimum value of shares which may be the subject of redemption is £1,000. Where the value of an individual holding of shares would, in consequence of a request for redemption/cancellation fall below £1,000, such request may be treated as a request for redemption/ cancellation of all the shares held by such shareholder.

The value of shares for this purpose is calculated by reference to the current price, net of any initial charge. However the ACD may, by special arrangement on a case by case basis and at its discretion, agree a lower amount in relation to the minimum redemption size.

## 18 SWITCHING AND CONVERSIONS

### Conversions

A Shareholder is entitled to convert shares in one class in a Sub-Fund for shares in a different class in the same Sub-Fund subject to the investment minima set out in this Prospectus.

Conversions will be effected by the ACD recording the change of share class on the Register of the Company.

If a Shareholder wishes to convert shares he should apply to the ACD in the same manner as for a sale as set out in section 17 of this prospectus.

Conversions will be effected at the next Valuation Point. The ACD or registrar will notify Shareholders once the conversion has been effected.

In certain circumstances the ACD may mandatorily convert a Shareholder's investment from one share class into another share class. The ACD will only undertake such a conversion where the proposed share class has identical or preferential terms and the ACD will provide Shareholders with no less than 60 days' notice.

Conversions will not generally be treated as a disposal for capital gains tax purposes and no stamp duty reserve tax will be payable usually on the Conversion.

There is no fee on a conversion between classes of the same Sub-Fund.

### Switches

Shareholders are entitled to exchange shares in one Sub-Fund for shares in a different Sub-Fund.

Instructions for switching shares may be given by writing to the registrar at Marlborough House, 59 Chorley New Road, Bolton BL1 4QP.

The right to exchange is subject to the following:

- the ACD and the Depositary are not obliged to give effect to a request for exchange of shares if the value of the shares to be exchanged is less than the minimum permitted transaction (see above) or if it would result in the shareholder holding shares of any class of less than the minimum holding for that class of share (see above);
- the ACD may decline to permit an exchange into a Sub-Fund in respect of which there are no shares in issue, or in any case in which they would be entitled under COLL to refuse to give effect to a request by the shareholder for the redemption of shares of the old class or the issue of shares of the new class.

Exchanges between classes of shares linked to different Sub-Funds may be subject to a charge (See "Switching Charge" below).

In no circumstances will a shareholder who exchanges shares in one class of shares for shares in any other class be given a right by law to withdraw from or cancel the transaction.

It should be noted that an exchange of shares in a Sub-Fund for shares in any other Sub-Fund is treated as a redemption and sale and will, for persons subject to UK taxation, be regarded as a realisation for the purposes of capital gains taxation.

### ***Application***

A shareholder wishing to exchange shares should apply in the same way as for a redemption (see above).

## **19 SUSPENSION OF DEALINGS**

The ACD may with the prior agreement of the Depositary, and must without delay, if the Depositary so requires, temporarily suspend the issue, cancellation, sale, redemption and exchange of any Shares in a Fund ("**dealing**") where due to exceptional circumstances it is in the interests of all shareholders in the Fund.

The ACD and the Depositary must ensure that the suspension is only allowed to continue for so long as it is justified having regard to the interests of the shareholders. On suspension, the ACD, or the Depositary (if the Depositary has required the ACD to suspend dealings) will immediately inform the FCA stating the reason for the suspension and as soon as practicable give written confirmation of the suspension and the reasons for it to the FCA.

The ACD will notify shareholders of the suspension as soon as practicable after suspension commences, drawing shareholders' particular attention to the exceptional circumstances which resulted in the suspension in a manner that is clear, fair and not misleading, and will inform shareholders of how to obtain further information regarding the suspension with a view to keeping shareholders sufficiently informed. The ACD shall publish on its website and/or by other general means sufficient details to keep shareholders appropriately informed about the suspension including, if known, its likely duration.

During a suspension none of the obligations in COLL 6.2 (Dealing) apply; and the ACD shall comply with as much of COLL 6.3 (Valuation and pricing) as is practicable in the light of the suspension. The suspension of dealings in Shares must cease as soon as practicable after the exceptional circumstances which led to the suspension, have ceased.

The ACD and the Depositary shall formally review the suspension at least every 28 days and inform the FCA of the results of this review and any change to the information provided to the FCA in respect of the reasons for the suspension.

The ACD shall inform the FCA of the proposed restart of dealing in Shares and immediately after the restart shall confirm this by giving notice to the FCA.

The ACD may agree, during the suspension, to deal in Shares in which case all deals accepted during, and outstanding prior to, the suspension will be undertaken at a price calculated at the first valuation point after restart of dealing in Shares, provided that if the ACD operates limited redemption arrangements, and the event leading to the suspension of dealing has affected a valuation point, the ACD shall declare an additional valuation point as soon as possible after the restart of dealing in Shares.

The provisions relating to suspension of dealings can only apply to one or more classes of Shares without being applied to other classes, if it is in the interest of all the shareholders.

## **20 MANDATORY REDEMPTION OF SHARES**

If the ACD reasonably believes that any shares are owned directly or beneficially in circumstances which:

- (a) constitute a breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory;

- (b) may (or may if other shares are acquired or held in like circumstances) result in the Company incurring any liability to taxation or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory); or
- (c) are held in any manner by virtue of which the Shareholder or Shareholders in question is/are not qualified to hold such shares or if it reasonably believes this to be the case,

it may give notice to the holder of such shares requiring him or her to transfer them to a person who is qualified or entitled to own them, or to request the redemption of the shares by the Company. If the holder does not either transfer the shares to a qualified person or establish to the ACD's satisfaction that he or she and any person on whose behalf he or she holds the shares are qualified and entitled to hold and own them, he or she will be deemed on the expiry of a thirty-day period to have requested their redemption.

## **21 DISTRIBUTION**

The annual accounting period for the Company and the Funds ends on 28 February (the "**accounting reference date**"). The half-yearly accounting period ends on 31 August (the "**interim accounting reference date**"). The first accounting reference date of the Company will be 28 February 2013. The first interim accounting date of the Company was 31 August 2012.

Allocations and, if relevant, distributions of income, will be made on or before the 30 April, and 31 October each year.

Income earned in an interim accounting period may not all be distributed immediately but retained and used to ensure that distributions paid throughout the year are broadly similar. This policy is known as smoothing. The ACD reserves the right to apply this policy to the Funds from time to time as appropriate.

Distribution statements and tax certificates will be sent to shareholders. Payments will be made by bank automated credit system. Cheques will not be sent. Where an investor's bank details are not known or are inaccurate, accumulation shares will be purchased, where available, otherwise any income from income shares will be reinvested..

Where relevant, any distributions unclaimed for a period of six years after having become due for payment shall be forfeited and shall revert to the Company. The payment of any unclaimed distribution, interest or other sum payable by the Company on or in respect of a share into a separate account shall not constitute the Company a trustee thereof.

### ***Determination of Distributable Income***

As at the end of each annual accounting period, the ACD must arrange for the Depositary to transfer the income available for distribution attributable to the Funds (where relevant) to the distribution account.

In this context, income available for distribution generally means all sums considered by the ACD, in each case after consultation with the Company's auditors, to be in the nature of income received or receivable for the account of and in respect of the property attributable to the Funds,

but excluding any amount (if any) for the time being standing to the credit of the distribution account.

The ACD need not comply with the above provisions if the average of the allocations of income to the shareholders of the Funds would be less than £10 or such other amount agreed between the ACD and the Depositary. In that case, such amounts may be carried forward to the next accounting period and will be regarded as received at the start of that period. Otherwise, such sums may be credited to capital as determined by the ACD.

On or before each annual income distribution date, the ACD must calculate the amount available for income distribution for the immediately preceding annual accounting period and must inform the Depositary of such amount.

The amount available for income distribution is calculated by taking the aggregate of the income property received or receivable for the account of the Funds in respect of the relevant period, deducting the charges and expenses of the Company paid or payable out of the income property in respect of that period and adding the ACD's best estimate of any relief from tax on those charges and expenses. Further adjustments may be made as the ACD considers appropriate (after consultation with the auditors) in relation to taxation and the proportion of the prices received or paid for shares that relate to income (taking account of any provisions in the Instrument constituting the Company relating to income equalisation), potential income which is unlikely to be received until 12 months after the relevant allocation date, income which should not be accounted for on an accrual basis because of lack of information about how it accrues, any transfer between the income and the capital account (regarding payments from capital or income) and making any other adjustments which the ACD considers appropriate (after consultation with the auditors).

In relation to income shares, on or before each relevant income distribution date, the ACD will instruct the Depositary to enable it to distribute the income allocated to income shares among the holders of such shares and the ACD in proportion to the number of such shares held, or treated as held, by them respectively at the end of the relevant period.

The amount of income allocated to accumulation shares becomes part of the capital property and to the extent that shares of any other class (such as income shares) were in issue in relation to the relevant period, the interests of holders of accumulation shares in that amount must be satisfied by an adjustment at the end of the relevant period in the proportion of the scheme property to which the price of an accumulation share is related. This ensures that the price of an accumulation share remains unchanged despite the transfer of income to capital property.

In calculating the amount to be distributed, the ACD must deduct and carry forward in the income account such amount as is necessary to adjust the allocation of income to the nearest one hundredth of a penny per share or such lesser fraction as the ACD may determine.

## **22 INCOME EQUALISATION**

An allocation of income (whether annual or interim) to be made in respect of each share issued or sold by the ACD during an accounting period in respect of which that income allocation is made may include a capital sum ("**income equalisation**") representing the ACD's best estimate of the amount of income included in the price of that share.

The amount of income equalisation in respect of any share may be the actual amount of income included in the issue price of the share in question or it may be an amount arrived at by taking the aggregate of the ACD's best estimate of the amounts of income included in the share price of shares of that class issued or sold in the annual or interim accounting period in question and

dividing that aggregate by the number of those shares and applying the resultant average to each of the shares in question.

Equalisation applies only to shares purchased during the relevant accounting period.

## 23 THE AUTHORISED CORPORATE DIRECTOR'S CHARGES

The price per share at which shares are bought, redeemed or switched is calculated in accordance with the Regulations. Any initial charge or redemption charge is payable in addition to the price or deducted from the proceeds and is taken from the gross subscription or redemption monies.

### *Initial Charge*

The ACD may impose a charge payable by the shareholder on the issue of shares (the "**initial charge**"). The initial charge is deducted from the investment proceeds at the outset and is calculated as a percentage of the price of a share. The current initial charge applicable to the share classes available are:-

Share Class	Current Initial Charge
C Shares	0%

The ACD may waive or discount the initial charge at its discretion.

If at any time the current initial charge applicable to shares of a particular Fund is increased, the ACD is required, under COLL 4.3, to give not less than 60 days' prior notice in writing to all shareholders before such increase may take effect. The ACD is also required to revise the prospectus to reflect the new current rate and the date of its commencement.

The initial charge is exclusive of VAT which shall, if applicable, be payable in addition.

### *Redemption Charge*

The ACD currently makes no charge on a cancellation or redemption of shares.

### *Switching Charge*

The ACD currently does not apply a switching charge.

### *Annual Charge*

The ACD is entitled to an annual charge which accrues daily and is payable monthly. This charge is calculated by reference to the value of the Funds on the preceding day and is payable out of the property attributable to the Funds. It is paid within seven days of the month end. The annual charge is payable by the Company from the scheme property attributable to the Funds and is paid to the ACD by way of remuneration for its duties and responsibilities to the Company as ACD. The charge is calculated separately in relation to each share linked to a Fund as a percentage rate per annum of the total value of the units of entitlement in the property of the Fund on the relevant valuation date.

The current annual management charge in respect of the share class available is as follows:-

Fund	Share Class	Current Annual Charge
IFSL Brunsdon Cautious Growth Fund	C Shares	0.65%



IFSL Brunsdon Adventurous Growth Fund	C Shares	0.65%
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The annual charge is exclusive of VAT which shall, if applicable, be payable in addition.

In accordance with COLL 4.3, any increase in the above rates requires not less than 60 days' prior notice in writing to the shareholders before such increase may take effect. Also, the ACD is required to revise the Prospectus to reflect the new current rate and the date of its commencement.

The first accrual will be in respect of the period from the day on which the first valuation of the Funds is made. The annual charge will cease to be payable (in relation to a Fund) on the date of commencement of its termination, and (in relation to the Company as a whole) on the date of the commencement of its winding up or, if earlier, the date of the termination of the ACD's appointment as such. The amount(s) accruing due on the last relevant valuation date before the event concerned will be adjusted accordingly.

The ACD will make a payment to the Sponsor of any residual amount left from the annual charge once the ACD has taken its own fee as set out above and has paid any other fees it is required or has agreed to pay to service providers.

### **Administration charge**

The ACD is entitled to a periodic administration charge in respect of the C share class only which accrues daily and is paid monthly in arrears. The accrued charge for each day is calculated as a percentage per annum of the Net Asset Value on the preceding day. The administration charge is payable from the scheme property and is paid to the ACD by way of remuneration for the provision of administration services including but not limited to fund accounting, middle office and dealing and registration services.

It is estimated that the administration charge for each Fund will range from 0.15% per annum to 0.25% per annum.

The administration charge is exclusive of VAT which shall, if applicable, be payable in addition. The ACD may waive or discount the administration charges in its discretion. Any increase in the above rates requires not less than 60 days' prior notice in writing to the shareholders before such increase may take effect. In addition the ACD is required to revise the Prospectus to reflect any increase or decrease in the administration charges and the date upon which it becomes effective.

## **24 THE FEES, CHARGES AND EXPENSES OF THE DEPOSITARY**

The Depositary receives for its own account a periodic fee which will accrue daily based on the value of the Funds on the immediately preceding day and is payable as soon as practicable after the month end (and in any event within seven days after the month end). The first accrual is calculated by reference to the first valuation point of the Funds. The fee is payable out of the property attributable to the Funds.

The rate of the periodic fee is agreed between the ACD and the Depositary and in relation to each Fund is subject to a minimum fixed amount of £7,500 per annum. Subject to this minimum, the charge is otherwise calculated on a sliding scale for each Fund on the following basis:

- 0.0275% per annum of the first £50 million of the Scheme Property;
- 0.025% per annum of the next £150 million of the Scheme Property;

- 0.02% per annum of the next £50 million of the Scheme Property;
- 0.0175% per annum of the remaining Scheme Property.

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

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

In addition to the periodic fee referred to above, the Depositary shall also be entitled to be paid (out of the Scheme Property) transaction and custody charges in relation to transaction handling and safekeeping of the Scheme Property as follows:

<b>Item</b>	<b>Range</b>
Transaction Charges	£8 to £175
Custody Charges	0.005% to 0.04%

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

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

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

### **Ranges of Charges**

The amount or rate of any of the Depositary's fees and charges referred to above shall (unless otherwise stated) be determined by reference to the scale or tariff or other basis from time to time agreed between the ACD and the Depositary and notified to the ACD by the Depositary.

The Depositary shall be entitled to recover its fees, charges and expenses when the relevant transaction or other dealing is effected or relevant service is provided or as may otherwise be agreed between the Depositary and the Company or the ACD.

On a winding up of the Company, the termination of a Fund or the redemption of a class of shares, the Depositary will be entitled to its pro rata fees, charges and expenses to the date of the commencement of the winding up the termination or the redemption (as appropriate) and any additional expenses necessarily realised in settling or receiving any outstanding obligations. No compensation for loss of office is provided for in the Depositary Agreement.

Any VAT on any fees, charges or expenses payable to the Depositary will be added to such fees, charges or expenses.

## 25 OTHER PAYMENTS OUT OF THE COMPANY

The following expenses (being the actual amounts incurred together with any VAT payable thereon) may also be payable by the Company out of its assets at the discretion of the ACD:

- broker's commissions (where permitted under the FCA Handbook), fiscal charges and other disbursements which are necessarily incurred in effecting transactions for the Company and normally shown on contract notes, confirmation notes and difference accounts as appropriate;
- any charges and other disbursements which are necessarily incurred in its execution dealing services when effecting transactions for the Company.
- any costs incurred in producing or dispatching a payment made by the Company;
- any costs incurred in taking out and maintaining an insurance policy in relation to the Company;
- any expenses incurred in relation to any secretarial duties, such as maintaining any necessary documentation;
- any costs in relation to the publication of share prices or the NAV of the Company;
- any amount payable by the Company under any indemnity provisions;
- interest on borrowings permitted under the Instrument and this prospectus and all charges incurred in negotiating, entering into, varying, carrying into effect with or without variation, maintaining and terminating the borrowing arrangements;
- taxation and other duties payable in respect of the Company and the Funds, or in respect of the issue or sale of shares;
- any costs incurred in respect of convening and holding any meetings of shareholders, including meetings convened on a requisition by holders not including the ACD or an associate of the ACD;
- any costs in modifying the Instrument, Prospectus and Key Investor Information Document of the Company, and costs incurred in respect of meetings of shareholders convened for the purpose where the modification is:-
  - necessary to implement any change in the law including changes to the Regulations; or
  - necessary as a direct consequence of any change in the law including changes to the Regulations; or
  - expedient having regard to any fiscal enactment and which the ACD and the Depositary agree is in the interest of shareholders; or
  - to remove obsolete provisions from the Instrument, the Prospectus and the Key Investor Information Document.
- any costs incurred in respect of any other meeting of shareholders convened on a requisition by holders not including the ACD or an associate of the ACD in relation to a scheme of arrangement where the property of a body corporate (such as an investment

company) or of another collective investment scheme is transferred to the Company in consideration of the issue of shares in the Company to shareholders in that body corporate or to participants in that other scheme, and any liability arising after the transfer which, had it arisen before the transfer, could properly have been paid out of that other property provided the ACD is of the opinion that proper provision was made for meeting such liabilities as were known or could reasonably have been anticipated at the time of the transfer;

- the expenses of the Depositary in the convening a meeting of shareholders convened by the Depositary alone;
- any audit fees of the Auditor and VAT thereon and any proper expenses of the Auditor;
- any fees and any proper expenses of any professional advisers retained by the Company or by the Company in relation to the ACD;
- the cost of printing and distributing literature required or necessary for the purpose of complying with COLL, the OEIC Regulations, the FCA's Conduct of Business Rules or any other law or regulation, (excluding the cost of dissemination of the Key Investor Information Document);
- the costs of printing and distributing annual, half yearly and quarterly reports and any other reports or information provided for shareholders;
- any costs of listing the prices of the Funds in publications and information services selected by the ACD;
- the fees and any proper expenses of any professional advisers incurred by the ACD and the Depositary in relation to the establishment of the Company and a Fund;
- the fees of the Registrar for providing administration services for the Funds and maintaining the register;
- the Registrar will also maintain sub-registers in respect of Individual Savings Accounts entitlements;
- the fees of the FCA under Schedule 1, Part III of the Act or the corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which shares in the Company are or may be marketed;
- any sum due by virtue of any provision of COLL such as cancellation proceeds and reasonable stock lending expenses;
- value added tax in respect of any of the costs, expenses, fees and charges payable by the company; and
- any other charges/expenses that may be taken out of the Company's property in accordance with COLL.

### **Registrar's fees**

The Registrar is entitled to payment of any fees, expenses and disbursements (including the fees, expenses and disbursements resulting from the establishment and maintenance of any sub-register) for which the Company is also responsible for paying. The Registrar's fees are currently £12.50 per annum per shareholder.

### ***Set-up costs***

Subject to the Regulations, the ACD and the Depositary are permitted to be reimbursed for the set-up costs incurred in relation to the authorisation and establishment of the Company, its Funds and any new Funds.

### ***Charges to Capital***

The ACD's standard policy is to charge all expenses, except those that are capital in nature, to the income accounts of the individual Funds.

However, in relation to the Funds all or part of the remuneration of the ACD may be treated as a capital charge, which may result in a constraint of capital growth. The maximum amount of the charge which may be so treated for the Funds is the annual charge payable to the ACD. The current allocation of the ACD's annual charge in respect of each Fund is set out below:

<b>Fund</b>	<b>Treatment of ACD's annual charge</b>
IFSL Brunsdon Cautious Growth Fund	Income
IFSL Brunsdon Adventurous Growth Fund	Income

In relation to the Funds, subject to and in accordance with COLL, all or part of the charges and expenses of the Company may be treated as a capital charge if agreed by the ACD and the Depositary.

### **Allocation of Expenses**

Expenses not directly attributable to a particular Fund will be allocated between the Funds pro rata to Net Asset Value of the Funds in a manner which is fair to the Shareholders. In each such case such expenses and disbursements may also be payable if incurred by any person (including the ACD or an associate or nominee of the Depositary or of the ACD) who has had the relevant duty delegated to it pursuant to COLL by the Depositary.

## **26 TAXATION**

THE FOLLOWING SUMMARY IS BASED ON CURRENT UK LAW AND HM REVENUE & CUSTOMS' PRACTICE. THE RELEVANT FISCAL RULES, INCLUDING LEVELS AND BASES OF, AND RELIEFS FROM TAXATION, THEIR INTERPRETATION AND HM REVENUE & CUSTOMS' PRACTICE, MAY CHANGE IN THE FUTURE.

IT IS INTENDED TO OFFER SOME GUIDANCE TO PERSONS (OTHER THAN DEALERS IN SECURITIES) ON THE UK TAXATION OF THE COMPANY AND ITS SHAREHOLDERS. IT SHOULD NOT BE REGARDED AS DEFINITIVE OR EXHAUSTIVE LEGAL OR TAX ADVICE AND PROSPECTIVE INVESTORS SHOULD SEEK THEIR OWN PROFESSIONAL ADVICE ON THE TAXATION AND EXCHANGE CONTROL CONSEQUENCES OF INVESTING IN THE COMPANY. IF PROSPECTIVE INVESTORS ARE IN ANY DOUBT AS TO THEIR TAXATION POSITION, THEY SHOULD CONSULT THEIR PROFESSIONAL ADVISER.

IN PARTICULAR, THIS SUMMARY DOES NOT TAKE ACCOUNT OF PARTICULAR INVESTORS' INDIVIDUAL CIRCUMSTANCES, DOES NOT ADDRESS THE TAXATION CONSEQUENCES FOR INVESTORS WHO MAY BE SUBJECT TO TAXATION OR EXCHANGE CONTROL IN A JURISDICTION OTHER THAN THE UK AND DOES NOT ADDRESS INVESTORS FALLING INTO PARTICULAR CATEGORIES (SUCH AS LIFE INSURANCE COMPANIES OR EMPLOYEES OF ENTITIES CONNECTED TO THE COMPANY) WHICH MAY BE SUBJECT TO SPECIAL RULES.

### **Taxation of the Company**

Dividend distributions received by corporate shareholders chargeable to UK corporation tax will need to be streamed into 'franked' and 'unfranked' income according to the underlying gross income of the Company.

In broad terms, the portion treated as being 'franked' will be such proportion of the Company's total income (brought into account when determining the distribution for the period in question) which consists of dividend income received which is treated as exempt under Part 9A of CTA 2009. The 'franked' portion will be treated as exempt dividend income when received by a UK resident corporate shareholder (unless the shareholder is treated as a dealer in securities for tax purposes). The 'unfranked' portion will be treated as an annual payment from which income tax at a rate of 20% has been deducted. A UK resident corporate shareholder will, therefore, be subject to corporate tax at the rate applicable to that corporate shareholder but with credit for the income tax deducted. Such shareholders may, therefore, be liable to further tax and any ability to claim repayment of the income tax credit will be limited to the corporate shareholder's share of the Company's liability to corporation tax for the distribution period in question.

### ***Chargeable gains***

Capital gains made by Shareholders liable to UK corporation tax will be taxable at the corporation tax rate applicable to that corporate Shareholder after taking account the availability of any indexation relief. The main rate of corporation tax is currently 19%.

### ***Stamp taxes***

There is no specific exemption from stamp duty or SDRT for authorised investment funds such as the Company. Consequently, the Company will be liable to pay such taxes as normal when it purchases underlying investments.

Broadly speaking, stamp duty is paid on a transaction involving stock or marketable securities, and the rate is 0.5% of the value of the stock or securities.

The Company may incur similar taxes in another jurisdiction if it carries out transactions involving that jurisdiction.

## **Taxation of the shareholder**

### ***Income***

The Company will generally make dividend distributions which broadly reflect any income arising from its investments. Dividend distributions by the Company are made without deduction of income tax. The first £2,000 of dividend distributions received by individual investors in any tax year are not subject to income tax. Dividend distributions received in excess of this amount should be reported on the individual investor's Self Assessment Tax Return. For distribution amounts in excess of £2,000 in any tax year, individual investors liable to income tax at the basic rate will have an additional liability to income tax equal to 7.5% of the dividend distribution to the extent that such sum, when treated as the top slice of his income, falls above the threshold for basic rate tax. Higher rate taxpayers will have a further liability to income tax equal to 32.5% of the dividend distribution to the extent that such sum, when treated as the top slice of his income, falls above the threshold for higher rate tax. Additional rate taxpayers will have a further liability to income tax equal to 38.1% of the dividend distribution to the extent that such sum, when treated as the top slice of his income, falls above the threshold for the additional rate of tax.

Dividend distributions will be made gross to shareholders who are not UK resident. Non resident shareholders who are individuals are not liable to UK income tax on the dividend distribution. Non-UK resident shareholders are recommended to seek professional advice as to the tax consequences of receiving a dividend distribution under the law of the jurisdiction of their

residence.

Non resident trusts may be chargeable to UK income tax on distributions made by the Company and are recommended to seek professional advice.

### ***Chargeable gains***

Capital gains made by individual Shareholders who are resident in the UK for tax purposes on the sale, disposal or as a result of any other chargeable event will be tax free if they fall within an individual's annual capital gains exemption. For the tax year 2019/2020, the first £12,000 of an individual's chargeable gains (that is after deduction of allowable losses) from all sources will, therefore, be exempt from capital gains tax. Subject to their personal circumstances, gains in excess of this amount are taxed at 10% for basic rate taxpayers and 20% for higher and additional rate taxpayers.

Shareholders who are non UK resident will not normally be liable to UK tax on capital gains arising on a sale, disposal or other chargeable event unless the shareholding is connected with a trade carried on by the Shareholder through a UK branch or agency or certain anti-avoidance provisions relating to temporary non-UK residence apply

### ***EU Savings Directive***

The European Union Directive on the Taxation of Savings Income (the "EU Savings Directive") provides that "paying agents" established in a member state of the EU (or certain prescribed dependent or associated territories of member states) which pay "savings income" to individuals resident in another member state (or, depending on the state in which the paying agent is established, possibly also to individuals resident in the prescribed dependent or associated territories) are obliged, depending on the state in which the paying agent is established, either to disclose details of the payment and payee to taxation authorities or to withhold tax from the payment.

For the purposes of the EU Savings Directive, the proceeds of redemption of shares in a Fund and any distributions made will be reportable to HMRC if they comprise of savings income. The redemption of shares will be reportable if more than 25% of a Fund's assets are invested in money debts. Distribution proceeds will be savings income if more than 15% of the Company's assets are invested in money debts.

The investment of each Fund is expected to be such that the Fund falls outside the provisions relating to the reporting of savings income.

### **NISAs**

It is intended that shares in the Company will satisfy the eligibility requirements to be qualifying investments for a stocks and shares NISA.

## **27 REPORTS AND ACCOUNTS**

The annual accounting period of the Company ends on 28 February.

The annual report of the Company (the "**long report**") will be published on or before the end of June and the half-yearly long report on or before the end of October in each year. Copies of these long reports may be inspected at, and copies obtained free of charge from the ACD at its operating address. These reports may also be inspected at the Depositary's office during normal office hours. These will be made available on the website, [www.ifslfunds.com](http://www.ifslfunds.com).

The long reports shall (if relevant) contain details of:

- (a) the percentage of each Fund's assets that are subject to special arrangements arising from their illiquid nature;
- (b) any new arrangements that the ACD has made for managing a Fund's liquidity;
- (c) each Fund's current risk profile and the risk management systems employed by the ACD to manage those risks.

## **28 ANNUAL GENERAL MEETING**

The OEIC Regulations allow for the Company to dispense with the requirement to hold Annual General Meetings. The ACD has therefore decided that the Company will not hold Annual General Meetings. Shareholders will therefore only be entitled to exercise their voting rights at Extraordinary General Meetings of the Company.

## **29 VOTING**

The convening and conduct of Shareholder's meetings and the voting rights of Shareholders at those meetings are governed by the Company's Instrument and COLL, which are summarised below.

### ***Notice and Quorum***

Entitlement to receive notice of a particular meeting or adjourned meeting and to vote at such a meeting is determined by reference to those persons who are holders of shares in the Company on the date seven days before the notice is sent ("**the cut-off date**"), but excluding any persons who are known not to be holders at the date of the meeting or other relevant date. Shareholders will be given at least 14 days' prior notice of a general meeting.

The quorum for a meeting is two Shareholders present in person or by proxy. If a quorum is not present within 15 minutes of the time appointed the meeting will (if requisitioned by shareholders) be dissolved and in any other case will be adjourned. If at such adjourned meeting a quorum is not present within 15 minutes from the appointed time, one person entitled to count in a quorum will be a quorum.

### ***Voting Rights***

At a meeting of shareholders, on a show of hands every holder who (being an individual) is present in person or by proxy or, if a corporation, is present by a properly authorised representative, has one vote. On a poll votes may be given either personally or by proxy and the voting rights attached to a share are such proportion of the total voting rights attached to all shares in issue as the price of the share bears to the aggregate price of shares in issue on the cut-off date. A holder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way. A vote will be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman, by the Depositary or by two shareholders present or by proxy.

An instrument appointing a proxy may be in any usual or common form or in any other form approved by the ACD. It should be in writing under the hand of the appointor or his attorney or, if the appointor is a corporation, either under the common seal, executed as a Deed or under the hand of a duly authorised officer or attorney. A person appointed to act as a proxy need not be a holder.



A corporation, being a holder, may by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of holders and the person so authorised is entitled to exercise the same powers on behalf of the corporation which he represents as the corporation could exercise if it were an individual holder.

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

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

The ACD is entitled to attend any meeting but, except in relation to third party shares, is not entitled to vote or be counted in the quorum and any shares it holds are treated as not being in issue for the purpose of such meeting. An associate of the ACD is entitled to attend any meeting and may be counted in the quorum, but may not vote except in relation to third party shares. For this purpose third party shares are shares held on behalf of or jointly with a person who, if himself the registered shareholder, would be entitled to vote, and from whom the ACD or the associate (as relevant) has received voting instructions.

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

The ACD must, by way of an extraordinary resolution (i.e. a resolution notified and proposed as such and passed by a majority of not less than three-quarters of the votes validly cast), obtain prior approval from the shareholders (or, where applicable, class of shareholders) for any proposed change to the Company or any of its Funds which, in accordance with COLL, is a fundamental change. Such a fundamental change is likely to include:

- certain changes to the investment objective and policy of the Funds;
- the removal of the ACD;
- any proposal for a scheme of arrangement.

Other provisions of the Company's Instrument and the Prospectus may be changed by the ACD without the sanction of a shareholders' meeting in accordance with COLL.

## **30 INVESTMENT AND BORROWING POWERS**

A description of the types of property the Company may invest in and a summary of the applicable limits is set out in Appendix 2. A list of the eligible securities and derivatives markets is set out in Appendix 3.

## **31 TRANSFER OF SHARES**

A shareholder is entitled (subject to as mentioned below) to transfer shares by an instrument of transfer in any usual or common form or in any other form approved by the ACD. The ACD is not obliged to accept a transfer if it would result in the holder, or the transferee, holding less than the minimum holding of shares of the class in question. The instrument of transfer, duly stamped if it is required to be stamped, must be lodged with the ACD for registration. The transferor remains the holder until the name of the transferee has been entered in the register.

The Company or the ACD may require the payment of such reasonable fee as the ACD and the Company may agree for the registration of any grant of probate, letters of administration or any other documents relating to or affecting the title to any share.

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

The Company may be wound up under chapter 7.3 of COLL or as an unregistered company under Part V of the Insolvency Act 1986. Winding up of the Company or termination of the Fund under COLL is only permitted with the approval of the FCA and if a statement has been lodged with the FCA by the ACD confirming that the Company or the Funds will be able to meet all its liabilities within twelve months of the date of the statement (a "**solvency statement**").

Subject to the foregoing, the Company or a Fund will be wound up or terminated (as appropriate) under COLL:

- (a) if an extraordinary resolution of shareholders of either the Company or the relevant Fund (as appropriate) to that effect is passed; or
- (b) on the date stated in any agreement by the FCA in response to a request from the ACD for the winding up of the Company or a request for the termination of that Fund.
- (c) on the effective date of a duly approved scheme of arrangement which is to result in the Company ceasing to hold any scheme property, or in the case of a Fund, on the effective date of a duly approved scheme of arrangement which is to result in a Fund ceasing to hold any scheme property;
- (d) on the date on which all the Funds of the Company fall within (c) above or have otherwise ceased to hold any scheme property, notwithstanding that the Company may have assets of liabilities that are not attributable to any particular Fund.

The ACD may request that a Fund be terminated in certain situations such as if, at any time after the first anniversary of the issue of the first shares linked to a Fund the net value of the assets of the Company attributable to such Fund is less than £1 million.

The winding up of the Company or termination of a Fund under COLL is carried out by the ACD which will, as soon as practicable, cause the property of the Company or that property attributable to the Fund to be realised and the liabilities to be met out of the proceeds. Provided that there are sufficient liquid funds available after making provision for the expenses of winding up and the discharge of the liabilities of the Company or a Fund (as the case may be) the ACD may arrange for interim distribution(s) to be made to shareholders. When all liabilities have been met, the balance (net of a provision for any further expenses) will be distributed to shareholders. The distribution made in respect of a Fund will be made to the holders of shares linked to that Fund, in proportion to the units of entitlement in the property of that Fund which their shares represent.

Shareholders will be notified of any proposal to wind up the Company or terminate any of the Funds. On commencement of such winding up or termination the Company will cease to issue and cancel shares and transfers of such shares shall cease to be registered.

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

## **33 OTHER INFORMATION**

### *Delegation*

The ACD and the Depositary, subject to exceptions specified in the Regulations, may retain (or arrange for the Company to retain) the services of other persons to assist them in the performance of their respective functions and, in relation to certain functions, the ACD or the Depositary (as applicable) will not be liable for the actions of the persons so appointed provided certain provisions of the Regulations apply.

### ***Conflicts of Interest***

The FCA rules contain various requirements relating to transactions entered into between the Company and the ACD, the Investment Manager, or any associate of them which may involve a conflict of interest. These are designed to protect the interests of the Company and its Shareholders. Certain transactions between the Company and the ACD, or an associate of the ACD, may be voidable at the instance of the Company in certain circumstances.

The ACD has in place a conflicts policy which identifies potential conflicts which constitute or may give rise to a conflict of interest that may have an adverse impact upon the interests of the Company, and the procedures which will be followed in order to prevent or manage such conflicts.

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

The Depositary, the ACD, or the Investment Manager or any associate of any of them may sell or deal in the sale of property to the Company or purchase property from the Company provided the applicable provisions of the COLL apply and are observed.

Subject to compliance with COLL the ACD and any of its associates may be party to or interested in any contract, arrangement or transaction to which the Company is a party or in which it is interested.

The ACD and the Investment Manager (and other companies within their respective groups) may, from time to time, act as managers to other funds or sub-funds which follow similar investment objectives to that of the Fund. It is therefore possible that the ACD and/or Investment Manager may in the course of their business have potential conflicts of interest with the Company or the Fund. The Depositary may act as the depositary of other open-ended investment companies and as trustee or custodian of other collective investment schemes.

The Depositary, the ACD, or the Investment Manager or any associate of any of them will not be liable to account to the Company or any other person, including the holders of Shares or any of them, for any profit or benefit made or derived from or in connection with:

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

The ACD acknowledges that there may be some situations where the organisational or administrative arrangements in place for the management of conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the Company or its Shareholders will be prevented. Should any such situations arise the ACD will disclose these to Shareholders in an appropriate format.

### ***Liability and Indemnity***

With the exception mentioned below:

- The ACD, the Depositary and the Auditors are each entitled under the Instrument of the Company to be indemnified against any loss, damage or liability incurred by them in or about the execution of their respective powers and duties in relation to the Company; and
- the ACD and the Depositary are, under the terms of their respective agreements with the Company, exempted from any liability for any loss or damage suffered by the Company.

The above provisions will not, however, apply in the case of:

- any liability which would otherwise attach to the ACD or the Auditors in respect of any negligence, default, breach of duty or breach of trust in relation to the Company;
- any liability on the part of the Depositary for any failure to exercise due care and diligence in the discharge of its functions.

### ***Professional Liability Risks***

As the Company is an 'Alternative Investment Fund' for the purposes of the AIFM Directive, the ACD is required to ensure that certain Professional Liability Risks are covered at all times, either through additional own funds and/or through appropriate coverage of professional indemnity insurance. The ACD satisfies its obligations to cover Professional Liability Risks in relation to the Funds by maintaining an amount of own funds to meet the capital requirements under the AIFM Directive and complying with the qualitative requirements in the AIFM Directive that address professional liability risks.

## **34 GENERAL**

### ***Market Timing***

The ACD does not permit the Funds to be used for the purposes of 'market timing'. For this purpose market timing is defined as a trading strategy with the intention of taking advantage of short term changes in market prices. The Manager will undertake monitoring activities to ensure that market timing is not taking place in any of the Funds.

### ***Complaints***

Any complaint should be referred to the ACD at its registered office. If a complaint cannot be resolved satisfactorily with the ACD it may be referred to the Financial Ombudsman Service, Exchange Tower, London, E14 9SR. More details about the Financial Ombudsman Service are available from the ACD.

### ***Cancellation Rights***

A notice of an Applicant's right to cancel the agreement to purchase shares will be forwarded, where this is required by rules made under the Act.

When the investment is a lump sum investment (or the first payment, being larger than the second payment, in a regular payment savings plan) an Applicant who is entitled to cancel and does so will not get a full refund of the money paid by him if the purchase price of the shares falls before the cancellation notice is received by the ACD, because an amount equal to such fall (the "**shortfall**") will be deducted from the refund he would otherwise receive. Where the purchase price has not yet been paid the Applicant will be required to pay the amount of the shortfall to the ACD. The deduction does not apply where the service of the notice of the right to cancel precedes the entering into of the agreement. Cancellation rights must be exercised by posting a cancellation

notice to the ACD on or before the 14th day after the date of receipt of the notice of the right to cancel.

### ***Notices, Remittances or Service of Other Documents***

The address for service on the Company of notices or other documents required or authorised to be served on it is Marlborough House, 59 Chorley New Road, Bolton BL1 4QP.

All documents and remittances are sent at the risk of the shareholder.

All notices or documents required to be served on shareholders shall be served by post to the address of such shareholder as evidenced on the register.

### ***The Financial Services Compensation Scheme***

The Financial Services Compensation Scheme Limited has been established under the rules of the FCA as a "rescue fund" for certain clients of firms authorised and regulated by the FCA which have gone out of business. The ACD will supply you with further details of the scheme on written request to its operating address. Alternatively, you can visit the scheme's website at [www.fscs.org.uk](http://www.fscs.org.uk) or by writing to the Financial Services Compensation Scheme, PO Box 300, Mitcheldean, GL17 1DY.

### **Documents and information available**

Copies of the following documents are available for all purchasers of shares on request, free of charge from the ACD at Marlborough House, 59 Chorley New Road, Bolton BL1 4QP:

- Latest version of the Company's Prospectus;
- Latest version of the Company's Instrument;
- The latest annual and half-yearly long reports applying to the Funds; and
- The ACD Agreement.

The above documents are also available for inspection on any Business Day during normal business hours at the offices of the ACD.

### **Historical Information**

**Please see Appendix 5.**

**Appendix 1**

**Investment Objectives and Policies**

<b>Fund</b>	<b>Investment Objective</b>	<b>Investment Policy</b>	<b>Investment Approach</b>
<p><b>IFSL Brunston Cautious Growth Fund</b></p>	<p>The Fund will aim to provide capital appreciation over the medium to long term.</p>	<p>The investment objective is pursued through a policy of primarily investing in units/shares of other collective investment schemes (both regulated and unregulated funds) in order to gain exposure to both UK and overseas gilts, bonds and equities.</p> <p>The Fund will aim to exhibit low to medium volatility over the medium to long term.</p> <p>The Fund may also invest in transferable securities, money market instruments, cash and near cash and deposits.</p> <p>The Fund may borrow and employ stock lending and underwriting techniques in accordance with the rules in COLL.</p> <p>The Fund may invest in derivatives for the purposes of efficient portfolio management, including hedging.</p>	<p>This Fund provides investors with the opportunity to access capital growth with typically low to medium volatility over the medium to long term. This is appropriate for cautious investors who might need to access their capital in the medium to long term (7 years plus).</p> <p>Investors are prepared to accept there is some potential for capital loss in return for a moderate level of capital growth.</p>
<p><i>Assessing performance</i></p>			

Fund	Investment Objective	Investment Policy	Investment Approach
<p>The Investment Association (IA), the trade body for UK investment managers, has created a number of ‘sectors’, as a way of dividing funds into broad groups with similar characteristics.</p> <p>The Fund will be managed so it is eligible for inclusion in the IA Mixed Investment 0 – 35% shares sector.</p>			
<p><b>IFSL Brunson Adventurous Growth Fund</b></p>	<p>The Fund will aim to provide capital appreciation over the medium to long term.</p>	<p>The investment objective is pursued through a policy of primarily investing in units/shares of other collective investment schemes (both regulated and unregulated funds) in order to gain exposure to both UK and overseas equities, and gilts and bonds. The Fund may also invest in transferable securities, money market instruments, cash and near cash and deposits.</p> <p>The investments will aim to reflect a higher than normal level of risk and volatility over the medium to long term.</p> <p>The Fund may borrow and employ stock lending and underwriting techniques in accordance with the rules in COLL.</p> <p>The Fund may invest in derivatives for the purposes of efficient portfolio management, including hedging.</p>	<p>This Fund provides investors with the opportunity to access capital growth with a higher than normal level of risk and volatility over the medium to long term.</p> <p>This is appropriate for adventurous investors who might need to access their capital in the medium to long term (7 years plus).</p> <p>A significant proportion of assets with a high level of volatility will be held with the aim of generating a higher capital growth but this may also lead to higher capital losses.</p>
<p><i>Assessing performance</i></p>			

<b>Fund</b>	<b>Investment Objective</b>	<b>Investment Policy</b>	<b>Investment Approach</b>
<p>The Investment Association (IA), the trade body for UK investment managers, has created a number of ‘sectors’, as a way of dividing funds into broad groups with similar characteristics.</p> <p>The Fund will be managed so it is eligible for inclusion in the IA Flexible Investment sector.</p>			



## Appendix 2

### Investment and Borrowing Powers

The Company may exercise the full authority and powers permitted by COLL applicable to Non-UCITS Retail Schemes subject to the relevant Fund's investment objective and policy. However, this is subject to the applicable investment limits and restrictions set out in COLL, the Instrument and this Prospectus.

The ACD shall ensure that, taking into account the investment objective of each of the Funds, the scheme property of each of the Funds aims to provide a prudent spread of risk.

The Funds shall invest in such assets as are described in the investment policy of each Fund although investment in other asset classes is also permitted as set out in COLL as it applies to Non-UCITS Retail Schemes and as specified below. Therefore, the capital property of the Funds may at any time consist entirely of such assets as are described in the investment policy of each Fund or a mixture of such assets as well as investments of other asset classes described below.

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

The property of the Funds may consist of units in collective investment schemes established in the United Kingdom, other jurisdictions in the European Union and the Channel Islands.

Not more than 35% in value of the property of the Funds may consist of units or shares in any one collective investment scheme.

The Funds must not invest in units or shares of another collective investment scheme (the "Second Scheme") unless the Second Scheme satisfies the conditions referred to below.

The Second Scheme must fall within one of the following categories:

- (a) a scheme which satisfies the conditions necessary for it to enjoy the rights conferred by the UCITS directive; or
- (b) is a recognised scheme (as defined in COLL); or
- (c) is a Non-UCITS Retail Scheme (as defined in COLL); or
- (d) a scheme which is constituted outside the United Kingdom and the investment and borrowing powers of which are the same or more restrictive than those of a Non-UCITS Retail Scheme; or
- (e) any other scheme which does not fall within any of the above categories and in respect of which no more than 20% in value of the property of the scheme (including any transferable securities which are not approved securities) is invested.

The Second Scheme must also operate on the principle of a prudent spread of risk, and be prohibited from having more than 15% in value of the property of that scheme consisting of units in collective investment schemes. The participants in the Second Scheme must be entitled to have their units redeemed in accordance with the scheme at a price which relates to the net value of the property to which the units relate and which are determined in accordance with the scheme.

- (a) The scheme property attributable to a Fund may include shares in another Fund of the Company (the “Second Fund”) subject to the requirements below.
- (b) A Fund may invest in or dispose of shares of a “Second Fund” provided that:-
  - (i) the Second Fund does not hold shares in any other Fund of the Company;
  - (ii) the requirements set out below are complied with; and
  - (iii) not more than 35% in value of the scheme property of the investing or disposing Fund is to consist of shares in the Second Fund.
- (c) Investment may only be made in a Second Fund or other collective investment schemes managed or operated by, or whose authorised corporate director is, the ACD of the Funds or one of its associates if the rules on double charging contained in the COLL Sourcebook are complied with,

The Company may invest in shares or units of collective investment schemes which are managed or operated by (or, in the case of companies incorporated under the OEIC Regulations, have as their authorised corporate director) the ACD or an associate of the ACD. However, if the Company invests in units in another collective investment scheme managed or operated by the ACD or by an associate of the ACD, the ACD must pay into the property of the Company before the close of the business on the fourth business day after the agreement to invest or dispose of units:

- (a) on investment – if the ACD pays more for the units issued to it than the then prevailing issue price, the full amount of the difference or, if this is not known, the maximum permitted amount of any charge which may be made by the issuer on the issue of the units; and
- (b) on a disposal – any amount charged by the issuer on the redemption of such units.

The Company may invest in shares or units of collective investment schemes which are managed or operated by the Investment Manager or by an Associate of the Investment Manager.

***Transferable Securities and Money Market Instruments***

The Funds may invest in transferable securities and money market instruments which are:

- (a) admitted to or dealt in on an eligible market in accordance with COLL; or
- (b) are recently issued transferable securities with terms of issue which include an undertaking that application will be made to be admitted to an eligible market and such admission is secured within a year of issue; or
- (c) approved money market instruments not admitted to or dealt on an eligible market which satisfy the requirements in COLL 5.2.10AR to COLL 5.2.10CR.

Not more than 20% in value of the property of the Funds may consist of transferable securities which do not fall within (a) to (c) above or money market instruments which are liquid and have a value which can be determined accurately at any time.

Transferable securities held by the Company must also satisfy the requirements:

- the potential loss which the Company may incur with respect to holding the transferable security is limited to the amount paid for it;
- its liquidity does not compromise the ability of the ACD to comply with its obligation to redeem units at the request of any qualifying shareholder;
- reliable valuation is available for the transferable securities as follows:
  - in the case of a transferable security admitted to or dealt in on an eligible market, where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers;
  - in the case of a transferable security not admitted to or dealt in on an eligible market, where there is a valuation on a periodic basis which is derived from information from the issuer of the transferable security or from competent investment research;
- appropriate information is available for the transferable security as follows:
  - in the case of a transferable security admitted to or dealt in on an eligible market, where there is regular, accurate and comprehensive information available to the market on the transferable security or, where relevant, on the portfolio of the transferable security;
  - in the case of a transferable security not admitted to or dealt in on an eligible market, where there is regular and accurate information available to the ACD on the transferable security or, where relevant, on the portfolio of the transferable security;
- it is negotiable; and
- its risks are adequately captured by the risk management process of the ACD.

Unless there is information available to the ACD that would lead to a different determination, a transferable security which is admitted to or dealt in on an eligible market shall be presumed not to compromise the ability of the ACD to comply with its obligation to redeem Shares at the request of any qualifying shareholder; and to be negotiable.

#### ***Closed end funds constituting transferable securities***

A unit in a closed end fund shall be taken to be a transferable security for the purposes of investment by the Company provided it fulfils the criteria for transferable securities set out above, and either:

- where the closed end fund is constituted as an investment company or a unit trust:
  - it is subject to corporate governance mechanisms applied to companies; and

- where another person carries out asset management activity on its behalf, that person is subject to national regulation for the purpose of investor protection; or
- where the closed end fund is constituted under the law of contract:
  - it is subject to corporate governance mechanisms equivalent to those applied to companies; and
  - it is managed by a person who is subject to national regulation for the purpose of investor protection.

#### ***Transferable securities linked to other assets***

The Company may invest in any other investment which shall be taken to be a transferable security provided the investment fulfils the criteria for transferable securities set out in COLL 5.2.7AR, and is backed by or linked to the performance of other assets, which may differ from those in which a UCITS Scheme can invest.

Where such investments contain an embedded derivative component, the COLL rules applicable to investment in derivatives and forwards (summarised below) will apply.

#### ***Government and Public Securities***

The scheme property attributable to a Fund may consist of government and public securities provided no more than 35% in value of the scheme property attributable to such Fund is invested in such securities issued by any one body. There is no limit on the amount which may be invested in such securities or in any one issue.

#### ***Warrants***

Not more than 5% in value of the scheme property attributable to a Fund may consist of warrants.

Securities on which any sum is unpaid may be held provided that it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the relevant Funds at any time when the payment is required without contravening COLL.

#### ***Cash and Near Cash***

The property of the Funds may consist of cash or near cash to enable:

- (a) the pursuit of the Funds' investment objectives;
- (b) the redemption of units; or
- (c) the efficient management of the Funds in accordance with its investment objectives; or
- (d) any other purposes which may reasonably be regarded as ancillary to the objectives of the Funds.

Cash which forms part of the property of the Funds may be placed in any current or deposit account with the Depository, the ACD or any investment adviser or any associate of any of

them provided it is an eligible institution or approved bank and the arrangements are at least as favourable to the Funds as would be the case for any comparable arrangement affected on normal commercial terms negotiated at arms length between two independent parties.

During the initial offer period the scheme property of the Funds may consist of cash and near cash without limitation.

### *Derivatives*

As at the date of this Prospectus, the Company is permitted to invest in derivatives for investment purposes as well as for efficient portfolio management (including hedging).

The Funds however may only invest in derivatives and forward transactions for efficient portfolio management purposes (including hedging). **Where derivatives are used for hedging or in accordance with efficient portfolio management techniques it is not anticipated that such use of derivatives will have any significant effect on the risk profile of the Funds.**

### *Efficient Portfolio Management*

The Funds may invest in derivatives for efficient portfolio management purposes (including hedging) and the Investment Manager may make use of a variety of derivative instruments in accordance with COLL. Use of derivatives will not contravene any relevant investment objectives or limits.

Efficient portfolio management enables the Funds to invest in derivatives and forward transactions (including futures and options) in accordance with COLL using techniques which relate to transferable securities and approved money market instruments and which fulfil the following criteria:

- (a) they are economically appropriate in that they are realised in a cost effective way;
- (b) they are entered into for one or more of the following specific aims:
  - (i) reduction of risk;
  - (ii) reduction of cost;
  - (iii) generation of additional capital or income for the scheme with a risk level which is consistent with the risk profile of the scheme and the risk diversification rules laid down in COLL.

### *Permitted Transactions (derivatives and forwards)*

A transaction in derivatives or a forward transaction must not be effected for the Funds unless the transaction is of a kind specified below and the transaction is covered.

A derivatives transaction may be either an approved derivative (i.e. one which is traded or dealt in on an eligible derivatives market as set out in Appendix 2) or an over-the-counter derivative in accordance with the applicable FCA rules.

In the event the Company invests in derivatives, the exposure to the underlying assets must not exceed the general spread limits in accordance with COLL as applicable to Non-UCITS Retail Schemes, except for index-based derivatives. In the event the Company invests in an index-based derivative, provided the relevant index complies with the requirements in COLL the underlying constituents of the index do not have to be taken into account for the purposes of

monitoring the spread requirements. The relaxation is subject to the ACD continuing to ensure that the property provides a prudent spread of risk.

Any forwards transaction must be made with an eligible institution or an approved bank in accordance with COLL.

The underlying assets of a transaction in a derivative may only consist of any one or more of the following: (i) transferable securities; (ii) money market instruments; (iii) deposits; (iv) derivatives and forward transactions (permitted under COLL 5.6.13R); (v) gold; (vi) immovables; (vii) units in collective investment schemes (as permitted in this Appendix); (viii) financial indices (which satisfy the criteria set out in COLL 5.2); (ix) interest rates; (x) foreign exchange rates, and (xi) currencies.

Where a transferable security or money market instrument embeds a derivative, this must be taken into account for the purposes of complying with this section.

### ***Derivative exposure***

A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more transferable securities, money market instruments, units in collective investment schemes or derivatives.

The Company may invest in derivatives and forward transactions only where the exposure to which the Company is committed by that transaction itself is suitably covered from within the Company's property. Exposure will include any initial outlay in respect of that transaction.

Cover ensures that the Company is not exposed to the risk of loss of property, including money, to an extent greater than the net value of the Company's property. Therefore, the Company must hold scheme property sufficient in value or amount to match the exposure arising from a derivative obligation to which the Company is committed.

Cover used in respect of one transaction in derivatives or forwards transactions should not be used for cover in respect of another transaction in derivatives or a forward transaction. The total exposure relating to derivatives held in the Company may not exceed the net value of the property.

A transaction in derivatives or forward transactions is to be entered into only if the maximum exposure, in terms of the principal or notional principal created by the transaction to which the Company is or may be committed by another person, is covered globally.

Exposure is covered globally if adequate cover from within the scheme property is available to meet the Company's total exposure, taking into account the value of the underlying assets, any reasonably foreseeable market movement, counterparty risk and the time available to liquidate any positions.

Cash not yet received into the scheme property of the Company but due to be received within one month is available as cover for these purposes. Property which is the subject of a stock lending transaction is only available for cover if the ACD has taken reasonable care to determine that it is obtainable (by return or re-acquisition) in time to meet the obligation for which cover is required.

### ***Deposits***

The property of the Funds may consist of deposits (as defined in COLL) but only if it:

- (a) is with an approved bank;
- (b) is repayable on demand or has the right to be withdrawn; and

- (c) matures in no more than 12 months.

### ***Gold***

Whilst the Company may invest in gold, it is currently not intended that the Funds will invest in gold.

### ***Immovable and movable property***

Whilst the Company is permitted to invest directly in immovable property, it is currently intended that the Funds will only invest indirectly in immovable property through investing in collective investment schemes and/or property companies which themselves invest directly in immovable property.

### ***Spread - General***

In applying any of the restrictions referred to above:

- (a) not more than 20% in value of the Funds property may consist of deposits with any single body;
- (b) not more than 10% in value of the Funds property is to consist of transferable securities or money market instruments issued by any single body (subject to COLL 5.6.23R), however, the limit of 10% is raised to 25% in respect of covered bonds;
- (c) the exposure to any one counterparty in an over the counter derivative transaction must not exceed 10% in value of the Fund property, however the exposure may be reduced to the extent that collateral is held in respect of it if the collateral meets each of the conditions specified in COLL 5.6.7R(8).

### ***Covered bonds***

In general a covered bond is a bond that is issued by a credit institution which has its registered office in an EEA State and is subject by law to special public supervision designed to protect bondholders and in particular protection under which sums deriving from the issue of the bond must be invested in conformity with the law in assets which, during the whole period of validity of the bond, are capable of covering claims attaching to the bond and which, in the event of failure of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest, and which may be collateralised.

### ***Borrowing***

Subject to the Company's Instrument and COLL (as it relates to Non-UCITS Retail Schemes), the Company may borrow money for the purposes of achieving the objectives of the Funds on terms that such borrowings are to be repaid out of the scheme property of the relevant Fund. Such borrowing may only be made from an eligible institution or approved bank (as defined in COLL). The borrowing of a Fund must not, on any business day, exceed 10 per cent of the value of the property of the relevant Fund.

The above provisions on borrowing do not apply to "back to back" borrowing for hedging purposes, being an arrangement under which an amount of currency is borrowed from an eligible institution and an amount in another currency at least equal to the amount of currency borrowed is kept on deposit with the lender (or his agent or nominee).

## ***Leverage***

The ACD will not employ Leverage in respect of its management of the Funds save where it undertakes certain derivatives and forward transactions for the limited purposes described in this section and subject at all times to the requirements and restrictions set out in the Regulations insofar as they relate to Non-UCITS Retail Schemes. Therefore the Company will not be regarded as a type of fund using Leverage on a substantial basis (as described in the AIFM Directive).

### ***Types and sources of Leverage and circumstances in which Leverage may be used***

The Funds may incur Leverage (whether through borrowing of cash or transferable securities, or embedded in derivative positions) in the circumstances, and subject to the provisions, which are set out in this Prospectus.

The Funds will not enter into any collateral and asset reuse arrangements.

### ***Calculation of Leverage***

The AIFM Directive prescribes two methodologies for calculating overall exposure of a Fund: the “commitment method” and the “gross method”. These are described briefly below.

The commitment method takes account of the hedging and netting arrangements employed by a Fund at any given time. This calculation includes exposure through the use of derivatives, reinvesting cash borrowings, through securities lending or securities borrowing arrangements, or by such other means as may be permitted pursuant to that Fund’s investment objectives and policies as set out in this Prospectus. This calculation also includes cash and cash equivalents in the Fund currency.

The gross method calculates exposure in a very similar way to the commitment method but by contrast, it does not take account of the netting or hedging arrangements employed by a Fund. It also excludes from the calculation, cash and cash equivalents in the Fund currency.

### ***Maximum level of Leverage***

The Funds are subject to a maximum level of incremental leverage of 10 per cent under the commitment method and 110 per cent under the gross method.

For clarification, under AIFMD this means the maximum level of leverage is 110 per cent (or 1.1:1) under the commitment approach and 210 per cent (or 2.1:1) under the gross method.

A leverage ratio of 1 or below indicates a fund is unleveraged whereas a leverage ratio of above 1 means the fund is leveraged.

### ***Restrictions on lending***

None of the money in the scheme property of the Funds may be lent, for these purposes money is lent by the Funds if it is paid to a person (a ‘payee’) on the basis that it should be repaid, whether or not by the payee.

Acquiring a debenture is not lending for these purposes, nor is the placing of money on deposit or in a current account.

### ***Restrictions on the lending of property other than money***

The scheme property of the Funds other than money must not be lent by way of deposit or otherwise. Transactions permitted under the stocklending rules in COLL are not to be regarded as lending for these purposes. The scheme property of the Funds must not be mortgaged.



Where transactions in derivatives or forward transactions are used for the account of the Company in accordance with COLL, the Company or the Depositary at the request of the Company may however, lend, deposit, pledge or charge scheme property for margin requirements, or transfer scheme property under the terms of an agreement in relation to margin requirements, provided that the ACD reasonably considers that both the agreement and the margin arrangements made under it (including in relation to the level of margin) provide appropriate protection to shareholders.

An agreement providing appropriate protection to shareholders for these purposes includes one made in accordance with the 1995 International Swaps and Derivatives Association Credit Support Annex (English Law) to the International Swaps and Derivatives Association Master Agreement.

### ***Underwriting***

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

### ***Guarantees and Indemnities***

The Company or the Depositary for the account of a Fund, must not provide any guarantee or indemnity in respect of the obligation of any person. The scheme property of the Funds may not be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person.

The provisions in the above paragraph do not apply to any indemnity or guarantee given for margin requirements where derivatives or forward transactions are being used in accordance with COLL, or an indemnity given to a person in accordance with COLL 5.

### ***Stock lending***

The Company, or the Depositary at the request of the Company, may enter into a repo contract, or a stock lending arrangement in accordance with COLL 5.4 if it reasonably appears to the ACD to be appropriate to do so with a view to generating additional income for the Funds with an acceptable degree of risk.

The Company or the Depositary may enter into a repo contract, or a stock lending arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992 but only if:

- (a) all the terms of the agreement under which securities are to be reacquired by the Depositary for the account of the Company are in a form which is acceptable to the Depositary and are in accordance with good market practice;
- (b) the counterparty is an authorised person or a person authorised by a home state regulator or otherwise permitted under COLL; and
- (c) collateral is obtained to secure the obligation of the counterparty under the terms referred to in (a) above and is acceptable to the Depositary and must also be adequate and sufficiently immediate as set out in COLL. These requirements do not apply to a stock lending transaction made through Euroclear Bank SA/NV's Securities Lending and Borrowing programme.

There is no limit to the value of the scheme property of the Funds which may be the subject of repo contracts or stock lending transactions.

***Schemes replicating an index***

A Fund may invest up to 20% in value of the scheme property in shares and debentures which are issued by the same body where the aim of the investment policy of that Fund is to replicate the performance or composition of an index as defined below.

The index must:

- (a) have a sufficiently diversified composition;
- (b) be a representative benchmark for the market to which it refers; and
- (c) be published in an appropriate manner.

The 20% limit may be raised to 35% for a particular Fund but only in respect of one body and where justified by exceptional market conditions.

***Risk Management***

The ACD uses a risk management process, as reviewed by the Depositary, enabling it to monitor and measure as frequently as appropriate the risk of a Fund's positions and their contribution to the overall risk profile of the Company.

### **Appendix 3**

#### **Eligible Markets**

Set out below are the securities markets through which the Company may invest or deal in approved securities on account of the Funds (subject to the investment objective and policy of each Fund):

- (a) a "regulated market" as defined in COLL; or
- (b) a securities market established in any EEA State (which as at the date of this Prospectus includes Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Republic of Cyprus, Romania, Slovakia, Slovenia, Spain, Sweden and the UK) which is regulated, operates regularly and is open to the public.
- (c) a stock exchange located within the US, Canada, Japan, Switzerland, Australia, New Zealand or Hong Kong;
- (d) any stock exchange on the following list:

<b>Country</b>	<b>Market</b>
Australia	Australian Securities Exchange
Canada	TSX Venture Exchange
Hong Kong	The Stock Exchange of Hong Kong
Japan	Tokyo Stock Exchange Osaka Securities Exchange
Korea	Korea Exchange
New Zealand	New Zealand Exchange
Singapore	Singapore Exchange
South Africa	Johannesburg Stock Exchange
United Kingdom	London Stock Exchange

United States	NYXE MKT NYSE NYSE Arca
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The Alternative Investment Market of the London Stock Exchange (AIM), and the ICAP Securities and Derivatives Exchange (ISDX) are also an eligible securities market for the purposes of the Funds.

Eligible Derivatives Markets

Set out below are the derivatives markets through which the Company may deal on account of the Funds (subject to the investment objective and policy of each Fund):

Country	Market
AUSTRALIA	Australian Securities Exchange
CANADA	Montreal Exchange
JAPAN	Osaka Securities Exchange
NEW ZEALAND	New Zealand Exchange
SINGAPORE	Singapore Exchange
SOUTH AFRICA	Johannesburg Stock Exchange South African Futures Exchange
UNITED KINGDOM	ICE Futures Europe
UNITED STATES	Chicago Board Options Exchange Chicago Mercantile Exchange New York Mercantile Exchange NYSE Arca Options NASDAQ PHLX

## **Appendix 4**

### **Additional Information**

Investment Fund Services Limited acts as authorised corporate director or authorised unit trust manager in respect of the following OEICs and unit trusts:

- Acumen OEIC
- IFSL AMR OEIC
- IFSL Avellemy OEIC
- IFSL Beaufort Investment Funds
- IFSL Brooks Macdonald Fund
- IFSL Brunsdon OEIC
- IFSL Equilibrium OEIC
- IFSL James Hambro Umbrella Fund
- IFSL Ravenscroft Huntress OEIC
- IFSL Sanlam OEIC
- IFSL Select Investment Funds
- IFSL Sinfonia OEIC
- IFSL Tilney Bestinvest Multi Asset Portfolio
- IFSL Tilney Bestinvest Multi Asset Portfolio Series II
- IFSL Trade Union Unit Trust
- Mazarin OEICThe Galatea Fund

#### **Directors of Investment Fund Services Limited**

The directors of Investment Fund Services Limited are:

**Andrew Staley** - In addition to his role as director of the Manager, Mr Staley also acts as managing director of Marlborough Investment Management Limited and is a director of Novia Global Limited, Marlborough Investment Management (UK) Limited, Marlborough Unit Trust Managers Limited, Marlborough Group Holdings Limited, Marlborough Fund Managers Limited, UK Travel Limited, Continuum DFM Limited and UFC Fund Management PLC.

**Nicholas FJ Cooling** - In addition to his role as director of the Manager, Mr Cooling also acts as the investment director of Marlborough Investment Management Limited and is a director of Marlborough Investment Management (UK) Limited, Marlborough Unit Trust Managers Limited, Marlborough Group Holdings Limited, Marlborough Fund Managers Limited, UFC

Fund Management PLC, My Continuum Financial Limited, Continuum DFM Limited, UK Travel Limited and Spinney Lodge Freehold Management Limited.

**Wayne Green** - Also a director of Marlborough Group Holdings Limited, IFSL Platform Services Limited, IFSL Platform Service Providers Limited, Techinvest Limited, IFSL International Limited, IFSL ICAV, Marlborough International Management Limited, Marlborough Fund Managers Limited, MFM Unit Trust Managers Limited, IFSL Professional Services Limited and IFSL Administration Limited.

**Allan Hamer** - Also a director of Marlborough Group Holdings Limited, Marlborough Fund Managers Limited, MFM Unit Trust Managers Limited, IFSL Professional Services Limited, IFSL Administration Limited and Marlborough International Fund PCC Limited.

**Helen Redmond** - Also a director of IFSL Professional Services Limited.

**Helen Derbyshire** – Also a director of Marlborough Group Holdings Limited, Marlborough Fund Managers Limited and IFSL Administration Limited.

**Dominique Clarke** - Also a director of Marlborough Group Holdings Limited, IFSL Platform Services Limited, IFSL Platform Service Providers Limited, Techinvest Limited, IFSL International Limited, IFSL ICAV, UFC Fund Management International Holdings Limited, MIM DFM Limited, MIM Discretionary FM Limited, Marlborough Fund Managers Limited, MFM Unit Trust Managers Limited, IFSL Professional Services Limited, IFSL Administration Limited and Philotas Limited.

**Richard Goodall** – Also a director of Marlborough Group Holdings Limited, Novia Global Limited and Marlborough Fund Managers Limited.

**Guy Sears** – non-executive director – Also a non-executive director of Marlborough Fund Managers Limited.

**David Kiddie** – non-executive director – Also a non-executive director of Marlborough Fund Managers Limited.

## **Appendix 5**

### **Historical Information**

Past performance is not necessarily a guide to future performance. The value of investments and the income from them is not guaranteed and can go down as well as up. Investors may not get back the full amount invested.

For Funds and share classes that have been running for less than 5 years, performance information is shown for as many full years as are available. Updated past performance figures (where available) can be obtained from the ACD.

	<b>01/07/2014 – 30/06/2015</b>	<b>01/07/2015 – 30/06/2016</b>	<b>01/07/2016 – 30/06/2017</b>	<b>01/07/2017 – 30/06/2018</b>	<b>01/07/2018 – 30/06/2019</b>
<b>Fund Name</b>	<b>Return (%)</b>	<b>Return (%)</b>	<b>Return (%)</b>	<b>Return (%)</b>	<b>Return (%)</b>
<b>IFSL Brunsdon Adventurous Growth Fund – C Accumulation Shares</b>	<b>8.14</b>	<b>(0.19)</b>	<b>21.79</b>	<b>7.25</b>	<b>1.10</b>
<b>IFSL Brunsdon Cautious Growth Fund – C Accumulation Shares</b>	<b>3.37</b>	<b>3.36</b>	<b>11.49</b>	<b>2.68</b>	<b>3.02</b>