



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

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

**PROSPECTUS  
OF  
TM HEARTHSTONE ICVC**

(An open-ended investment company  
incorporated with limited liability and  
registered in England and Wales  
under registered number IC946)

This document constitutes the Prospectus for TM HEARTHSTONE ICVC (the Company) and is dated and valid as at 8 October 2021. This document replaces any previous prospectuses issued by the Company.

It has been prepared in accordance with the rules contained in the Collective Investment Schemes Sourcebook (COLL) and the Investment Funds Sourcebook (FUND) which forms part of the FCA Handbook and complies with the requirements of COLL 4.2.5R and FUND 3.2.2R.

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

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

The Depositary is not a person responsible for the information contained in this Prospectus and, accordingly does not accept any responsibility for it under the COLL Sourcebook, FUND or otherwise.

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

The Shares have not been and will not be registered under the 1933 Act or the securities laws of the United States. The Shares may not be offered or sold directly or indirectly in the United States or to or for the account or benefit of any US Person or in a transaction not subject to the regulatory requirements of, the 1933 Act and any applicable state securities laws. Any re-offer or resale of any of the Funds in the United States or to US Persons may constitute a violation of US law. The Company has not been and will not be registered under the 1940 Act and investors will not be entitled to the benefit of registration.

The Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of these offering materials. Any representation to the contrary is unlawful. The Shares are subject to restrictions on transferability and resale and may not be transferred or resold in the United States except as permitted under the 1933 Act and applicable state securities laws, pursuant to registration or exemption therefrom.

In order to ensure compliance with the restrictions referred to above, the Company is, accordingly, not open for investment by any US Persons or ERISA Plans except in exceptional circumstances and then only with the prior consent of the ACD. A prospective investor may be required at the time of acquiring Shares to represent that such investor is a qualified holder and not a US Person or acquiring Shares for the account or benefit, directly or indirectly, of a US Person or with the assets of an ERISA Plan. The granting of prior consent by the ACD to an investment does not confer on the investor a right to acquire Shares in respect of any future or subsequent application.

The UK government has enacted legislation enabling it to comply with its obligations in relation to international tax compliance including the United States provisions commonly known as "FATCA". The Company is a passive non-financial entity and is not a financial institution.

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

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

This Prospectus has been issued for the purpose of section 21 of the Financial Services and Markets Act 2000 by Thesis Unit Trust Management Limited.

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

This Prospectus is based on information, law and practice at the date of this Prospectus. The Company cannot be bound by an out of date prospectus when it has issued a new prospectus and investors

should check with Thesis Unit Trust Management Limited that this is the most recently published prospectus.

1. **DEFINITIONS**

- "ACD"** Thesis Unit Trust Management Limited, the authorised corporate director of the Company;
- "ACD Agreement"** an agreement dated 24 July 2012 between the Company and the ACD;
- "Administrator"** Northern Trust Company, or such other entity as is appointed to act as administrator and Fund Accountant to the Company from time to time;
- "AIFMD Level 2 Regulation"** means the UK version of Commission delegated regulation (EU) No 231/2013 supplementing Directive 2011/16/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision, which is part of UK law by virtue of the EUWA;
- "AIFMD Rules"** means Directive 2011/01/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers, as supplemented by Commission Delegated Regulations (EU) No. 231/2013 of 19 December 2012 ("AIFMD") and the rules issued by the FCA and ESMA from time to time (including any amendments or updates made in relation thereto) as implemented in the UK by the Alternative Investment Fund Managers Regulations 2013 (as amended);
- "Approved Bank"** (in relation to a bank account opened by the Company):
- (a) if the account is opened at a branch in the United Kingdom:
    - (i) the Bank of England; or
    - (ii) the central bank of a member state of the OECD; or
    - (iii) a bank; or
    - (iv) a building society; or
    - (v) a bank which is supervised by the central bank or other banking regulator of a member state of the OECD; or
  - (b) if the account is opened elsewhere:
    - (i) a bank in (a); or
    - (ii) a credit institution established in an EEA State and duly authorised by the relevant Home State Regulator; or

	(iii) a bank which is regulated in the Isle of Man or the Channel Islands; or
	(c) a bank supervised by the South African Reserve Bank,
	as such definition may be updated in the FCA Glossary from time to time;
<b>"Auditor"</b>	Grant Thornton UK LLP, or such other entity as is appointed to act as auditor to the Company from time to time;
<b>"Body Corporate"</b>	a body corporate incorporated in any jurisdiction (including within the UK) or any entity treated as a body corporate for tax purposes in any jurisdiction with which the UK has any form of double tax treaty or other agreement to relieve double taxation which has effect under the UK's tax legislation by Order in Council or under such a double tax treaty or other agreement;
<b>"Business Day"</b>	any day which is not a Saturday, Sunday or bank holiday in the UK;
<b>"CASS"</b>	the requirements relating to holding client assets and client money published by the FCA as part of the FCA Handbook, as amended or replaced from time to time;
<b>"CCP"</b>	has the meaning ascribed to it in the FCA Glossary;
<b>"Class" or "Classes"</b>	in relation to Shares, means (according to the context) all of the Shares of a particular Fund or a particular class or classes of Share of a particular Fund;
<b>"Class H Accumulation Shares"</b>	Accumulation shares of the TM home investor fund in which the Feeder Fund invests;
<b>"Class H Income Shares"</b>	Income shares of the TM home investor fund in which the Feeder Fund invests;
<b>"COLL"</b>	refers to the appropriate chapter or rule in the COLL Sourcebook;
<b>"COLL Sourcebook"</b>	the Collective Investment Schemes Sourcebook issued by the FCA, as amended or replaced from time to time;
<b>"Company"</b>	TM Hearthstone ICVC;
<b>"Conversion"</b>	the conversion of Units in one Class in a Fund to Units of another Class in the same Fund and "Convert" shall be construed accordingly;
<b>"Conveyancer"</b>	Conveyancing Direct Limited;

<b>“Custodian”</b>	The Northern Trust Company for non-immovable property, but otherwise the Depositary;
<b>“Data Protection Laws”</b>	means all applicable laws relating to the processing, privacy and/or use of personal data including the following laws to the extent applicable in the circumstances: <ul style="list-style-type: none"> <li>(a) the UK GDPR;</li> <li>(b) the Data Protection Act 2018;</li> <li>(c) any laws which implement any such laws; and</li> <li>(d) any laws which replace, extend, re-enact, consolidate or amend any of the foregoing (whether or not before or after the date of this Prospectus); and</li> <li>(e) all guidance, guidelines and codes of practice issued by any relevant supervisory authority relating to such Data Protection Laws (in each case whether or not legally binding);</li> </ul>
<b>“Dealing Day”</b>	a day which is both a Dealing Day for Subscription and a Dealing Day for Redemption in any particular Class of Shares in any particular Fund;
<b>“Dealing Day for Redemption”</b>	as set out in Appendix II for each Class in each Fund;
<b>“Dealing Day for Subscription”</b>	as set out in Appendix II for each Class in each Fund;
<b>“Depositary”</b>	NatWest Trustee and Depositary Services Limited, or such other entity as is appointed to act as depositary;
<b>“Director” or “Directors”</b>	the directors of the Company from time to time (including the ACD);
<b>“EEA”</b>	European Economic Area;
<b>“EEA State”</b>	a member state of the European Union and any other state which is within the EEA;
<b>“Efficient Portfolio Management” or “EPM”</b>	as defined in Appendix IV;
<b>“Eligible Institution”</b>	one of certain eligible institutions as defined in the FCA Glossary ;

<b>"EMIR"</b>	means the UK version of Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories, which is part of UK law by virtue of the EUWA, sometimes referred to as the "European Markets Infrastructure Regulation" as amended by Regulation (EU) 2019/834 of the European Parliament and of the Council of 20 May 2019 EU Regulation 648/2012 on OTC derivatives, central counterparties and trade repositories, as amended from time to time;
<b>"ERISA Plan"</b>	(i) any retirement plan subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended ("ERISA"); (ii) any individual retirement account or plan subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended; or (iii) an entity whose assets include plan assets by reason of a plan's investment in the entity (generally because 25% or more of a class of equity interests in the entity is owned by plans);
<b>"EUWA"</b>	means the European Union (Withdrawal) Act 2018;
<b>"FCA"</b>	the Financial Conduct Authority or any other regulatory body which may assume its regulatory responsibilities from time to time;
<b>"FCA Glossary"</b>	the glossary given the meanings of the defined expressions used in the FCA Handbook as amended from time to time;
<b>"FCA Handbook"</b>	the FCA's Handbook of rules and guidance, as amended from time to time;
<b>"FCA Rules"</b>	the rules from time to time contained in COLL and FUND but, for the avoidance of doubt, not including guidance or evidential requirements contained in either;
<b>"Feeder Fund"</b>	the TM home investor feeder fund, which is the umbrella feeder fund for TM home investor fund;
<b>"FIIA"</b>	a fund investing in inherently illiquid assets as defined in the FCA Glossary ;
<b>"Fund"</b>	a sub-fund of the Company (being part of the Scheme Property of the Company which is pooled separately) to which specific assets and liabilities of the Company may be allocated and which is invested in accordance with the investment objective applicable to such sub-fund.  At the date of this Prospectus there is one Fund, the TM home investor fund;
<b>"FUND"</b>	the Investment Funds Sourcebook published by the FCA as part of their Handbook made under the Act as it may be amended or replaced from time to time;

<b>“Fund Accountant”</b>	the person who provides fund accounting services, being Northern Trust Global Services SE, UK branch and its successor or successors as fund accountant;
<b>“Home State”</b>	as defined in the FCA Glossary;
<b>“Home State Regulator”</b>	has the meaning ascribed to it in the FCA Glossary;
<b>“Instrument of Incorporation”</b>	the instrument of incorporation of the Company, as amended from time to time;
<b>“Investment Manager”</b>	Thesis Asset Management Limited, the non-real estate investment manager to the ACD in respect of the Company;
<b>“ISA”</b>	an individual savings account under the Individual Savings Account Regulations 1998 (as amended);
<b>“Net Asset Value” or “NAV”</b>	the value of the Scheme Property of the Company or of any Fund (as the context may require) less the liabilities of the Company or of any Fund (as the context may require) as calculated in accordance with the Instrument of Incorporation;
<b>“OECD”</b>	the Organisation for Economic Co-operation and Development;
<b>“OEIC Regulations”</b>	the Open-Ended Investment Companies Regulations 2001 as amended or re-enacted from time to time;
<b>“PAIF”</b>	an open-ended investment company which is a Property Authorised Investment Fund, as defined in Part 4A of the Tax Regulations and COLL 6.2.23R. The Company at the date of this document qualifies as a PAIF;
<b>“PAIF Fund” or “TM home investor fund”</b>	the TM home investor fund, a sub-fund of the Company, which at the date of this Prospectus, qualifies as a PAIF;
<b>“Property Investment Business”</b>	property investment business as defined in the Tax Regulations and summarised in Appendix IV;
<b>“Property Investment Manager”</b>	Hearthstone Asset Management Limited, the investment manager to the ACD in relation to real estate in respect of TM home investor fund;
<b>“Property Manager”</b>	Connells Limited, which is responsible for the day-to-day management of the real estate of TM home investor fund;
<b>“Register”</b>	the register of Shareholders of the Company;

<b>“Registrar”</b>	Northern Trust Global Services SE, UK branch, or such other entity as is appointed to act as registrar to the Company from time to time;
<b>“Regulated Activities Order”</b>	the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544) as amended from time to time;
<b>“Regulations”</b>	the OEIC Regulations and the FCA Handbook (including the COLL Sourcebook);
<b>“Scheme Property”</b>	the scheme property of the Company required under the COLL Sourcebook to be given for safekeeping to the Depositary;
<b>“Share” or “Shares”</b>	a share or shares in the Company (including larger denomination shares, and smaller denomination shares equivalent to one- thousandth of a larger denomination share);
<b>“Shareholder”</b>	a holder of registered Shares in the Company;
<b>“Standing Independent Valuer”</b>	CBRE Limited, St Martin’s Court, 10 Paternoster Row, London EC4M 7HP;
<b>“Switch”</b>	the exchange, where permissible, of Shares of one Fund for Shares of another Fund;
<b>“Tax Regulations”</b>	the Authorised Investment Funds (Tax) Regulations 2006 (SI 2006/964), as amended from time to time;
<b>“UCITS”</b>	Undertaking for Collective Investment in Transferable Securities. This will include a UCITS scheme or an EEA UCITS scheme, as defined in the FCA Glossary;
<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/EC), as amended;
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>“UK AIF”</b>	means an alternative investment fund within the scope of the UK AIFM Regime and as defined in the FCA Handbook;
<b>“UK AIFM”</b>	means an alternative investment fund manager established in the UK and with a Part 4A permission to carry on the regulated activity of managing an alternative investment fund;
<b>“UK AIFM Regime”</b>	means (i) the FUND Sourcebook, (ii) other rules in the FCA Handbook which when made implemented AIFMD, (iii) the AIFMD Level 2 Regulation and (iv) the AIFMD Rules;

<b>"UK CRR"</b>	the UK version of Regulation of the European Parliament and the Council on prudential requirements for credit institutions and investment firms (Regulation (EU) No 575/2013) and amending Regulation (EU) No 648/2012, which is part of UK law by virtue of the EUWA;
<b>"UK GDPR"</b>	Regulation 2016/679 of the European Parliament and of the Council of 27 <sup>th</sup> April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (General Data Protection Regulation) as it forms part of the law of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the EUWA, and any statutory instruments that the UK government makes to amend deficiencies in retained European Union law by virtue of section 8 of the EUWA (as may be amended from time to time) following the UK's withdrawal from the European Union;
<b>"UK UCITS"</b>	means, in accordance with sections 236A and 237 of the Financial Services and Markets Act 2000, a collective investment scheme which may consist of several sub-funds, which is either an authorised unit trust scheme, an authorised contractual scheme, or an authorised open-ended investment company with the sole object of collective investment of capital raised from the public in transferable securities or other liquid financial assets, operating on the principle of risk-spreading, with units which are, at the request of holders, repurchased or redeemed, directly or indirectly, out of those undertakings' assets, and which has identified itself as a UCITS in its prospectus and has been authorised accordingly by the FCA;
<b>"United States" or "US"</b>	the United States of America, its territories and possessions, any state of the United States, and the District of Columbia;
<b>"US Persons"</b>	<p>(a) is a person as described in any of the following paragraphs;</p> <p>(b) With respect to any person, any individual or entity that would be a US Person under Regulation S of the 1933 Act. The Regulation S definition is set forth below. Even if you are not considered a US Person under Regulation S, you can still be considered a "US Person" within the meaning of this Prospectus under Paragraphs 2, 3 and 4, below;</p> <p>(c) With respect to any person, any individual or entity that would be excluded from the definition of "Non-United States person" in Commodity Futures Trading Commission ("CFTC")</p>

Rule 4.7. The definition of "Non-United States person" is set forth below;

- (d) With respect to individuals, any US citizen or "resident alien" within the meaning of US income tax laws as in effect from time to time. Currently, the term "resident alien" is defined under US income tax laws; or
- (e) With respect to persons other than individuals, (i) a corporation or partnership created or organised in the United States or under the law of the United States or any state, (ii) a trust where (a) a US court is able to exercise primary supervision over the administration of the trust and (b) one or more US persons have the authority to control all substantial decisions of the trust and (iii) an estate which is subject to US tax on its worldwide income from all sources;

**Regulation S definition of US Person**

Pursuant to Regulation S of the 1933 Act, "US Person" means:

any natural person resident in the United States;

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

(vii) any partnership or corporation if:

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

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

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

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

(i) an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with respect to the assets of the estate; and

(ii) the estate is governed by non-US law;

(c) Notwithstanding (1) above, any trust of which any professional fiduciary acting as trustee is a US Person shall not be deemed a "US Person" if a trustee who is not a US Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person;

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

- (e) Notwithstanding (1) above, any agency or branch of a US Person located outside the United States shall not be deemed a "US Person" if:
  - (i) the agency or branch operates for valid business reasons; and
  - (ii) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located;
- (f) The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organisations, their agencies, affiliates and pension plans shall not be deemed "US Persons".

The ACD may amend the definition of "US Person" without notice to Shareholders as necessary in order best to reflect then-current applicable US law and regulation. Contact your investment adviser for a list of persons or entities that are deemed to be "US Persons";

**"Non-United States persons" definition** CFTC Rule 4.7 currently provides in relevant part that the following persons are considered "Non-United States persons":

- (a) a natural person who is not a resident of the United States or an enclave of the US government, its agencies or instrumentalities;
- (b) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a non-US jurisdiction and which has its principal place of business in a non-US jurisdiction;
- (c) an estate or trust, the income of which is not subject to US income tax regardless of source;
- (d) an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided, that shares/units of

participation in the entity held by persons who do not qualify as Non-United States persons or otherwise as qualified eligible persons (as defined in CFTC Rule 4.7(a)(2) or (3)) represent in the aggregate less than ten per cent. of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by persons who do not qualify as Non-United States persons in a pool with respect to which the operator is exempt from certain requirements of Part 4 of the CFTC's regulations by virtue of its participants being Non-United States persons; and

- (e) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States;

**"Valuation Point"**

the point, whether on a periodic basis or for a particular valuation, at which the ACD carries out a valuation of the Scheme Property for the Company or a Fund (as the case may be) for the purpose of determining the price at which Shares of a Class may be issued, cancelled or redeemed. For details of the Valuation Point for any particular Funds or Class within a Fund please see Appendix II;

**"VAT"**

value added tax;

**"1933 Act"**

the United States Securities Act of 1933 (as may be amended or re-enacted); and

**"1940 Act"**

the United States Investment Company Act of 1940 (as may be amended or re-enacted).

**2. DETAILS OF THE COMPANY**

**2.1 General**

2.1.1 TM Hearthstone ICVC (the "Company") is an investment company with variable capital incorporated in England and Wales under registered number IC946 and was authorised by the Financial Services Authority with effect from 30 April 2012. The Financial Services Authority was replaced by the FCA on 1 April 2013. The FCA's product reference number for the Company is 578345 ("PRN"). At the date of the Prospectus the Company has only one Fund, the TM home investor fund. The PRN of the TM home investor fund is 646510. Further funds may be established from time to time. Please note that approval by the FCA in this context does not in any way indicate or suggest endorsement or approval of the Company or Fund as an investment.

2.1.2 The Company has an unlimited duration.

2.1.3 Shareholders are not liable for the debts of the Company.

The ACD of the Company is Thesis Unit Trust Management Limited. The ACD is also the authorised corporate director of certain other open-ended investment companies and manager of authorised unit trusts details of which are set out in Appendix VI.

#### 2.1.4 **Head office**

The registered head office of the Company is at Exchange Building, St John's Street, Chichester, West Sussex PO19 IUP.

#### 2.1.5 **Address for service**

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

#### 2.1.6 **Base currency**

The base currency of the Company and each Fund is pounds sterling.

#### 2.1.7 **Share capital**

Maximum £100,000,000,000

Minimum £1

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

TM home investor fund is designed and managed to support longer-term investment and active trading is discouraged. Short-term or excessive trading into and out of the Fund may harm performance by disrupting the investment management strategy and by increasing expenses. The ACD may at its discretion refuse to accept applications for conversion or switching of, Shares, especially where transactions are deemed disruptive, particularly from possible market timers or investors who, in its opinion, have a pattern of short-term or excessive trading or whose trading has been or may be disruptive to the TM home investor fund. For these purposes, the ACD may consider an investor's trading history in the Fund or other funds managed by the ACD or the Investment Manager and accounts under common ownership or control.

## 2.2 **The structure of the Company**

### 2.2.1 **The Company**

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

The Company is a non-UCITS retail scheme (NURS) and is a UK alternative investment fund (UK AIF) for the purposes of the UK AIFM Regime. TM home investor fund qualifies as a Property Authorised Investment Fund ("PAIF"), as defined in Part 4A of the Tax Regulations and COLL 6.2.23R. TM home investor fund is also a fund that invests in inherently illiquid assets and for the purposes of the FCA Rules is a FIIA.

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

relevant Fund. Details of each Fund, including its investment objectives and policies, are set out in Appendix I.

The eligible securities markets and eligible derivatives markets on which each Fund may invest are set out in Appendix III. A detailed statement of the general investment and borrowing restrictions in respect of each Fund is set out in Appendix IV.

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.

Please also see paragraph 5.4 below.

Where any changes are proposed to be made to the Company or any Fund the ACD will assess whether the change is fundamental, significant or notifiable in accordance with COLL 4.3. If the change is regarded as fundamental, Shareholder approval of the Company or relevant Fund will be required. If the change is regarded as significant, 60 days' prior written notice will be given to relevant Shareholders. If the change is regarded as notifiable, relevant Shareholders will receive suitable notice of the change.

## 2.2.2 **Shares**

### ***Classes of Shares within the Funds***

Several classes of Shares may be issued in respect of each Fund.

Shares will be issued in larger and smaller denominations. There are 100 smaller denomination Shares to each larger Share. Smaller denomination Shares represent what, in other terms, might be called fractions of a larger Share and have proportionate rights.

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

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

The base currency for each new Class of Shares in each Fund will be determined at the date of creation and set out in the prospectus issued in respect of the new Class of Shares in that Fund.

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

To the extent that any Scheme Property of the Company, or any assets to be received as part of the Scheme Property, or any costs, charges or expenses to be paid out of the Scheme Property, are not attributable to one Fund only, the ACD will allocate such Scheme Property, assets, costs, charges or expenses between Funds in a manner which is fair to all Shareholders of the Company.

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

The Share Classes that may be issued and their criteria for subscription in respect of each Fund are set out in Appendix II.

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

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

The Instrument of Incorporation allows gross income and gross accumulation Shares to be issued as well as net income and net accumulation Shares. Net Shares are Shares in respect of which income allocated to them is distributed periodically to the relevant Shareholders (in the case of income Shares) or credited periodically to capital (in the case of accumulation Shares), in either case in accordance with relevant tax law, net of any tax deducted or accounted for by the Company. Gross Shares are income or accumulation Shares where, in accordance with relevant tax law, distribution or allocation of income is made without any tax being deducted or accounted for by the Company. Details of whether gross and/or net Shares are available in any Fund are set out in Appendix II. All references to Shares in this Prospectus are to accumulation Shares unless otherwise stated.

Gross Shares are available only to investors who qualify for the gross payment of income distributions or accumulations. These include certain pension funds, charities and managers of ISAs. For complete information, please refer to Part 4A of the Authorised Investment Funds (Tax) Regulations 2006.

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

Shareholders are entitled (subject to certain restrictions) to Convert all or part of their Shares in a Class or for Shares of another Class within the same Fund or to Switch Shares of one Fund for Shares within a different Fund of the Company. Details of this conversion and switching facility and the restrictions are set out in paragraph 3.7 "Conversion and Switching".

There are two Classes of Share, Class H Accumulation Shares and Class H Income Shares, which are only available to the Feeder Fund. Class H Accumulation Shares and Class H Income Shares will be issued to the Feeder Fund and redeemed at prices which are not subject to a dilution adjustment. Class H Accumulation Shares are gross Accumulation Shares. Class H Income Shares are gross Income Shares. The manager of the Feeder Fund intends to realise Class H Accumulation Shares to obtain the cash required to pay capital expenses of the Feeder Fund. The Feeder Fund has one sub-fund: TM home investor feeder fund. TM home investor feeder fund invests in Class H Accumulation Shares and Class H Income Shares of the PAIF Fund as described above.

### 2.2.3 **Past Performance Data**

Past performance data for the Company is set out in Appendix VII.

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

The dealing office of the Administrator is normally open from 9.00 am to 5.00 pm (UK time) on each Dealing Day for Subscription and Dealing Day for Redemption for the relevant Class in each relevant Fund to receive requests for the purchase and sale of Shares. The Administrator may vary these times with the consent of the ACD. Requests to deal in Shares may also be made in writing or by obtaining an application form by telephoning the ACD's Customer Enquiry Line on 0333 300 0375, or by electronic communications (as set out in the below paragraph 3.1 headed 'Electronic Communications') on each Dealing Day for Subscription and Dealing Day for Redemption for the relevant Fund or Class (at the ACD's discretion) between 9.00 am and 5.00 pm (UK time) or by telephoning such other number as published from time to time, or by electronic communications (as set out in the below paragraph 3.1 headed 'Electronic Communications'). The preliminary investment must, at the discretion of the ACD, be accompanied by an application form.

The ACD may from time to time make arrangements to allow Shares to be bought or sold through other communication media.

The ACD may also, at its discretion, introduce further methods of dealing in Shares in the future.

Investors buy and redeem Shares through the ACD who nets them to reduce the number of Shares issued/cancelled by the Company. When carrying out deals in Shares, the ACD acts as principal but does not profit from this activity..

The notice periods for subscriptions, redemptions, Conversions and Switches for each Fund and each Class are set out in Appendix II. Such notice periods may be waived at the ACD's discretion as further detailed in Appendix II.

The ACD may also, at its discretion, introduce additional Dealing Days for Redemption where the ACD is of the view that it is in the interests of all relevant Shareholders to do so. Please see Appendix II.

#### 3.1 **Electronic Communications**

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

- 3.1.1 prior agreement between the ACD and the person making the communication as to:
  - 3.1.1.1 the electronic media by which such communications may be delivered; and
  - 3.1.1.2 how such communications will be identified as conveying the necessary authority, and
  - 3.1.1.3 assurance from any person who may give such authority on behalf of the investor that they will have obtained the required appointment in writing from the Shareholder.

#### 3.2 **Electronic Verification**

The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, The Proceeds of Crime Act 2002, the Senior Management Arrangements Systems & Controls Sourcebook and joint Money Laundering Steering Group Guidance Notes (which are updated from time to time) state that the ACD must check your identity and the source of the money invested. The ACD may also request verification documents from parties associated with you. In some cases, documentation may be required for officers performing duties on behalf of bodies corporate. The checks may include an electronic search of information held about you (or your associated party) on the electoral role and using credit reference agencies. The credit reference agency may check the details you (or your associated party)

supply against any particulars on any database (public or otherwise) to which they have access and may retain a record of that information although that is only to verify identity and will not affect your (or your associated party's) credit rating. They may also use your (or your associated party's) details in the future to assist other companies' verification purposes. If you apply for Shares you are giving the ACD permission to ask for this information in line with Data Protection Laws. If you invest through a financial adviser, they must fill an identity verification certificate on your behalf and send it to the Manager with your application.

### 3.3 **Data Protection**

The personal details of each applicant for Shares and each Shareholder will be held by the ACD and/or the Administrator as its agent in accordance with Data Protection Laws for the purposes of carrying out the ACD's agreement with each Shareholder. This may include the transfer of such data to other members of the ACD's group and to other businesses providing services to the ACD (including their offices outside the UK where the transfer is necessary for the provision of services in relation to the ACD's role as operator of the Company). The data protection laws and other laws of these countries may not be as comprehensive as those that apply within the UK. In these instances the ACD will take steps to ensure that your privacy rights are respected. Shareholders have the right to access their personal data processed by the ACD together with (in certain circumstances) the right to object to the processing of such data for legitimate reasons. A copy of the ACD's Privacy Notice relating to investors is available at [www.tutman.co.uk](http://www.tutman.co.uk) or on request from [compliance@thesisam.com](mailto:compliance@thesisam.com).

### 3.4 **Client Money Rules**

3.4.1 The FCA Handbook contains provisions (known as the "Client Money Rules") designed to safeguard client money in the hands of authorised persons. However, the CASS rules also provide that money need not be treated as client money in respect of a delivery versus payment transaction, for the purpose of settling a transaction in relation to units in a regulated collective investment scheme such as the Company, provided that:

3.4.1.1 The ACD receives the money from a client in relation to the ACD's obligation to issue shares in the fund in accordance with COLL; or

3.4.1.2 The money is held in the course of redeeming shares, where the proceeds are paid to the client within the timeframe specified in COLL, (the "delivery versus payment exemption").

3.4.2 Where money is received in either of the circumstances set out in 3.2.1.1 or 3.2.1.2 above, the ACD must cease to operate the delivery versus payment exemption (and must therefore treat the money as "client money") if, by close of business on the Business Day following receipt of the money, it has not paid it over to the Depository or the client or, if direct issues and cancellations of Shares by the Company are permitted, to the Company, as applicable.

3.4.3 In order to facilitate management of the Company, the ACD makes use of the delivery versus payment exemption on the issue of shares in respect of money received other than in the form of cheques. Money received in other payment forms for the issue of shares is, therefore, not protected under the Client Money Rules until the delivery versus payment exemption period of one Business Day from receipt of the money has expired. Money received by the ACD in the form of redemptions, cheques or other remittances is paid directly into a client money account maintained by the ACD with an Approved Bank, as defined in the FCA Rules, and protected in line with the Client Money Rules. No interest is payable by the ACD on moneys held by the ACD in the course of settlement of transactions in Shares or credited to the client money account.

3.4.4 Money deposited into an account with a third party may have a security interest, lien or right of set-off in relation to the money, to the extent permitted by the Client Money Rules.

## 3.5 **Buying Shares**

### 3.5.1 **Procedure**

Shares may be bought directly from the ACD or through a professional adviser or other intermediary. Any intermediary who recommends an investment in the Company to Shareholders may be entitled to receive commission from the ACD. An ongoing commission, based on the value of Shares held may also be paid to qualifying intermediaries. For details of dealing charges see paragraph 3.8 below. Application forms may be obtained from the ACD.

Investors wishing to purchase gross Shares must complete a Declaration of Eligibility and Undertaking, which may be obtained from the ACD.

Valid applications to purchase Shares in a Fund received within the correct notice period (if appropriate) will be processed at the Share subscription price calculated, based on the Net Asset Value per Share, at the next Valuation Point following receipt of the application, except in the case where dealing has been suspended as set out in paragraph 3.16.

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

A purchase of Shares in writing or by telephone or any other communication media made available is a legally binding contract. Applications to purchase, once made are, except in the case where cancellation rights are applied, irrevocable. However, subject to its obligations under the Regulations, the ACD has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for Shares in whole or part, and in this event the ACD will return any money sent, or the balance of such monies, at the risk of the applicant.

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

Applicants who have received advice may have the right to cancel their application to buy Shares at any time during the 14 days after the date on which they receive a cancellation notice from the ACD. If an applicant decides to cancel the contract, and the value of the investment has fallen at the time the ACD receives the completed cancellation notice, they will not receive a full refund as an amount equal to any fall in value will be deducted from the sum originally invested. The ACD may extend cancellation rights to other investors but is under no obligation to do so.

### 3.5.2 **Documents the buyer will receive**

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

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

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

### 3.5.3 **Minimum subscriptions and holdings**

The minimum initial subscription, subsequent subscription and holding levels for each Class of Share in a Fund are set out in Appendix II.

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

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

### 3.5.4 **Bodies Corporate and nominees acquiring Shares in the TM home investor fund**

Bodies Corporate (excluding corporate nominees acquiring Shares on behalf of a non-Body Corporate) that wish to invest in TM home investor fund may only do so indirectly through the sub-fund of the Feeder Fund linked to TM home investor fund: the TM home investor feeder fund.

The ACD may from time to time, at its absolute discretion, permit investment in the Company by Bodies Corporate investing on their own account but only in accordance with the following:

#### 3.5.4.1 *Certificate required whenever Shares are registered in a corporate name*

No Body Corporate may acquire Shares (whether as beneficial owner or otherwise) unless it certifies that it holds:

- (a) all the Shares as beneficial owner (in which case its interest must be less than 10% of the NAV of the Company);
- (b) all the Shares on behalf of one or more persons which are not Bodies Corporate; or
- (c) some or all of the Shares on behalf of one or more other Bodies Corporate, in which case it must further certify that:
  - (i) its own interest (if any) is less than 10% of the NAV of the Company;
  - (ii) the interest of each beneficial owner which is a Body Corporate for which it holds Shares is less than 10% of the NAV of the Company; and
  - (iii) each of the other Bodies Corporate has given the undertakings described in paragraph 3.5.4.3 below.

#### 3.5.4.2 *Undertaking required from every corporate nominee*

Any Body Corporate that acquires Shares and holds them otherwise than as beneficial owner must undertake to disclose to the ACD the

names and extent of the Shareholding of each Body Corporate on whose behalf it is holding Shares (if any).

3.5.4.3 *Undertakings regarding size of holding required from any corporate owner*

Any Body Corporate that acquires Shares as beneficial owner<sup>1</sup> (whether the Shares are registered in its name or the name of a nominee or other person) must give the following undertakings:

- (a) not to acquire 10% or more of the NAV of the Company; and
- (b) on becoming aware that it has acquired 10% or more of the NAV of the Company, to reduce its proportionate holding of that NAV below 10%.

In the event that a Body Corporate is close to reaching the 10% investment limit but wishes to remain invested in the TM home investor fund, it should contact the ACD with a view to switching its Shares for units in the appropriate sub-fund of the Feeder Fund.

## 3.6 **Redeeming Shares**

### 3.6.1 **Procedure**

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

Valid instructions to the ACD to redeem Shares in a Fund (received within the notice period, if appropriate,) will be processed at the Share redemption price calculated, based on the Net Asset Value per Share, at the next Valuation Point for that Class following receipt of the instruction, except in the case where dealing has been suspended as set out in paragraph 3.16.

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

For details of dealing charges see paragraph 3.8 below.

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

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

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

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<sup>1</sup> or other form of participant as defined in the Tax Regulations

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

### 3.6.3 **Minimum redemption**

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

### 3.6.4 **Deferred redemption**

The ACD may permit deferral of redemptions at a Valuation Point on a Dealing Day for Redemption in the relevant Class in any Fund to a Valuation Point on the following Dealing Day for Redemption for that Class in respect of which the validly submitted redemption notice was received and accepted, where the requested redemptions exceed 10% of the Net Asset Value of that Class. Investors should note that they may not be able to redeem their Shares as quickly as they would like to, and that this may have an impact on the price they receive on redemption and may impact the investor's own liquidity.

### 3.6.5 **Limited redemption**

The ACD may provide for limited redemptions of Shares in a Fund provided the Fund provides redemptions at least once every six months. Different arrangements for the redemption of Shares may be applied to different Share Classes in a Fund provided that there is no prejudice to the interests of any Shareholder. Details are set out in Appendix II.

## 3.7 **Conversion and Switching**

Subject to any restrictions on the eligibility of investors for a particular Share Class, a Shareholder in a Fund may at any time:

3.7.1 Convert all or some of his Shares of one Class in a Fund ("Original Shares") for another Class of Shares in the same Fund ("New Shares"); or

3.7.2 Switch all or some of his Shares in one Fund ("Original Shares") for Shares in another Fund ("New Shares")

on a day which is a Dealing Day in each relevant Class provided they satisfy the subscription criteria. However, investors wishing to Convert into gross Shares (if they are available) must first complete a Declaration of Eligibility and Undertaking, which may be obtained from the ACD.

The number of New Shares issued will be determined by reference to the respective prices of New Shares and Original Shares at the Valuation Point applicable at the time the Original Shares are redeemed and the New Shares are issued.

The ACD may at its discretion make a charge on the Conversion or Switching of Shares. Any such charge on Conversion or Switching does not constitute a separate charge payable by a Shareholder, but is rather the application of any redemption charge on the Original Shares and any preliminary charge on the New Shares, subject to certain waivers. For details of the charges on Conversion or Switching currently payable, please see paragraph 3.8.3 "Charges on Conversion and Switching".

If a partial Conversion or Switch would result in the Shareholder holding a number of Original Shares or New Shares of a value which is less than the minimum holding in the Class concerned,

the ACD may, if it thinks fit, Convert or Switch (as applicable) the whole of the applicant's holding of Original Shares to New Shares (and make a charge on switching on such conversion) or refuse to effect any Conversion or Switch (as applicable) of the Original Shares. Save as otherwise specifically set out, the general provisions on procedures relating to redemption will apply equally to a Conversion or Switch.

Written instructions must be received by the ACD before the Valuation Point on a Dealing Day in the Fund or Funds and Classes concerned to be dealt with at the prices at the Valuation Point on that Dealing Day or at such other Valuation Point as the ACD at the request of the Shareholder giving the relevant instruction may agree. Switching requests received after a Valuation Point will be held over until the next day which is a Dealing Day in each of the Funds. Conversion requests may be held over until the Dealing Day following the next accounting date (please see below).

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

**In no circumstances will a Shareholder who Switches Shares in one Fund for Shares in any other Fund (or who Converts between Classes of Share) be given a right by law to withdraw from or cancel the transaction.**

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

### **Conversions**

Conversions will be effected by the ACD recording the change of Share Class on the Register.

Conversions will usually be carried out on the Dealing Day following the next accounting date in the relevant Fund. Conversion requests may therefore be held over and processed with Conversion instructions given by other Shareholders and effected at the next accounting date of the relevant Fund. The ACD may, however at its discretion effect a Conversion at the next Valuation Point in each of the relevant Classes. You may contact us if you wish to discuss the likely timing of your Conversion instruction.

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

There is no fee on Conversions.

### **Switches**

Subject to the qualifications above, a Shareholder may at any time Switch all or some of his Shares of one Class in a Fund for a number of Shares of another Fund.

## **3.8 Dealing charges**

The price per Share at which Shares are bought, redeemed, converted or switched will be based on the issue price or cancellation price calculated in accordance with Appendix V. Any preliminary charge, or redemption charge, (or SDRT on a specific deal, if applicable) is deducted from the gross subscription or the proceeds of the redemption monies.

### **3.8.1 Preliminary charge**

The ACD may impose a charge on the purchase of Shares in each Class in a Fund. The current preliminary charge is calculated as a percentage of the amount invested

by a potential Shareholder in respect of each Share Class in a Fund as set out in Appendix II. The ACD may waive or discount the preliminary charge at its discretion.

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

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

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

### 3.8.2 **Redemption charge**

The ACD may make a charge on the redemption of Shares in each Class in a Fund. The ACD may only introduce a redemption charge in accordance with the Regulations. There is currently no charge for redeeming Shares in any of the Classes.

### 3.8.3 **Charges on Conversion and Switching**

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

Other than where a redemption charge is payable as referred to above there is currently a charge of 0.5% for Switching between Funds but no charge for Converting between Shares in one Class of a Fund for Shares in another Class of the same Fund.

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

SDRT on dealings in shares in authorised investment funds has been abolished so subscriptions and redemptions of Shares are generally exempt from SDRT.

### 3.8.5 **Dilution adjustment**

The actual cost of purchasing or selling assets and investments in the Company may vary due to dealing charges, taxes, and any spread between the buying and selling prices of the underlying investments of the Company. For transactions in immovable property, there are costs and charges incurred in buying or selling the immovable property including stamp duty land tax, professional fees and expenses such as surveyor and legal fees and expenses. These costs could have an adverse effect on the value of the Company, known as "dilution".

In order to mitigate the effect of dilution the ACD may at its discretion adjust the sale and purchase price of Shares to take into account the possible effects of dilution to arrive at the price of the Shares. This practise is known as making a "dilution adjustment" or operating "single swinging pricing". The power to make a dilution adjustment may only be exercised for the purpose of reducing dilution in the Company. If the price of the Shares does contain a dilution adjustment, such dilution adjustment will be paid into the Company and will become part of the property of the Company thus mitigating the effects of dilution that would otherwise constrain the future growth of the Company.

The ACD reserves the right to make a dilution adjustment every Dealing Day. The dilution adjustment is calculated using the estimated dealing costs of the Company's underlying investments and taking into consideration any dealing spreads, commission and transfer taxes.

Investors should note that the costs of dealing in real property are significantly higher than those normally associated with equities and bonds and as such the dilution adjustment on the purchase of Shares may be up to 3.5% of the relevant price and on the redemption of Shares may be up to 2.5% of the relevant price.

The ACD may in its discretion make a dilution adjustment if, in its opinion, the existing Shareholders, in the case of subscriptions, or remaining Shareholders, in the case of redemptions, might otherwise be adversely affected, and making a dilution adjustment is, so far as practicable, fair to all Shareholders and potential Shareholders. In particular, without limitation, the dilution adjustment may be made in the following circumstances:

- (a) where the Company is expanding or contracting;
- (b) where the Company is experiencing a large net subscription position or a large net redemption position relative to its size on any Dealing Day measured either based on the deals on that Dealing Day or the deals over the previous 30 Dealing Days. For these purposes a large net subscription or redemption position (a "large deal") will typically be at 1% of the size of the Fund;
- (c) in any other case where the ACD is of the opinion that the interests of Shareholders requires the imposition of a dilution adjustment.

The Company is regarded as expanding where, based on the daily movements in and out of the Company, the Company has experienced a consistent net inflow of money over a period of time. The Company is regarded as contracting where, over a period of time, the Company has experienced a consistent net outflow. The Company is regarded as level where it is considered to be neither expanding nor contracting based on the above criteria.

The dilution adjustment will normally be the full adjustment to Net Asset Value referred to above. The adjustment will be reviewed, in conjunction with a Pricing Committee, on a quarterly basis, in line with the actual costs incurred during the preceding quarter and will be at the discretion of the ACD.

The price of each Class of Shares will be calculated separately but any dilution adjustment will in percentage terms affect the price of Shares of each Class identically. The ACD's decision on whether or not to make this adjustment, and at what level this adjustment might be made in a particular case or generally, will not prevent it from making a different decision on future similar transactions.

In the event that a dilution adjustment is made it will be applied to all transactions on the relevant Dealing Day and all transactions on that day will be dealt at a price inclusive of the dilution adjustment.

On the occasions when a dilution adjustment is not applied if the Company is in a net subscription position or a net redemption position, there may be an adverse impact on the assets of the Company attributable to each underlying Share, although the ACD does not consider this to be likely to be material in relation to the potential future growth in value of a Share over the medium to long term.

As dilution is directly related to the inflows and outflows of monies from the Company it is not possible to accurately predict whether dilution will occur at any future point in time. Consequently it is also not possible to accurately predict how frequently the ACD will need to make a dilution adjustment. However, based on historical data, the ACD expects to apply the dilution adjustment frequently, potentially on a daily basis.

The actual dilution adjustment applied will depend on market conditions at or around the time at which the deal is struck. The ACD reviews the need for a dilution adjustment daily. Based on the ACD's experience, should it be applied it is anticipated that it would be applied at a rate of less than 3.5% of the relevant price

on subscription of Shares and less than 2.5% of the relevant price on redemption of Shares.

### 3.9 **Money laundering**

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

### 3.10 **Transfers**

Shareholders are entitled to transfer their Shares to another person or body. All transfers must be in writing in the form of an instrument of transfer approved by the ACD for this purpose. Completed instruments of transfer must be returned to the ACD in order for the transfer to be registered by the ACD. The ACD may refuse to register a transfer unless any provision for stamp duty or SDRT that it requires has been paid. Please note that gross Shares are available only to certain categories of investors, and that prospective investors in these Shares must complete a Declaration of Eligibility and Undertaking (which may be obtained from the ACD) and return it to the ACD before the gross Shares can be transferred. At present, transfer of title by electronic communication is not accepted.

### 3.11 **Bodies Corporate holding Shares in TM home investor fund**

3.11.1 No Body Corporate may be beneficially entitled directly or indirectly to 10% or more of the Net Asset Value of TM home investor fund. See also paragraph 3.5.4 regarding corporate holders.

3.11.2 If a Body Corporate should be or become beneficially entitled directly or indirectly to 10% or more of the Net Asset Value in the TM home investor fund or the ACD reasonably believes this to be the case, then the ACD will immediately notify the Body Corporate and the Body Corporate shall immediately be deemed to have renounced title to the entire holding to the ACD which shall transfer them to the appropriate sub-fund of the Feeder Fund in exchange for the issue of units in that sub-fund to the Body Corporate with all reasonable speed. This would normally be at the next Valuation Point.

3.11.3 If for any reason the ACD is unable to exchange the Shares immediately as described in the preceding paragraph, then the Body Corporate shall be deemed to have given a written request for the redemption or cancellation (at the discretion of the ACD) of the proportion of the Shares in the TM home investor fund representing the excessive holding (or the proportion the ACD reasonably believes to be an excessive holding). Where a request in writing is given or deemed to be given for the redemption or cancellation of affected Shares, such redemption will (if effected) be effected in the same manner as provided for in the COLL Sourcebook. This would normally be at the next Valuation Point.

Pursuant to COLL 6.2.23R where the ACD becomes aware that a Body Corporate holds 10% or more of the Net Asset Value of TM home investor fund, it will notify the Body Corporate of that fact and not pay any income distribution to the Body Corporate. In the event that a Body Corporate is close to reaching the 10% limit, the ACD may contact the Body Corporate to inform them they are reaching the limit.

Furthermore, pursuant to COLL 4.2.5R 22A(3), in the event that the ACD reasonably considers that a Body Corporate holds 10% or more of the Net Asset Value of TM home investor fund, the ACD is entitled to delay any redemption or cancellation of

Shares if the ACD reasonably considers such action to be necessary in order to enable an orderly reduction of the holding below 10%, and if it is in the interests of Shareholders as a whole in that Fund.

### 3.12 **Restrictions and compulsory transfer and redemption**

The ACD may from time to time impose such restrictions as it may think necessary for the purpose of ensuring that no Shares are acquired or held by any person in breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory or which would result in the Company incurring any liability to taxation which the Company is not able to recoup itself or suffering any other adverse consequence. In this connection, the ACD may, inter alia, reject in its discretion any application for the purchase, redemption, transfer or conversion or switching of Shares.

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

- 3.12.1 are owned directly or beneficially in breach of any law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or
- 3.12.2 would result in the Company incurring any liability to taxation which the Company would not be able to recoup itself or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory);
- 3.12.3 are held in any manner by virtue of which the Shareholder or Shareholders in question is/are not qualified to hold such Shares or if it reasonably believes this to be the case; or
- 3.12.4 are owned by a Shareholder who is registered in a jurisdiction (where a Fund is not registered or recognised by the relevant competent authority) whereby communication with that Shareholder by the ACD, on behalf of the Fund, might constitute a breach of the regulations in that jurisdiction (unless specific action is taken by the ACD to prevent such a communication constituting a breach).

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

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

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

### 3.13 **ACD’s Ability to Convert or Transfer Shares**

Where the ACD considers it is in the best interest of Shareholders, the ACD may convert/transfer a Shareholder’s holding in one class of Shares to another class of Shares in the same Fund. The ACD shall give at least 60 days’ prior written notice to

the Shareholders concerned of the proposed conversion/transfer, including details of the new class of Shares and reminding Shareholders of their rights to redeem.

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

The ACD may arrange for a Fund to issue Shares in exchange for assets other than cash, but will only do so where the Depositary has taken reasonable care to determine that the Fund's acquisition of those assets in exchange for the Shares concerned is not likely to result in any material prejudice to the interests of Shareholders. Where the ACD considers the deal to be substantial in relation to the total size of the Fund or the Company it may require the investor to contribute in specie. The ACD may consider a deal in this context to be substantial if the relevant Shares constitute 5% (or a lesser or higher percentage if considered appropriate) of those in issue in the Fund or the Company.

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

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

Investors wishing to contribute in specie should contact the ACD.

### 3.15 **In specie redemptions**

The normal course of action would be to settle any redemption or cancellation of Shares in cash, however, the ACD may, at its exclusive discretion and where it considers the redemption to be substantial in relation to the total size of the Fund or Class concerned or in some way advantageous or detrimental to the Fund or Class or otherwise at its discretion, arrange that in place of payment of the price of the Shares in cash, the Company cancels the Shares and transfers Scheme Property or, if required by the Shareholder, the net proceeds of sale of relevant Scheme Property, to the Shareholder.

Before the redemption proceeds of the Shares become payable, the ACD must give written notice to the Shareholder that the relevant property or the proceeds of sale of the relevant property will be transferred to that Shareholder so that the Shareholder can require the net proceeds of redemption rather than the relevant property if he so desires.

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

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

#### 3.16.1 ***Suspensions in exceptional circumstances***

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

Where a Fund is a FIIA, this may apply (without limitation) where requests for redemptions of Shares cannot be executed without significantly depleting the Fund's liquidity, and/or without selling the Fund's property at a substantial discount to its open market value. The ACD and the Depositary shall ensure that a suspension in exceptional circumstances is only allowed to continue for as long as is justified having regard to the interests of Shareholders.

A suspension in exceptional circumstances can only apply to one or more Class or Classes without being applied to other Classes if it is in the interests of all Shareholders in the relevant Fund.

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

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

Where a Fund, Class or Classes operates limited redemption arrangements, and the suspension in exceptional circumstances has affected a Valuation Point, the ACD shall declare an additional Valuation Point as soon as possible after the restart of dealings.

### 3.16.2 ***Suspensions during periods of material valuation uncertainty***

Except where the following paragraph applies, the ACD is required to suspend the issue, cancellation, sale and redemption of Shares in a Fund where the Standing Independent Valuer has expressed material uncertainty about the value of one or more immovables under management in accordance with the FCA Rules, and that material uncertainty applies to at least 20% of the value of the property of a Fund ("a suspension for material valuation uncertainty"). A suspension in this circumstance will not require the agreement of the Depositary but the ACD must notify the Depositary before implementing the suspension.

As an exception to the above requirement, the ACD may allow the Fund to continue dealing in the circumstances set out above where:

- the ACD and the Depositary agree that dealings should continue; and
- the ACD and Depositary have a reasonable basis (which cannot solely be reliance on a fair value price adjustment) for determining that the suspension of the Fund would not be in the best interests of the Shareholders in that Fund.

Where required, a suspension for material valuation uncertainty shall be implemented as soon as possible, and in any event within two Business Days after the day the Standing Independent Valuer has expressed material uncertainty applicable to at least 20% the value of the property of a Fund.

A suspension for material valuation uncertainty can only apply to one or more Class or Classes without being applied to other Classes in the Fund if the ACD considers that the suspension of dealings in some, but not all, Classes is in the best interest of all Shareholders in the relevant Fund.

Where a Fund or Class is suspended due to material valuation uncertainty, dealings in Shares shall restart as soon as reasonably practicable after:

- the Standing Independent Valuer's material uncertainty assessment applies to less than 20% of the value of the property of the Fund; and
- the Depositary gives its approval for the temporary suspension to be removed.

Where a Fund, Class or Classes operate limited redemption arrangements, and a suspension due to material valuation uncertainty has prevented dealings in Shares at the Valuation Point, the ACD shall declare an additional Valuation Point as soon as possible after the restart of dealings.

### 3.16.3 ***Notifying the FCA of a suspension***

The ACD or the Depositary (as appropriate) will immediately inform the FCA of the suspension and the reasons for it and will follow this up as soon as practicable with written confirmation of the suspension and the reasons for it to the FCA.

#### 3.16.4 **Notifying Shareholders of a suspension**

The ACD will notify Shareholders as soon as is practicable after the commencement of the suspension, including details of the circumstances which have led to the suspension, in a clear, fair and not misleading way and giving Shareholders details of how to find further information about the suspension. Where a suspension takes place, the ACD will publish details on its website or other general means, sufficient details to keep Shareholders appropriately informed about the suspension, including, if known, its possible duration. During the suspension none of the obligations in COLL 6.2 (Dealing) will apply but the ACD will comply with as much of COLL 6.3 (Valuation and Pricing) during the period of suspension as is practicable in light of the suspension.

Investors should note that where a suspension is implemented, they may not be able to redeem their Shares as quickly as they would like to, and that this may have an impact on the price they receive on redemption and impact the investor's own liquidity constraints.

#### 3.17 **Governing law**

All deals in Shares are governed by English law.

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

#### 4.1 **General**

At the date of this Prospectus, there is only one Fund in the Company and this is single-priced. The price of a Share is calculated by reference to the Net Asset Value of the Company, and this may be adjusted for dilution as set out at paragraph 3.8.5 above. Details of how the property of the TM home investor fund is valued for these purposes are set out in Appendix V. For details of the Valuation Point, please also see Appendix V.

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

The ACD will, upon completion of each valuation, notify the Depositary of the price of Shares of each relevant Class of each Fund.

A request for dealing in Shares must be received by the Valuation Point on a particular Dealing Day for Subscription or Dealing Day for Redemption as appropriate for the relevant Class in the relevant Fund in order to be processed on that Dealing Day for Subscription or Dealing Day for Redemption, as appropriate. A dealing request received after this time will be held over and processed on the next Dealing Day for Subscription or Dealing Day for Redemption, as appropriate, for the relevant Class using the Net Asset Value per Share calculated as at the Valuation Point on that next Dealing Day for Subscription or Dealing Day for Redemption, as appropriate.

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

The value of the property of the Company or of a Fund will be the value of its assets less the value of its liabilities determined in accordance with the provisions set out in Appendix V.

#### 4.3 **Valuation of immovable property**

The Standing Independent Valuer is responsible for valuing the immovables directly or indirectly held by TM home investor fund 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. The Standing Independent Valuer also values each immovable on the basis of a review of the last full valuation at least once a month. The figure arrived at under that valuation is used as part of the valuation of the Scheme Property calculated on each Business Day for the following month. Any valuation by the Standing Independent Valuer shall be made in accordance with the RICS Valuation Global Standards 2017 (The Red Book) (effective from 1 July 2017), as updated from time to time.

Where the appointed Standing Independent Valuer is acting as a connected party to a purchase transaction being carried out by the Company for TM home investor fund; the Company will, as required, appoint an alternative standing independent valuer to act on its behalf in relation to that particular transaction only.

#### 4.4 **Hard-to-value assets**

Where the ACD has reasonable grounds to believe that the price obtained is unreliable or the most recent price available does not reflect the ACD's best estimate of the value of the relevant investment at the relevant Valuation Point or no price or no recent price exists, the ACD may use a price which, in the opinion of the ACD, reflects a fair and reasonable price for that investment (the fair value price). In calculating any value, the ACD shall be entitled to rely on any valuations provided or attributed to any asset or liability by the Investment Manager.

The circumstances which may give rise to a fair value price being used include:

- (a) no recent trade in the security concerned; or
- (b) the occurrence of a significant event since the most recent closure of the market where the price of the security is taken.

In (b), a significant event is one that means the most recent price of a security or a basket of securities is materially different to the price that it is reasonably believed would exist at the Valuation Point had the relevant market been open.

In determining whether to use such a fair value price, the ACD will include in its consideration:

- (a) the type of authorised fund concerned;
- (b) the securities involved;
- (c) the basis and reliability of the alternative price used; and

the ACD's policy on the valuation of Scheme Property as disclosed in the Prospectus.

#### 4.5 **Price per Share in each Class in TM home investor fund**

The Company currently only has one sub-fund, TM home investor fund. This section relates to price per Share in each Class in this Fund.

TM home investor fund is single-priced. Shares are priced by valuing the assets of the Company, dividing this by the number of Shares of the relevant Class in existence (taking account of accumulation Shares, if appropriate) and adding on any ACD's preliminary charge. The price may be further adjusted to reduce any dilutive effect of dealing in a Class as set out at paragraph 3.8.5 above.

As there is more than one Class in issue in TM home investor fund each allocation of income will be done by reference to the relevant Shareholder's proportionate interest in the income property of the Class in question calculated in accordance with the Instrument of Incorporation.

#### 4.6 **Fair value pricing in TM home investor fund**

The Company currently has one sub-fund, TM home investor fund. This section relates to fair value pricing in that Fund.

4.6.1 Where the ACD, the Depositary or the Standing Independent Valuer have reasonable grounds to believe that the most recent valuation of an immovable does not reflect the current value of that immovable then, unless paragraph 4.7 (below) applies, the ACD should consult and agree with the Standing Independent Valuer a fair and reasonable value for the immovable (the fair value price).

4.6.2 The circumstances which may give rise to a fair value price being used include:

- (a) market movements above a pre-set trigger level in other correlated open markets;
- (b) war, natural disaster, terrorism;
- (c) government actions or political instability;
- (d) currency realignment or devaluation;
- (e) changes in interest rates;
- (f) corporate activity;
- (g) credit default or distress; or
- (h) litigation.

Even if the Valuation Point is set during the time other markets are open for trading, other scenarios might include:

- (a) failure of a pricing provider;
- (b) closure or failure of a market;
- (c) volatile or "fast" markets;
- (d) markets closed over national holidays;
- (e) stale or unreliable prices;
- (f) listings suspensions or de-listings.

#### 4.7 **Rapid sales of immovables**

Where the ACD decides that an immovable must be sold quickly to meet redemption requests as they fall due, it may consult and agree with the Standing Independent Valuer a fair and reasonable price for the immovable to reflect a rapid sale, which may be less than the full open market value of the asset.

#### 4.8 **Pricing basis**

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

#### 4.9 **Publication of prices**

The most recent prices will appear daily on the Trustnet website at [www.trustnet.com](http://www.trustnet.com) and can also be obtained by telephone on 01483 783 900. For reasons beyond the control of the ACD,

these may not necessarily be the current prices. The cancellation price last notified to the Depositary is available from the ACD upon request.

## 5. **RISK FACTORS**

Potential investors should consider the below risk factors before investing in the Company. This list must not be taken to be comprehensive as there may be new risks that arise in the future which could not have been anticipated in advance.

### 5.1 **Market risk**

The investments of the Company are subject to normal market fluctuations and other risks inherent in investing in real estate securities. There can be no assurance that any appreciation in the value of investments will occur. The value of investments and the income derived from them may fall as well as rise and investors may not recoup the original amount they invest in the Company. There is no certainty that the investment objective of a Fund will actually be achieved and no warranty or representation is given to this effect. Past performance is no guide to the future.

### 5.2 **Effect of preliminary charge or redemption charge**

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

In particular, where a redemption charge is payable, investors should note that the percentage rate at which the redemption charge is calculated is based on the market value rather than the preliminary value of the Shares. If the market value of the Shares has increased the redemption charge will show a corresponding increase.

The Shares therefore should be viewed as medium to long term investments.

### 5.3 **Charges to capital**

Fees and expenses in respect of Income Share Classes will, to the extent possible, be charged against capital instead of against income. While this may increase the amount of income (which may be taxable) available for distribution to Shareholders in Income Shares Classes, it may also constrain or erode capital growth.

### 5.4 **Liabilities of the Company and the Funds**

As explained in paragraph 2.2.1, where, 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.

### 5.5 **Pricing and liquidity**

Where a Fund has exposure to real estate (as TM home investor fund does) there is a risk that the price at which an asset is valued may not be realisable in the event of sale. This could be due to a mis-estimation of the asset's value or due to a lack of liquidity in the relevant market. As a result, at times, the ACD may have to delay acting on instructions to sell investments which may have a materially adverse impact on the value of the Shares.

## 5.6 **Liquidity risk**

The liquidity of an *investment* is generally considered to be a measure of how quickly it can be converted into cash, without negatively impacting its value. The liquidity of a *fund* on the other hand is generally considered to be the ability to fulfil redemption requests without a price discount to the assets sold to meet that request.

Where a Fund has investments in immovable property, (as TM home investor fund does), such investments are inherently illiquid and more difficult to realise than other asset classes (such as most equities or bonds). Assets consisting of real property are illiquid relative to other classes because it takes time to let or sell a property, and when market conditions are uncertain, it can be even more difficult to find a tenant or buyer than in normal market conditions. If an asset cannot be liquidated in a timely manner then it may be harder to attain a reasonable price.

Liquidity risks may crystallise in various circumstances, for example (and without limitation):

- where markets are stressed and investors wish to redeem their Shares for cash before they fall in price;
- where there is a change in the tax treatment of holdings in a Fund unfavourable to investors who then seek to redeem their Shares; or
- in circumstances where an investor with significant holdings in a Fund seeks to redeem all or a substantial portion of its holdings with the effect that a number of assets in a Fund need to be sold to meet the redemption request, which may take some time to sell.

Section 11.1 provides information regarding how the ACD will manage liquidity risks.

## 5.7 **Valuations of Properties**

Immovable property and immovable property-related assets are inherently difficult to value due to the individual nature of each Property. As a result, valuations are subject to uncertainty and are a matter of an independent valuer's opinion. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales price even where a sale occurs shortly after the valuation date.

## 5.8 **Property market**

The performance of a Fund invested substantially in real estate (as TM home investor fund is) could be adversely affected by a downturn in the property market in terms of capital value or a weakening of rental yields. Residential property values are affected by factors such as the level of interest rates, economic growth, fluctuations in property yields and tenant default. Certain significant expenses on a property, such as operating expenses, must be met by the owner (i.e. the Company on behalf of a Fund) even if a property is vacant.

In the event of a default by an occupational tenant, there will be a rental shortfall and additional costs, including legal expenses are likely to be incurred in maintaining, insuring and re-letting the property.

## 5.9 **Insurance**

All immovable property forming part of the property of a Fund will be insured against risks of physical loss of damage and other perils considered appropriate by the Property Manager. However, there is no guarantee that any or all claims on the insurance will be payable in any given circumstance. Where insurance policies do not meet any liability, in whole or in part, any outstanding liability will be met out of the Scheme Property of the relevant Fund.

#### 5.10 **Client money and the use of the Delivery Versus Payment Exemption**

The Depositary has a duty to ensure that it safeguards and administers the scheme property in compliance with the provisions of the FCA Handbook governing the protection of client assets ("Client Asset Rules"). The Depositary is not under a duty to comply with the provisions of the FCA Handbook on handling money received or held for the purpose of buying or selling securities and investments ("Client Money"). Moreover, with respect to handling scheme property in the course of delivery versus payment transactions through a commercial settlement system ("CSS"), the scheme property may not be protected under the Client Asset Rules. In the event that the Depositary becomes insolvent or otherwise fails, there is a risk of loss or delay in return of any scheme property which consists of Client Money, client assets held in a CSS or any other client assets which the Depositary or any of its delegates is not required or has failed to hold in accordance with the Client Asset Rules.

#### 5.11 **Redemption demands**

Funds investing substantially in real estate can be subject to redemption demands at times when performance is comparatively low. At such times, performance may be adversely affected by the sale of properties to meet redemption demands.

#### 5.12 **Deferred redemption and Suspensions of redemptions**

Investors should note that in exceptional circumstances, the ACD may, after consultation with the Depositary, suspend the issue, cancellation, sale and redemption (including conversion and switching) of shares in any and all Funds and Classes.

Investors should note that in times of poor liquidity, requests for redemption in all Classes may be deferred until the next Dealing Day. In the case of Classes E, F and G this could be for up to 3 months.

#### 5.13 **PAIF status for TM home investor fund**

If TM home investor fund should breach any of the statutory conditions required for PAIF status, then depending on the nature of the breach and the number of breaches that have occurred, this may result in a corporation tax liability arising or HM Revenue & Customs terminating the Company's or that Fund's PAIF status (as applicable).

#### 5.14 **Currency exchange rates**

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

#### 5.15 **Tax**

The value of current tax reliefs depend on individual circumstances. The rates of and relief from taxation may change over time. Additional tax information is set out elsewhere in this Prospectus. If you have any doubts about your tax position, you should seek professional advice.

#### 5.16 **Inflation risk**

Inflation will, over time, reduce the value of your investments in real terms.

#### 5.17 **Counterparty risk**

If a Fund enters into a derivative contract it will be exposed to the credit of the other party (usually referred to as 'counterparty') and their ability to wholly or partly satisfy the terms of the contract. It is not anticipated that the value of investments in any Fund subject to counterparty risk will be a significant part of the Fund's investments.

In the event of a bankruptcy or insolvency of a counterparty, the Company (or a Fund) could experience delays in liquidating the position and may incur significant losses. The ACD may use one or more counterparties to undertake derivative transactions on behalf of the Company or a Fund and may be required to pledge the Company's assets (or those of a Fund) as collateral against these transactions. There may be a risk that a counterparty will be unable to meet its obligations with regards to the return of the collateral and may not meet other payments due to the Company or a Fund.

#### 5.18 **Derivatives and volatility**

Derivative instruments may be used in the Company for the purposes of Efficient Portfolio Management ("EPM"). **The use of derivatives for EPM should not lead to an increase in risk to the Company.**

#### 5.19 **Investing in other collective investment schemes**

A Fund may invest in other regulated collective investment schemes. As an investor in another collective investment scheme, the Fund will bear, along with the other investors, 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 the Fund bears directly with its own operations.

#### 5.20 **Unregulated collective investment schemes**

A Fund may invest, in total no more than 20% of its Scheme Property, in unregulated collective investment schemes which are generally considered to be a higher risk than investment in regulated schemes. An unregulated collective investment scheme is unlikely to be subject to regulations which govern how they are managed. For example, they can utilise higher risk investment techniques, they may borrow to invest, they can suspend calculation of net asset value preventing redemption or otherwise limit redemption, they may not adhere to internationally recognised accounting standards and functions such as pricing and custody may not be subject to any rules.

A Fund may also invest in unregulated collective investment schemes which are valued less frequently than the Fund. As a result, there is a risk that any market movements will not be reflected in the daily price of the Fund and that investors may miss out on unrealised profits from underlying investments.

#### 5.21 **Exchange Traded Funds ("ETFs")**

A Fund may invest in Exchange Traded Funds. Exchange Traded Funds represent a basket of securities that are traded on an exchange and may not necessarily trade at the net asset value of their underlying holdings. As a result, they may trade at a price that is above or below the value of the underlying portfolio.

#### 5.22 **Custody Risk**

The Depositary may delegate the function of safekeeping of financial instruments to the Custodian, who may in turn appoint a custody agent. The Depositary or Custodian may hold financial instruments in fungible accounts (meaning the assets are interchangeable) or omnibus accounts (resulting in accounts being combined). The use of omnibus accounts gives rise to a potential risk that there could be a shortfall in the financial instruments held in such an account should the total of the financial instruments be less than the aggregate entitlement of the Fund. It is expected that such risks will be mitigated by the Custodian's trade matching and reconciliation processes, however in the event of an irreconcilable shortfall, the affected clients

would bear the risk of any shortfall on a pro-rata basis and the Fund may not recover all of its financial instruments.

## 5.23 **Property-specific risks**

### 5.23.1 **Furniture and fittings**

Where a Fund invests in let residential property on a furnished basis there will be additional regulatory requirements in respect of furniture provided within the property. If these are not met then additional liabilities may attach to the Fund, which may not be adequately covered by insurance policies in place.

### 5.23.2 **Domestic safety checks**

For certain residential properties a Fund will have statutory responsibility for domestic safety and compliance checks. This will be addressed by professional property management from properly insured provider.

### 5.23.3 **Good title**

Where a Fund invests in property that is subsequently found to have a defective title, there is a risk that the value and saleability of the property may be impaired. Funds will seek to ensure that adequate procedures and insurance arrangements exist to mitigate the effect of such an event occurring.

### 5.23.4 **Serviced apartments**

Where a Fund invests in residential property which is let to a serviced apartment operator there is a potential counterparty risk in relation to both lease payments and timing of gaining possession.

### 5.23.5 **Mixed tenure blocks of flats**

While there is no current intention in any Fund to invest in blocks of flats where a proportion of flats have been sold on long leasehold interests, there is a theoretical risk in terms of loss of management control and/or the Fund's freehold interest under the Leasehold Reform Housing and Urban Development Act 1993 and the Landlord and Tenant Act 1987.

Where these investments are to be considered this risk will be mitigated by ensuring that long leaseholders comprise no more than 10% of the total properties within the block and the block is professionally managed.

### 5.23.6 **Environmental risks – contamination**

Where a Fund invests in property that is subsequently found to have an environmental contamination issue, there is a risk that the value and saleability of the property may be impaired. Funds will ensure that a contamination report from a properly insured provider is obtained prior to investment.

### 5.23.7 **Environmental risks - flooding**

Where a Fund invests in property that is subsequently found to be at significant risk of flooding, there is a risk that the value and saleability of the property may be impaired. Funds will ensure that a report on potential flood risk will be obtained from a properly insured provider prior to investment and where such a risk exists investment will be avoided.

### 5.23.8 **Houses in multiple occupation**

Properties that fall under the definition of Houses in Multiple Occupation given in the Housing Act 2004 may become subject to licensing and regulation by the Local Authority. This could give rise to additional management costs and control issues.

As such it is not currently intended that any Fund will invest in properties that fall under this definition.

#### 5.23.9 **Properties licensed back to house-builders on a short-term licence**

A Fund may wish to licence property back to house-builders for use as show-homes and marketing suites. Under a licence agreement there is a theoretical risk that the Fund may not recover vacant possession of the property in an acceptable timeframe. The risk will be mitigated by ensuring that the house-builder is a financially strong counterparty and has a clear purpose for occupying the property as well as financial disincentives for not vacating once the development or phase of a larger development to which it relates has been completed.

While a large proportion of the seed capital assets to be acquired by a Fund in the early stages may fall under this tenure, it is not intended that this will represent a substantial part of a portfolio in the medium to long term.

## 6. **MANAGEMENT AND ADMINISTRATION**

### 6.1 **Regulatory status**

The ACD, the Investment Manager and the Administrator are authorised and regulated by the FCA (whose address details are set out in Appendix IX).

### 6.2 **Authorised Corporate Director**

#### 6.2.1 **General**

The ACD is Thesis Unit Trust Management Limited, a private company limited by shares, incorporated in England and Wales under the Companies Act 1985 on 6 February 1998 with company number 3508646. The ACD is also the UK AIFM for the purposes of the UK AIFM Regime.

The directors of the ACD are:

S R Mugford	Finance Director
D W Tyerman	Chief Executive Officer
S E Noone	Client Service Director
D K Mytnik	Non-Executive Director
V R Smith	Non-Executive Director
W D Prew	Independent Non-Executive Director
C J Willson	Independent Non-Executive Director
N C Palios	Non-Executive Chair

D W Tyerman and S R Mugford also hold directorships of other companies within the Thesis group and perform senior management roles within these companies, particularly Thesis Asset Management Limited, which acts as an investment manager for some authorised funds operated by the ACD.

D K Mytnik, V R Smith and N C Palios also hold non-executive directorships of other companies within the Thesis group. They are not engaged in other business activities that are of significance to the Company. W D Prew is a director of INDOS Financial Limited, the primary business of which is the provision of Alternative Investment Fund Managers Directive independent depositary services to alternative investment funds. INDOS Financial Limited is a wholly owned subsidiary within the JTC plc group, a fund, corporate services and private clients service provider. Neither INDOS Financial Limited nor JTC plc provide services to the investment funds managed by the ACD..

**Registered Office and Head Office:** Exchange Building, St John's Street, Chichester, PO19 1UP

**Share Capital:** Issued and paid up: £5,673,167

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

It has therefore delegated to the Investment Manager the function of managing and acting as the Investment Manager for the investment and reinvestment of the non-real estate assets of TM home investor fund (as further explained in paragraph 6.4 below), and to Hearthstone Asset Management Limited, the investment and re-investment of the real estate assets of TM home investor fund (as further explained in paragraph 6.5 below). It has also delegated to the Administrator and the Registrar certain functions relating to administration and the Register (as further explained in paragraph 6.6 below).

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

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

Pursuant to the ACD Agreement, the ACD manages and administers the affairs of the Company in accordance with the Regulations, the Instrument of Incorporation and this Prospectus. The ACD Agreement incorporates detailed provisions relating to the ACD's responsibilities. It also excludes the ACD from liability to the Company or any Shareholder for any error of judgment or loss suffered in connection with the subject matter of the ACD Agreement, unless arising as a direct consequence of recklessness, fraud, bad faith, wilful default or negligence in the performance or non-performance of its obligations and functions under the ACD Agreement. Any liability for defaults of a person to whom it has delegated certain functions is also limited to the extent permitted by the Regulations.

The Company has agreed to indemnify the ACD, to the extent permitted by the COLL Sourcebook, (for itself and its delegates) against claims and expenses that arise in respect of their duties, except where there is fault on its or their part of the kind referred to above.

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

The ACD (or its associates or any affected person) is also under no obligation to account to the Depositary, the Company or the Shareholders for any profit it makes on the issue or re-issue or cancellation of Shares which it has redeemed. The ACD may carry out or arrange for the carrying out of stock-lending transactions in respect of the Funds. The ACD reserves the right to receive a fee in relation to stock-lending, subject to giving Shareholders 60 days' written notice of the details of such fees.

The ACD Agreement will continue unless and until terminated by resolution of the Company in general meeting on not less than three months' prior notice to the ACD, or earlier on certain types of breaches or the insolvency of a party.

The ACD will cover at all times the risks outlined below of loss or damage caused by any relevant person through the negligent performance of activities for which the ACD has legal responsibility by maintaining an amount of own funds, and will comply with the qualitative requirements addressing such risks, in each case, in accordance with the UK AIFM Regime and the FCA Rules. In addition, the ACD holds significant professional indemnity insurance against liability arising from professional negligence which is appropriate to the risks covered, and will comply with the qualitative requirements addressing such risks, in each case, in accordance with the UK AIFM Regime and the FCA Rules.

The risks which are specifically covered by this approach include, without being limited to, risks of:

- (a) loss of documents evidencing title of assets of the Company;
- (b) misrepresentations or misleading statements made to the Company or its investors;
- (c) acts, errors or omissions resulting in a breach of:
  - (i) legal and regulatory obligations;
  - (ii) duty of skill and care towards the Company and its investors;
  - (iii) fiduciary duties;
  - (iv) obligations of confidentiality;
  - (v) the terms of the Instrument of Incorporation;
  - (vi) terms of appointment of the ACD by the Company;
  - (vii) failure to establish, implement and maintain appropriate procedures to prevent dishonest, fraudulent or malicious acts;
- (d) improperly carried out valuation of assets or calculation of Share prices;
- (e) losses arising from business disruption, system failures, failure of transaction processing or process management.

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

## 6.3 **The Depositary**

### 6.3.1 **General**

The Depositary of the Company is NatWest Trustee and Depositary Services Limited. The Depositary is a private company incorporated in England and Wales on 8 February 2018 with company number 11194605. Its registered and head office is at 250 Bishopsgate, London EC2M 4AA. The Depositary is a subsidiary of NatWest Group plc, which is incorporated with limited liability in Scotland. The Depositary's principal business is the provision of trustee and depositary services.

The Depositary is established in the UK and is authorised and regulated by the FCA to act as Depositary of a UK UCITS or a UK AIF.

The address for the Depositary's office concerned with matters relating to the Company is set out at Appendix IX.

#### 6.3.2 **Delegation of safekeeping functions**

Subject to the COLL Sourcebook and the FUND Sourcebook, the Depositary has full power under the Depositary Agreement to delegate (and authorise its delegate to sub-delegate) all or any part of its duties as depositary. The Depositary also acts as custodian of the Company. However, it has delegated the custody of the non-real estate assets of the Company to the Administrator.

#### 6.3.3 **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 Company or a particular sub-fund and/or other funds managed by the ACD or other funds for which the Depositary acts as the depositary, trustee or custodian. The Depositary will, however, have regard in such event to its obligations under the Depositary Agreement and the FCA Handbook 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 and has confirmed that it is not aware of any conflict of interest arising from its delegation of custody of Company assets. Should any such conflict arise, the Depositary shall notify the ACD and take necessary steps to address the conflict.

#### 6.3.4 **Terms of appointment:**

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

The terms of the Instrument of Incorporation provide that the Depositary be engaged to maintain the safe custody of the property of the Company and to fulfil other duties required in the COLL Sourcebook (as amended from time to time) and the FUND Sourcebook.

The Depositary Agreement 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 or negligent breach of the Depositary Agreement or the UK AIFM Regime, the FCA Rules, the OEIC Regulations and other applicable laws and regulations pertaining to the operation of the Company, ACD and/or Depositary.

The Depositary Agreement may be terminated on 6 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 has taken place.

The Depositary is liable to the Company or the Shareholders for the loss of a financial instrument held in custody by the Depositary or a sub-custodian. The Depositary is also liable to the Company or the Shareholders for all other losses suffered by them

as a result of the Depositary's negligent or intentional failure to properly fulfil its duties. However, where the event which led to the loss of a financial instrument is not the result of the Depositary's own act or omission (or that of its sub-custodian), the Depositary is discharged of its liability for the loss of a financial instrument where the Depositary can prove that the Depositary could not have reasonably prevented the occurrence of the event which led to the loss despite adopting all precautions incumbent on a diligent depositary as reflected in common industry practice and despite rigorous and comprehensive due diligence. The ACD will inform investors without delay of any changes with respect to the Depositary's liability.

Unless otherwise agreed by the Company or the ACD, the Depositary shall not be entitled to, and no sub-custodian shall be authorised by the Depositary to re-use for its own purpose and benefit any of the Company's assets it has been entrusted with.

The Depositary is entitled to receive remuneration out of the property of the Funds for its services, as explained in paragraph 7.10 below. The Depositary (or its associates or any affected person) is under no obligation to account to the ACD, the Company or the Shareholders for any profits or benefits it makes or receives that are made or derived from or in connection with the dealings in Shares of the Company, any transaction in Scheme Property or the supply of services to the Company.

## 6.4 **The Investment Manager**

### 6.4.1 **General**

The ACD has appointed the Investment Manager, Thesis Asset Management Limited, to provide investment management and advisory services to the ACD in relation to non-real estate assets of the Company. The Investment Manager is authorised and regulated by the FCA to carry on investment business. The Investment Manager is a body corporate within the same group as the ACD.

The address for the Investment Manager's registered office and principal place of business is set out in Appendix IX.

The principal activity of the Investment Manager is the provision of investment management services. The Investment Manager is required to comply with its own execution policy. A copy of the Investment Manager's execution policy is available on request from the ACD or may be available on the Investment Manager's website, listed in Appendix IX.

### 6.4.2 **Terms of appointment:**

The Investment Manager was appointed by an agreement between the ACD and the Investment Manager, as amended from time to time (the "Investment Management Agreement").

In the exercise of the ACD's investment functions, the Investment Manager will (subject to the overall policy and supervision of the ACD) have full power, authority and right to exercise the functions, duties, powers and discretions exercisable by the ACD under the Instrument of Incorporation or the Regulations to manage the investment of the Scheme Property of the Company. The Investment Manager has full power to delegate under the Investment Management Agreement.

The Investment Manager may also direct the exercise of rights (including voting rights) attaching to the ownership of the Company's Scheme Property.

The Investment Management Agreement may be terminated by not less than three month's written notice, or immediately if it is in the best interests of investors or by written notice given by either party on the happening of certain events involving any material breach or insolvency. It will also terminate automatically if the agreement

appointing the ACD is terminated or if the ACD or the Investment Manager cease to be authorised to act as such.

The Investment Manager may only sub-delegate its functions with the prior consent of the ACD.

The appointment of the Investment Manager has been made under an agreement between the ACD and the Investment Manager. The Investment Management Agreement contains provisions to the following effect:

- (a) the ACD will indemnify the Investment Manager against certain losses incurred by the Investment Manager but, in the absence of fraud, the ACD's liability will be limited to the assets of the Company available to meet such a claim;
- (b) the Investment Manager will be liable for certain losses suffered by the ACD or the Company, subject, in the absence of fraud, to certain limitations on the Investment Manager's liability;
- (c) the Investment Manager shall not be liable for any non-performance of its obligations due to causes beyond its control; and
- (d) the agreement is governed by English law and the parties submit to the exclusive jurisdiction of the English courts.

The Investment Manager may hold or trade in securities and instruments of the same type as the securities and instruments held or traded in by the funds and fund managers; they may also utilise the same or similar strategies as those adopted by the fund managers. The Investment Manager may therefore trade and compete with fund managers and funds on an arm's length basis. In addition, the Investment Manager may make investments in other funds managed or advised by it.

The Investment Manager has discretion to enter into foreign exchange hedging transactions and borrowings on behalf of the Company. The Investment Manager may appoint an affiliate of any existing service provider or any other third party to act as a counterparty in the execution of foreign exchange transactions in connection with the currency hedging activities of the Company and/or to implement the currency hedging strategy.

The Investment Manager is entitled to a fee out of that paid to the ACD, as explained below in section 7.

The Investment Manager will not be considered as a broker fund adviser under the FCA Handbook in relation to the Company.

## 6.5 **The Property Investment Adviser**

The ACD has appointed the Property Investment Adviser, Hearthstone Asset Management Limited, to provide investment management and advisory services to the ACD in relation to the real estate assets of the Company.

The address for the Property Investment Adviser's registered office and principal place of business is set out at Appendix IX.

The principal activity of the Property Investment Adviser is real estate fund management.

The Property Investment Adviser is entitled to a fee out of that paid to the ACD as explained below in section 7.

Thesis Asset Management Limited is connected to the ACD, as it is in the same group as the ACD.

## 6.6 **The Administrator, Registrar and Fund Accountant**

On behalf of the Company the ACD has appointed Northern Trust Global Services SE, UK branch (formerly Northern Trust Global Services PLC) to provide certain administration services and fund accountancy services and to act as Registrar to the Company. The address for the Administrator's registered office is set out at Appendix IX. The Administrator is entitled to a fee out of that paid by the Company as explained below in section 7.

The duties of the Registrar and Administrator include:

- (a) maintaining the Register;
- (b) receiving and processing requests for subscriptions for, or redemptions of, Shares in the Company;
- (c) administering the payment of distributions to Shareholders in the Company;
- (d) dealing with certain regulatory reporting requirements on behalf of the Company and the ACD;
- (e) maintaining the accounting records of the Company;
- (f) assisting in calculating the Net Asset Value of the Company, as well as to provide fund accounting services in respect of the Company.

In line with the regulations that govern such operational outsourcing, the ACD retains responsibility for all work performed on its behalf and investors' rights are not affected by this delegation.

There are no conflicts of interest arising through delegation of these functions by the ACD.

### 6.6.1 **Register**

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

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

The Registrar's fees are paid out of the Scheme Property. These comprise a fee per holder of £25 per annum; a transaction fee of £26 per manual transaction and a fee of £6 per automated transaction on the Register; a fee per income distribution of £1,500; an annual fee per Class of £1,000; an annual fee per Fund of £3,000 and a management accounts fee for the Company of £3,500 (in each case plus VAT as applicable).

### 6.6.2 **Fund Accounting**

The Administrator's fees for Fund Accounting are paid out of Scheme Property. These comprise a fee of 0.06% on the first £300m of Scheme Property, a fee of 0.04% on the next £500m of Scheme Property and a fee of 0.03% on the remainder of Scheme Property. These fees are subject to a minimum charge of £120,000 per annum and VAT will be added as applicable.

The minimum charge will be reduced to £60,000 in the first year of the Fund.

## 6.7 **The Property Manager**

In relation to the immovable property held by TM home investor fund, the ACD has appointed a property manager, Connells Limited.

The Property Manager was appointed pursuant to an agreement between the ACD, the Property Investment Adviser and the Property Manager (the "Property Management Agreement"), and is responsible for the day-to-day management of the immovable property.

The Property Manager will receive a fee from Scheme Property as explained in section 7.

#### 6.8 **The Standing Independent Valuer**

In relation to the immovable property held by the Company, the ACD has appointed CBRE Limited as the Standing Independent Valuer and the Depositary has approved the appointment.

The Standing Independent Valuer was appointed by an agreement between the ACD and the Standing Independent Valuer (the "Property Valuation Agreement"). Under the terms of the Property Valuation Agreement, the Standing Independent Valuer must carry out its obligations under the agreement in accordance with the applicable provisions of COLL.

The Property Valuation Agreement may be terminated by any party on six months' notice or at any time by the ACD if the Standing Independent Valuer is negligent, fails on its duties under the Property Valuation Agreement, becomes insolvent or has a material change of status which undermines its ability to act as a standing independent valuer and will cease automatically if the Company is wound up or ceases to invest in real property.

No valuer will be treated as independent for the purposes of valuing property if, at any time during the preceding 12 months, that independent valuer has received a fee, or any other commercial benefit, whether from the Company or otherwise, in connection with any transaction entered into by the Company in relation to that property. In the event that CBRE Limited has a conflict, an alternative independent valuer shall be appointed.

No person shall qualify for appointment as standing independent valuer unless it is either a body corporate or a partnership.

The Standing Independent Valuer will receive a fee from the Scheme Property in respect of valuing immovables to be acquired by the Fund as well as a separately calculated fee from Scheme Property in respect of on-going valuations of immovables already held. Both types of fee will be charged on a per unit basis and will vary according to the scale and geographical distribution of the acquisition or portfolio (and will be plus VAT thereon where applicable). Total fees charged by the Standing Independent Valuer under these arrangements are not anticipated to exceed 0.3% per annum of the value of the Scheme Property (plus VAT thereon as applicable).

#### 6.9 **The Auditors**

The Auditors of the Company are Grant Thornton UK LLP. The address for the Auditor's office is set out in Appendix IX.

The duties of the Auditors are to carry out an annual audit of the Company and to issue a report including the following statements:

- (a) whether, in the Auditor's opinion, the accounts have been properly prepared in accordance with the relevant Statement of Recommended Practice, the rules in COLL Sourcebook, and the Instrument of Incorporation;
- (b) whether, in the Auditor's opinion, the accounts give a true and fair view of the net revenue and the net capital gains or losses on the Scheme Property of the Company for the annual accounting period in question and the financial position of the Company as at the end of that period;
- (c) whether the Auditor is of the opinion that proper accounting records for the Company have not been kept or whether the accounts are not in agreement with those records;

- (d) whether the Auditor has been given all the information and explanations which, to the best of his knowledge and belief, are necessary for the purposes of this audit; and
- (e) whether the Auditor is of the opinion that the information given in the report of the ACD for that period is consistent with the accounts.

#### 6.10 **The Conveyancer**

The ACD has appointed Conveyancing Direct Limited to provide conveyancing services.

The Conveyancer was appointed by an agreement novated between the Conveyancer, the ACD and Connells Limited on 31 January 2020. The Conveyancer is entitled to its legal fees and disbursements from the Scheme Property as listed in section 7.

#### 6.11 **Conflicts of interest**

The ACD, the Investment Manager and other companies within the Thesis group, and the Property Investment Adviser and other companies within its group may each, from time to time, act as managers or investment managers to other funds or sub-funds which follow similar investment objectives to those of the Company or any particular Fund. It is therefore possible that the ACD, the Investment Manager and/or the Property Investment Adviser may in the course of their business have potential conflicts of interest with the Company. The ACD, the Investment Manager and/or the Property Investment Adviser will, however, have regard in such event to its obligations under the ACD Agreement, the Investment Management Agreement or the Property Investment Adviser Agreement, as appropriate, and, in particular, to its obligation to act in the best interests of the Company so far as practicable, having regard to its obligations to other clients, when undertaking any investment business where potential conflicts of interest may arise.

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

Conflicts may arise between the interests of the ACD and its permitted delegates in certain circumstances, for example, where there is likelihood that:

- (a) the delegate and an investor in a Company are members of the same group or have any other contractual relationship, if the investor controls the delegate or has the ability to influence its actions (in such cases the likelihood of conflict is likely to increase the greater the extent of such control);
- (b) the delegate makes a financial gain, or avoids a financial loss, at the expense of the Company or the investors in the Company;
- (c) the delegate has an interest in the outcome of a service or an activity provided to the ACD or the Company;
- (d) the delegate has a financial or other incentive to favour the interest of another client over the interests of the Fund or the investors in the Company;
- (e) the delegate receives or will receive from a person other than the ACD an inducement in relation to the collective portfolio management activities provided to the ACD and the Company in the form of monies, goods or services other than the standard commission or fee for that service.

The ACD has a policy and procedures in place to monitor the conflicts of interest that may arise in the context of its delegation of certain of its functions. To the extent any actual conflicts of interest are determined to have arisen, the ACD will manage such conflicts to minimise any impact on the investment performance, and will also seek to prevent them from reoccurring. Certain activities may be required to be modified or terminated to minimise conflicts of interest which may be identified from time to time.

Although conflicts of interest can also arise where the delegate and the ACD are members of the same group or have any other contractual relationship and the delegate controls the ACD or has the ability to influence its actions, it is not currently considered that there are material existing conflicts of interest between the ACD and Thesis Asset Management Limited (in its role as one of the Investment Managers).

## 7. FEES AND EXPENSES

### 7.1 General

The fees, costs and expenses relating to the authorisation and incorporation and establishment of the Company, the offer of Shares, the preparation and printing of this Prospectus and the fees of the professional advisers to the Company in connection with the offer will be borne by the Company.

The cost of establishing, incorporating, authorising and launching of the Company will be amortised over the first accounting period of the Company and payable pro rata by Shareholders in the Company during that period.

All fees, costs, charges or expenses payable by a Shareholder or out of the property of the Company or each Fund (as the case may be) are set out in this section 7. The Company or each Fund (as the case may be) may, so far as the COLL Sourcebook allows, also pay out of the property of the Company or each Fund (as the case may be) all relevant fees, costs, charges and expenses incurred by the Company or each Fund (as the case may be), which will include the following:

- 7.1.1 the fees, charges and expenses payable by the ACD (which will include the fees and expenses payable to the Investment Manager and the Property Investment Adviser and their respective delegates);
- 7.1.2 the fees, charges and expenses payable to the Depositary and the Custodian and any sub-custodians;
- 7.1.3 the fees, charges and expenses payable to the Property Manager;
- 7.1.4 the fees, charges and expenses payable to the Standing Independent Valuer, whether held in the name of the Depositary or its Nominee Companies;
- 7.1.5 fees and expenses in respect of establishing and maintaining the Register (and any plan sub-register) and related functions, including fund accounting;
- 7.1.6 expenses incurred in acquiring, registering and disposing of investments generally and maintaining and holding investments generally;
- 7.1.7 all legal and conveyancing costs;
- 7.1.8 all letting and planning costs;
- 7.1.9 any fees payable to HM Land Registry in connection with registration of title to immovable property, first registration of title (whether or not compulsory) or otherwise;
- 7.1.10 the cost of searches at the Land Charges Registry;
- 7.1.11 the cost of any local authority and local land charges searches and any other searches, including the cost of unofficial searches carried out by agents at the ACD's request;
- 7.1.12 the costs and disbursements of legal advisers instructed by the ACD, the Depositary (either directly or through its nominee Companies), the Investment Manager, the Property Investment Adviser or the Property Manager in connection with immovable

- property transactions to which the ACD in the name of the Company or a Fund is party (whether or not held in the name of the Depositary or its nominee companies);
- 7.1.13 any fees or costs associate with any CASS related support activity incurred by the Registrar;
  - 7.1.14 insurance premiums payable in respect of all immovable property investments held by the Depositary on behalf of the Company or a Fund (to the extent that these are not the responsibility of, or cannot be recovered from, any or all of the tenants for the time being of such Investments);
  - 7.1.15 the fees and expenses of legal advisers and other agents and expenses generally incurred in connection with:
    - 7.1.15.1 proceedings of any sort brought to prove or protect the Company's (or the Company acting on behalf of a Fund) title to and/or right over any immovable property, whether held in the name of the Depositary or its Nominee Companies;
    - 7.1.15.2 carrying out repairs to any immovable property that is not occupied for the time being, or where the tenants for the time being refuse or are not for any reason obliged to carry out such repairs;
    - 7.1.15.3 all costs involved in managing any immoveable property, including but not limited to, all maintenance costs, refurbishment costs and development costs;
    - 7.1.15.4 all fees, costs and expenses incurred in relation to any proposed acquisition or sale of, or any other transaction in, immovable property which does not for whatever reason complete;
    - 7.1.15.5 all costs and expenses incurred by or approved by the Investment Manager, or the Property Investment Adviser in respect of the Company's (or a Fund's) activities;
    - 7.1.15.6 service on any tenant of a notice under section 146 Law of Property Act 1925, including preparation where appropriate of a schedule of dilapidations and court proceedings against such tenant for forfeiture of his lease and/or possession of the premises;
    - 7.1.15.7 proceedings for arrears of rent, service charge, insurance or any other sums due from tenants;
    - 7.1.15.8 service of notices under the Landlord and Tenant Act 1954 terminating business tenancies, subsequent court proceedings, and any compensation payable to tenants for disturbance as a result of successful termination of business tenancies;
    - 7.1.15.9 service of rent review notices, negotiation of rent reviews (including, without limitation the remuneration of agents appointed to carry out any such negotiation), and any related court proceedings;
  - 7.1.16 the fees and expenses of any arbitrator or expert appointed to settle any dispute to which the ACD is party in the name of the Company, wherever the relevant tenant is not obliged to pay these under his lease;
  - 7.1.17 the cost of negotiating and preparing any leases or licences to assign the lease of, or carry out alterations to, part or all of any immovable property held by the Company (or the Company on behalf of a Fund), where this is not payable by the relevant tenant; and

- 7.1.18 any costs or expenses properly payable by a tenant of part or all of any immovable property held by the Company (or the Company on behalf of a Fund), where he has defaulted, or where the ACD or Investment Manager consider that it is in the interests of Shareholders to meet such costs or expenses (whether or not the Company (or the Company on behalf of a Fund), sues for reimbursement);
- 7.1.19 expenses incurred in producing, distributing and dispatching income and other payments to Shareholders;
- 7.1.20 any reasonable general disbursements relating to postage and communication costs incurred in the proper performance of the transfer agent's duties relating to the Company, which are currently carried on by the Registrar;
- 7.1.21 fees in respect of the publication and circulation of details of the Net Asset Value and prices;
- 7.1.22 the fees and expenses of the Auditors and tax, legal and other professional advisers of the Company;
- 7.1.23 the costs of convening and holding Shareholder meetings (including meetings of Shareholders in any particular Fund, or any particular Class within a Fund);
- 7.1.24 costs incurred in taking out and maintaining any insurance policy in relation to the Company and/or its Directors;
- 7.1.25 expenses incurred in company secretarial duties, including the cost of minute books and other documentation required to be maintained by the Company;
- 7.1.26 the costs of preparing, updating, modifying and printing this Prospectus, Simplified Prospectuses or Key Investor Information Documents ("KIIDs") if used, the Instrument of Incorporation and contract notes and the costs of printing and distributing documents, reports and accounts and any other administrative expenses related to this clause 7.1.26 in each case to the extent permitted by the COLL Sourcebook;
- 7.1.27 tax and duties payable by the Company;
- 7.1.28 interest on and charges incurred in borrowings including charges incurred in terminating such borrowings or in negotiating or varying the terms of such borrowings;
- 7.1.29 any amount payable by the Company under any indemnity provisions contained in the Instrument of Incorporation or any agreement with any functionary of the Company;
- 7.1.30 fees of the FCA under the Financial Services and Markets Act 2000 and the corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which Shares are or may lawfully be marketed;
- 7.1.31 any payments otherwise due by virtue of changes to the Regulations;
- 7.1.32 costs (apart from promotional payments) in respect of communications with investors;
- 7.1.33 fees of any paying agents, representative agents or other agents of the Company or the ACD;
- 7.1.34 any costs in modifying the ACD Agreement and any other relevant document required under the Regulations;

- 7.1.35 the fees of any stock-lending agent and the fees of the ACD for arranging any stock-lending, subject to giving Shareholders 60 days' prior written notice of the details of these fees;
- 7.1.36 all fees and expenses incurred in relation to the addition and internal organisation of any new Funds, the listing of Shares on any stock exchange, any offer of Shares (including the preparation, translation, printing and distribution of any prospectus (apart from the costs and expenses of distributing any simplified prospectus) and listing documents) and the creation, conversion and cancellation of Shares in a new or existing Fund and any costs and expenses incurred in registering, having recognised or going through any other process in relation to the Company or any Fund in any territory outside the UK for the purpose of marketing the Shares in such territory, including any translation costs; and
- 7.1.37 royalties, licensing fees and other like payments in relation to the use of intellectual property.
- 7.1.38 broker's commission (excluding costs for research), fiscal charges and other disbursements which are:
  - 7.1.38.1 necessary to be incurred in effecting transactions for the Company; and
  - 7.1.38.2 normally shown in contract notes, confirmation notes and difference accounts as appropriate; and
- 7.1.39 taxation and duties payable in respect of the property of the Company, the Instrument of Incorporation or the issue of Shares;
- 7.1.40 any payments otherwise due by virtue of COLL; and
- 7.1.41 all other costs and expenses of the Company (including in respect of the management of immovable property) as permitted by the COLL Sourcebook.

Subject to current tax law and practice, VAT at the prevailing rate may be payable in connection with the ACD's remuneration, the Custodian's remuneration and any of the charges and expenses above.

It is not currently proposed to seek a listing for the Shares on any stock exchange, but if a listing is sought in the future the fees connected with the listing will be payable by the Company.

Expenses are allocated between capital and income in accordance with the COLL Sourcebook. Where charges and expenses are deducted from the capital property of a Fund, this can have the effect of constraining or even eroding capital growth of that Fund. The approach in respect of each Share Class is detailed in Appendix II.

Exceptionally, the ACD may pay out of the Scheme Property any liabilities arising on the unitisation, amalgamation or reconstruction of the Company.

## 7.2 **Charges payable to the ACD**

In payment for carrying out its duties and responsibilities the ACD is entitled to take an annual management charge out of the Company. The annual management charge is calculated and accrued on a daily basis by reference to the Net Asset Value of each Fund on the previous Dealing Day and the amount due for each month is payable in respect of each calendar month as soon as practicable after the month end. The current annual management charge for each Class in each Fund (expressed as a percentage per annum of the relevant Net Asset Value) is set out in Appendix I.

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

VAT is payable on these charges or expenses where appropriate.

### 7.3 **New or increased charges payable to the ACD**

Any new category of remuneration payable to the ACD or any increase of the annual management charge by the ACD will be applied in accordance with the Regulations.

### 7.4 **Investment Manager's fee**

The Investment Manager's fees and expenses (plus VAT thereon where applicable) will be paid by the ACD out of its remuneration under the ACD Agreement. Research costs will be paid for by the Investment Manager out of this fee and shall not be borne by the Company.

### 7.5 **Property Investment Adviser's fee**

The Property Investment Adviser's fees and expenses (plus VAT thereon where applicable) will be paid by the ACD out of its remuneration under the ACD Agreement.

### 7.6 **Administrator's fee**

The Administrator's fees and expenses (plus VAT thereon where applicable) will be paid out of Scheme Property. These are the Registrar and Fund Accounting fees referred to in section 6.6 above and disbursements as listed in the Fees and Expenses section 7 above.

### 7.7 **Custodian's fee**

The Custodian's fees and expenses (plus VAT thereon where applicable) will be paid out of the Scheme Property. Fees are charged on the type and geographical location of the assets being held. The potential range of charges is between £2.80 and £180 per transaction and up to 0.9% of the value of the holding invested. The total fee is not expected to exceed £25,000 (plus VAT) per annum. These fees are included in the calculation of the minimum annual fee for fund accounting services as set out in section 6.6 but are not themselves subject to a separate minimum.

### 7.8 **Property Manager's fee**

The Property Manager will receive a fee from Scheme Property of the relevant Fund. Currently this is a fee of up to 12% (plus VAT thereon) per annum of gross rental receipts of properties held by TM home investor fund together with its expenses (plus VAT thereon where applicable). However, the fee is not currently anticipated to exceed 8% (plus VAT thereon where applicable) per annum.

### 7.9 **Standing Independent Valuer fee**

The Standing Independent Valuer will receive a fee for ongoing monthly valuations and annual re-inspections calculated on a per unit basis, which will not exceed 0.3% of the value of the Scheme Property (plus VAT thereon if applicable). In addition to this fee the Standing Independent Valuer will receive a fee payable out of the Scheme Property in respect of each property valued for the purposes of acquisition by the Fund. The rate payable for these valuations will be £250 per property, subject to a minimum fee of £2,000 per single location (defined as all properties held within a 5 mile radius).

### 7.10 **Depositary's fees and expenses**

The Depositary receives for its own account a periodic fee which will accrue and is payable on the same basis as the ACD's annual management charge above. The rate of the periodic fee is agreed between the ACD and the Depositary and is currently 0.04% per annum, subject to a current minimum of £100,000 per annum.

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

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 of the month in which that day falls.

In addition to the periodic fee referred to above, the Depositary will also be entitled to be paid transaction charges in relation to immovable property and derivative transactions and custody and transaction charges in relation to the handling and safekeeping of the property of the company as follows:

<b>Item</b>	<b>Amount</b>
Property Acquisition/Disposal Charge	£500 per transaction
Derivative Transaction Charge	£20 per transaction

The Depositary has delegated custody of the property of the Company (other than immovable property) to the Custodian and accordingly such transaction and custody charges are being paid directly to the Custodian from the Company (please see section 7.7 above).

Where relevant, the Depositary may make a charge for (or otherwise benefit from) providing services in relation to distributions the provision of banking services, holding money on deposit or lending money, in relation to a 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 the Regulations.

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.

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

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

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

#### **7.11 Allocation of fees and expenses between Funds**

All the above fees, duties and charges (other than those borne by the ACD) will be charged to the Fund in respect of which they were incurred. Where an expense is not considered to be attributable to any one Fund, the expense will normally be allocated to all Funds pro rata to the value of the Net Asset Value of the Funds, although the ACD has discretion to allocate these fees and expenses in a manner which it considers fair to Shareholders generally.

### **8. SHAREHOLDER MEETINGS AND VOTING RIGHTS**

#### **8.1 Meetings**

The Company has dispensed with the need to hold annual general meetings.

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

## 8.2 Requisitions of meetings

The ACD may requisition a general meeting at any time.

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

## 8.3 Notice and quorum

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

## 8.4 Voting rights

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

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

A Shareholder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

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

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

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

Where all the Shares in a Fund are registered to, or held by, the ACD or its associates and they are therefore prohibited from voting and a resolution (including an extraordinary resolution) is required to conduct business at a meeting, it shall not be necessary to convene such a meeting and a resolution may, with the prior written agreement of the Depositary, instead be passed with the written consent of Shareholders representing 50% or more, or for an extraordinary resolution, 75% or more, of the Shares in issue.

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

## 9. TAXATION

### 9.1 General

The information below is a general guide based on current United Kingdom law and HM Revenue & Customs practice, both of which are subject to change. It summarises the tax position of each Fund and of investors who are United Kingdom resident and hold Shares as investments. Prospective investors who are in any doubt about their tax position, or who may be subject to tax in a jurisdiction other than the United Kingdom, are recommended to take professional advice.

### 9.2 The Funds

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

The TM home investor fund qualifies as a PAIF for tax purposes. Accordingly, the income generated by its Property Investment Business will be exempt from tax. Any dividend income it receives from United Kingdom companies or, in general, from non-United Kingdom companies will also be exempt from tax. It would, however, be liable to tax in the unlikely event that there should be a net balance of other income, which will generally consist of interest but could include other property income, less deductible expenses and the gross amount of any PAIF interest distributions made, or a tax charge otherwise arises.

The TM home investor fund's distributions will be split into up to three streams for United Kingdom tax purposes:

- property income distributions, representing income from its Property Investment Business;
- PAIF dividend distributions, representing broadly any dividends received by it; and
- PAIF interest distributions, representing the net amount of all other income received.

### 9.3 Shareholders

#### 9.3.1 Income

**Individual Shareholders:** Property income distributions will be made to Shareholders subject to deduction of tax at 20%. Individuals will be liable to income tax on this income at their marginal rate and may set off the tax credit against their tax liability. PAIF dividend distributions are treated as if they are dividends paid to Shareholders and a £2,000 dividend tax allowance and dividend tax rates for basic, higher and additional rate taxpayers of 7.5%, 32.5% and 38.1% apply. Individuals who are basic or higher rate taxpayers may use their personal savings allowance in respect of their PAIF interest distributions which will otherwise be taxable at their marginal rates.

**Corporate Shareholders:** Property income distributions are generally paid to corporation taxpayers without the deduction of tax at source and taxed as profits of a property business. PAIF interest distributions are also paid gross, and are taxed as yearly interest in their hands. Their PAIF dividend distributions are treated in the same way as dividends paid by other United Kingdom companies, so they are exempt from corporation tax.

**Tax-exempt Shareholders:** Shareholders who are exempt from tax on income will be able to reclaim from HM Revenue & Customs the basic rate income tax withheld on the payment of property income distributions.

**For all income allocations:** A tax voucher showing the amount of the income distributed or deemed to be distributed to the Shareholder and any tax deducted will be sent to Shareholders at the time of a distribution.

### 9.3.2 **Income equalisation**

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

### 9.3.3 **Gains**

Shareholders who are resident in the United Kingdom for tax purposes and also, with effect from 6 April 2019, non-United Kingdom resident Shareholders may, depending on their personal circumstances, be liable to capital gains tax or, if a corporate Unitholder, corporation tax on gains arising from the redemption, transfer or other disposal of Shares (but not usually on Conversions between Classes). A relief from capital gains tax applies to exchanges of Shares for units in the TM home investor feeder fund done with the agreement of the ACD.

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

Individual Shareholders will find further information in HM Revenue & Customs Help Sheets for the capital gains tax pages of their tax returns.

### 9.3.4 **SDRT**

Stamp duty reserve tax ("SDRT") is not generally charged on any agreements to transfer shares of ICVCs (other than where they are held by a nominee).

### 9.3.5 **International tax reporting**

The legislation implementing the United Kingdom's obligations under various intergovernmental agreements relating to the automatic exchange of information to improve international tax compliance (including the United States provisions commonly known as FATCA), does not currently apply to the Company since it is not a financial institution as defined for the purpose. It if should in future become one, then the ACD (or its agent) will collect and report information about Shareholders and their investments where required for this purpose, including information to verify their identity and tax status.

If requested to do so by the ACD or its agent, Shareholders must provide information which may be passed on to HM Revenue & Customs (and by them to any relevant overseas tax authorities).

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

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

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

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

- 10.1 if an extraordinary resolution to that effect is passed by Shareholders; or
- 10.2 when the period (if any) fixed for the duration of the Company or a particular Fund by the Instrument of Incorporation expires, or any event occurs on the occurrence of which the Instrument of Incorporation provides that the Company or a particular Fund is to be wound up or terminated (as appropriate) (for example, if the share capital of the Company or (in relation to any Fund) the Net Asset Value of the Fund is below £10 million, or if a change in the laws or regulations of any country means that, in the ACD's opinion, it is desirable to terminate the Fund); or
- 10.3 on the date stated in any agreement by the FCA to a request by the ACD for the revocation of the authorisation order in respect of the Company or for the termination of the relevant Fund; or
- 10.4 on the effective date of a duly approved scheme of arrangement which is to result in the Scheme ceasing to hold any Scheme Property; or
- 10.5 in the case of a Fund on the effective date of a duly approved scheme of arrangement which is to result in the Fund ceasing to hold any Scheme Property; or
- 10.6 on the date when all the Funds fall within 10.5 above or have otherwise ceased to hold any Scheme Property, notwithstanding the Scheme may have assets and liabilities that are not attributable to any particular Fund.

On the occurrence of any of the above:

- 10.7 COLL 6.2 (Dealing), COLL 6.3 (Valuation and Pricing) and COLL 5 (Investment and borrowing powers) will cease to apply to the Company or the relevant Fund;
- 10.8 the Company will cease to issue and cancel Shares in the Company or the relevant Fund and the ACD shall cease to sell or redeem Shares or arrange for the Company to issue or cancel them for the Company or the relevant Fund, except in respect of the final cancellation under COLL 7.3.7R (5);
- 10.9 no transfer of a Share shall be registered and no other change to the Register shall be made without the sanction of the ACD;
- 10.10 where the Company is being wound up, the Company shall cease to carry on its business except in so far as it is beneficial for the winding up of the Company;
- 10.11 the corporate status and powers of the Company and subject to 10.7 to 10.10 above, the powers of the Depositary shall continue until the Company is dissolved.

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

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

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

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

## 11. **GENERAL INFORMATION**

### 11.1 **Risk Profile Management and Liquidity Risk Management**

The ACD, in consultation with the Investment Manager, has adopted a risk management process in respect of the Company enabling it to monitor and measure the risk of the Company's portfolio and contribution of the underlying investments to the overall risk profile of the Company.

This Prospectus provides information in relation to liquidity risk management, including the redemption rights of investors in normal and exceptional circumstances, and the existing redemption arrangements with investors.

The ACD operates a liquidity risk management policy with a view to ensuring that Shareholders are able to realise their Shares in accordance with this Prospectus and the requirements of the FCA Rules. The ACD also maintains a liquidity management contingency plan.

Refer to Section 5.6 for an explanation of the liquidity risks associated with the TM home investor fund, and how those risks may crystallise.

Throughout the lifecycle of a Fund, liquidity risks are identified in the following ways:

- (a) monitoring the liquidity of all instruments used, including derivatives, in the context of the investment objectives and liquidity requirements of each scheme or client account;
- (b) monitoring and reporting on cash positions to ensure that the Company has sufficient capacity to meet obligations arising from any derivative positions;
- (c) reviewing markets and investments for circumstances that may result in reduced liquidity;
- (d) reviewing a Fund's dealing frequencies;
- (e) monitoring the investor base including the current and future needs of the investor base, allowing the ACD to anticipate potential changes to policy that may impact investors and lead to increased redemption requests; and
- (f) undertaking stress tests on the portfolio on a periodic basis, the frequency being dependent on a number of factors, e.g. portfolio composition and liquidity.

Liquidity risks are evaluated both on an individual basis and a collective basis, considering the inter-relationship between different factors (such as valuation and liquidity).

There are a number of tools and arrangements that the ACD may use when a liquidity risk crystallises, or there is a high risk of a liquidity event crystallising. These are set out in this Prospectus and include:

- (a) deferring redemptions – refer to Sections 3.6.4 for an explanation of the circumstances in which the ACD would defer redemptions and the likely consequences for investors;
- (b) making dilution adjustments – refer to Section 3.8.5 for an explanation of the circumstances in which the ACD would make a dilution adjustment and the likely consequences for investors;
- (c) making in-specie redemptions – refer to Section 3.15 for an explanation of the circumstances in which the ACD would make in-specie redemptions and the likely consequences for investors;
- (d) suspending the issue, cancellation, sale and redemption of Shares – refer to Section 3.16 for an explanation of the circumstances in which the ACD would suspend the issue, cancellation, sale and redemption of Shares and the likely consequences for investors;
- (e) borrowing on a temporary basis to support liquidity – refer to Appendix IV, Section 28 for an explanation of the circumstances in which the ACD would borrow on a temporary basis to support liquidity and the likely consequences for investors;
- (f) fair value price adjustment – refer to Section 4.6 for an explanation of the circumstances in which the ACD may apply a fair value price adjustment and the likely consequences for investors;
- (g) rapid sales of immovables – refer to Section 4.7 for an explanation of the circumstances where the ACD may decide that it is appropriate for an immovable to be sold at less than the full open market value of the asset in order to conclude a rapid sale.

There is no “one size fits all” approach that can be applied to liquidity events and the ACD will decide which tools and arrangements to use taking into consideration a range of factors and the particular circumstances that give rise to a heightened liquidity risk.

## 11.2 **Leverage**

11.2.1 The Company may invest in instruments which are subject to leverage from time to time. Under the UK AIFM Regime, the ACD must:

11.2.1.1 set a maximum level of leveraging which it may employ on behalf of the Company; and

11.2.1.2 where the leverage arrangement allows the right to reuse collateral or the granting of a guarantee, set out the extent of that right or guarantee.

11.2.2 For the Company, the ACD has set the following limits:

<b>Derivative Type</b>	<b>Limits</b>
<b>Allowable on a 'substantial' basis</b>	No
<b>Unsecured cash borrowings</b>	Not permitted
<b>Secured cash borrowings</b>	Up to 10% for liquidity purposes only. ONLY for short-term use.
<b>Convertible borrowings</b>	Not permitted
<b>Interest rate swaps</b>	Not permitted
<b>Contracts for differences</b>	Not permitted
<b>Futures contracts</b>	Not permitted
<b>Total return swaps</b>	Not permitted
<b>Forward agreements</b>	Only as required; No greater than 40% of the Net Asset Value of the portfolio.
<b>Options</b>	Only as required; No greater than 30% of the Net Asset Value of the portfolio.
<b>Repurchase arrangements</b>	Not permitted
<b>Reverse repurchase arrangements</b>	Not permitted
<b>Securities lending arrangements</b>	Not permitted
<b>Securities borrowing arrangements</b>	Not permitted
<b>Credit default swaps</b>	Not permitted
<b>MAXIMUM LEVEL OF LEVERAGE USING THE COMMITMENT METHOD*</b>	200%
<b>MAXIMUM LEVEL OF LEVERAGE USING THE GROSS METHOD*</b>	300%

\*Under the gross method, the exposure of the Company is calculated as follows:

- (a) the value of any cash and cash equivalents which are highly liquid investments held in the base currency of the Company that are readily convertible to an amount of cash, subject to an insignificant risk of change in value and which provide a return no greater than the rate of a three month high quality government bond is excluded;
- (b) derivative instruments are converted (using certain specified conversion methodologies) into the equivalent position in their underlying assets;
- (c) cash borrowings that remain in cash or cash equivalents and where the amounts payable are known are excluded;
- (d) exposures resulting from the reinvestment of cash borrowings, expressed as the higher of the market value of the investment realised or the total amount of cash borrowed are included; and

- (e) positions within repurchase or reverse repurchase transactions and securities lending or borrowing or other similar arrangements are included.
- (f) The maximum level of leverage for the Company expressed as a ratio of the Company's total exposure to its Net Asset Value current ratio under the gross method is: **3:1**.

Under the commitment method, the exposure of the Company is calculated as follows:

- (a) derivative instruments are converted (using certain specified conversion methodologies) into the equivalent position in their underlying assets;
- (b) netting and hedging arrangements are applied, subject to specified conditions;
- (c) the exposure created through the reinvestment of borrowings where such reinvestment increases the exposure of the Company is calculated;
- (d) derivative instruments used for currency hedging purposes are excluded.

The maximum level of leverage for the Company expressed as a ratio of the Company's total exposure to its Net Asset Value current ratio under the commitment method is: **2:1**.

**11.2.3 Where a Fund may use options, forwards and other derivative instruments for the purpose of meeting the investment objectives of the Fund and/or hedging against either price or currency fluctuations, the ACD's ability to use these strategies may be limited by market conditions, regulatory limits and tax considerations. Use of these strategies involves certain special risks, including (i) imperfect correlation between movements in the securities or currency on which a futures or options contract is based and movements in the securities or currencies in the Fund; (ii) the absence of a liquid market for any particular instrument at any particular time; and (iii) possible impediments to the ability to meet redemption requests or other short-term obligations because of the percentage of the Fund 's assets segregated to cover its obligations. Hedging strategies necessarily add costs to the Fund.**

### 11.3 Fair Treatment Of Investors

The ACD ensures fair treatment of investors by its compliance with the applicable rules in COLL and FUND and with the rules contained in the FCA Handbook.

The ACD is required, under the FCA Handbook, to treat its customers fairly, when they become, remain or as they cease to be Shareholders. The ACD complies with the rules in the FCA Handbook, and has adopted a series of policies and procedures (including a Conflict of Interest policy) which are designed to achieve this outcome.

The ACD and the Investment Manager may in certain circumstances grant preferential treatment to investors. This may include, for example, access to certain Share classes, a waiver or reduction of certain charges, the payment of rebates, or access to individuals within the ACD or the Investment Manager. If such rights are granted, this would typically be to investors who invest significant amounts in the Company. Such investors would not typically be legally or economically linked to the ACD.

Any Shareholder may be granted preferential treatment in relation to the terms of its investment in the Company by the ACD, the Investment Manager and/or any other service provider to the Company.

The ACD and/or the Investment Manager may enter into side letters and/or other arrangements ("Side Arrangements") with Shareholders, including those deemed to involve a significant or strategic relationship, that will result in the terms of an investment in the Company being different to the terms applicable to other Shareholders and/or provide the following preferential treatment:

#### 11.3.1 **Disclosure/Reporting:**

- 11.3.1.1 notification of (A) certain 'key man' events and/or (B) certain changes to the organisation of the Company and/or (C) the issue of Shares on more favourable terms to those described herein (as amended by the relevant side letter and/or other arrangement) and/or (D) certain other changes and/or other events, in each case that affects, or relates to, the Company and/or its service providers (including, but not limited to, the Investment Manager) or the relevant Shareholder's investment in the Company;
- 11.3.1.2 notification if holdings in the Company by the relevant Shareholder exceed specific levels; and/or
- 11.3.1.3 the provision of certain limited information relating to the Investment Manager and/or to the Company's assets, including in order to allow the relevant Shareholder to comply with the laws and regulations to which it is subject.

#### 11.3.2 **Investor Liquidity terms:**

- 11.3.2.1 ensure that redemptions of Shares are effected in full within a prescribed period of time in the event that redemptions are deferred (i.e. "gated") for any reason; and/or
- 11.3.2.2 permit transferability of Shares where there is no change of beneficial ownership.

#### 11.3.3 **Fees:**

- 11.3.3.1 rebate some or all of the periodic charge payable in respect of the relevant Shareholder's Shares.

#### 11.3.4 **Side Arrangements:**

- 11.3.4.1 The ACD's Risk Management Policy deals with side arrangements. "Side Arrangements" are agreements that provide for special arrangements which contain provisions additional/different to those in the standard offering documents issued to investors in general.
- 11.3.4.2 The main conflict of interest with Side Arrangements is the potential for one or more investors to be advantaged over other investors by terms within their Side Arrangements. For example, the preferential early exit of one investor may reduce the portfolio liquidity, which might make withdrawals unavailable to other investors. Subsequently, it may be the case that other investors are actually disadvantaged. The ACD will give consideration as to whether the nature and scope of the provisions are consistent with treating all investors fairly.
- 11.3.4.3 Any Side Arrangement which contains 'material terms' will be fully considered before it is put in place. Examples of material terms would include preferential redemption rights, 'key man' provisions, redemption 'gate' waivers and portfolio transparency rights.

### 11.4 **Recognition and Enforcement Of Judgements**

- 11.4.1 The UK AIFM Regime require the ACD to give details of legal instruments providing for the recognition and enforcement of judgments in England and Wales (which is the territory in which the Company is established). A number of legal instruments provide for the recognition and enforcement in England and Wales of judgments given in other states. It would be impractical to provide an exhaustive list. The principal instruments are:

- 11.4.1.1 The UK has acceded to the Hague Convention on Choice of Courts Agreements 2005 (the "Hague Convention") which applies between the EU member states, Montenegro, Denmark, Mexico, Singapore and the UK and provides for the recognition of foreign judgments in respect of contracts which contain an exclusive jurisdiction clause. The Hague Convention does not, however, extend to contracts containing non-exclusive jurisdiction clauses, which typically permit the more dominant party to the contract to sue in the court of their choice while restricting the right of the less dominant party to the courts of a single country. Only those contracts entered into after the UK's accession to the Hague Convention will have the benefit of cross-border recognition under its terms.
- 11.4.1.2 Regardless of whether or not a country is a member of a cross-border convention for the recognition of judgments, jurisdictions with a common law legal system (the UK, Ireland, Malta, Cyprus, Canada, Australia and New York, amongst others) may recognise foreign judgments under the common law doctrine of comity, however, such recognition is not automatic, the necessary applications can be costly and time consuming and there are various exceptions to the doctrine and defences which can be raised to such applications.
- 11.4.1.3 As a general rule, unless a country which is a civil law jurisdiction is a member of a cross-border convention for the recognition of judgments, seeking recognition of a foreign judgment may be too slow, complex and costly to be practicable.
- 11.4.1.4 The Civil Jurisdiction and Judgments Act 1982, implementing the terms of the Brussels Convention of 1968 on jurisdiction and the enforcement of judgments in civil and commercial matters (the provisions of which have been largely superseded by the Brussels Regulation) and the Lugano Convention of 1988 (including the Protocols annexed to that Convention), which provides for recognition and enforcement of such judgments between England and Wales and certain other European jurisdictions. This legislation also governs the arrangements for recognition and enforcement as between the jurisdictions of England and Wales, Scotland, and Northern Ireland.
- 11.4.1.5 The Administration of Justice Act 1920, which enables certain judgments of superior courts in parts of Her Majesty's dominions and territories outside the UK to be registered for enforcement in the High Court of England and Wales.
- 11.4.1.6 The Foreign Judgments (Reciprocal Enforcement) Act 1933, pursuant to which directions may be made to allow for the registration and enforcement in the High Court of England and Wales of judgments made in foreign countries which give reciprocity of treatment to judgments given in the courts of the United Kingdom.

## 11.5 **Accounting periods**

The annual accounting period of the Company ends each year on 30 June (the accounting reference date) with an interim accounting period ending on 31 December. The first annual accounting period of the Company will be 30 June 2013 and the first interim accounting period will end on 31 December 2012. The quarterly accounting dates will be 30 March and 30 September; the first quarterly accounting period will end on 30 September 2012.

## 11.6 **Income allocations**

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

In relation to income Shares, distributions of income for each Fund in which income Shares are issued are paid by cheque or BACS directly into a Shareholder's bank account on or before the relevant income allocation date in each year as set out in Appendix I. Income will normally be accumulated/distributed (as appropriate to the Share Class) within two months of the accounting date(s) but the ACD reserves the right to accumulate/pay at a later date but not later than two months after the interim and quarterly accounting date(s) and four months after the annual accounting date, as permitted by the Regulations.

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

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

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

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

## 11.7 **Unclaimed cash or assets**

Any cash or assets due to Shareholders (other than unclaimed distributions which are dealt with as referred to in paragraph 11.6 above) which are unclaimed by Shareholders on an account which has not been active for six years (in the case of cash) or twelve years (in the case of assets) may cease to be client money or client assets.

## 11.8 **Annual reports**

The annual long report of the Company will normally be published within two months of each annual accounting period although the ACD reserves the right to publish the annual report at a later date but not later than four months from the end of each annual accounting period and the half yearly long report will be published within two months of each interim accounting period. These reports will be supplied free of charge to any person on request, and are available at the offices of the ACD at Exchange Building, St John's Street, Chichester, West Sussex PO19 1UP in English, for inspection by any person free of charge during ordinary office hours.

## 11.9 **Documents of the Company**

The following documents may be inspected free of charge during normal business hours on any Business Day at the offices of the ACD at Exchange Building, St John's Street, Chichester, West Sussex PO19 1UP:

11.9.1 the most recent annual and half yearly reports of the Company;

11.9.2 the Prospectus;

11.9.3 the Instrument of Incorporation (and any amending documents); and

11.9.4 the ACD Agreement between the Company and the ACD;

Shareholders may obtain copies of the above documents from the ACD. The ACD may make a charge at its discretion for copies of the ACD agreement. The most recent annual and half yearly reports of the Company, the Instrument of Incorporation and the Prospectus are available free of charge.

#### 11.10 **Provision of investment advice**

All information concerning the Company and about investing in Shares of the Company is available from the ACD at Exchange Building, St John's Street, Chichester, West Sussex PO19 1UP. The ACD is not authorised to give investment advice and persons requiring such advice should consult a professional financial adviser. All applications for Shares are made solely on the basis of the current prospectus of the Company, and investors should ensure that they have the most up to date version.

#### 11.11 **Future disclosures**

The following information will be made available to Shareholders as part of the Company's annual report:

- (a) the percentage of the Company's assets which are subject to special arrangements arising from their illiquid nature;
- (b) the current risk profile of the Company and the risk management systems employed by the ACD to manage those risks; and
- (c) the total amount of leverage employed by the Company, as applicable.

Shareholders will also be provided with information regarding changes to:

- (a) the maximum level of leverage which a Company, or the ACD on the Company's behalf, may employ; or
- (b) the rights for re-use of collateral under the Company's leveraging arrangements; or
- (c) any guarantee granted under the Company's leveraging arrangements.
- (d) This information will be made available to Shareholders, without undue delay following the occurrence of that change, usually by way of update to this Prospectus. Where required, such change will be preceded by notification to Shareholders.

#### 11.12 **Telephone recordings**

Please note that telephone calls may be recorded for regulatory, training or monitoring purposes and to confirm investors' instructions.

Recordings will be provided on request for a period of at least five years from the date of such recording, or, where requested by a competent regulatory authority, for a period of seven years, where the ACD can identify the call. If you ask the ACD to send you a recording of a particular call, the ACD may ask for further information to help identify the exact call to which your request relates.

#### 11.13 **Complaints**

Complaints concerning the operation or marketing of the Company may be referred to the ACD at Exchange Building, St John's Street, Chichester, West Sussex PO19 1UP. If a complaint

cannot be resolved satisfactorily with the ACD, it may be referred to the Financial Ombudsman Service at Exchange Tower, London E14 9SR. A copy of the complaints handling procedure is available from the ACD on request.

#### 11.14 **Indemnity**

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

#### 11.15 **Notices**

All notices or documents required to be served on Shareholders shall be served by post to the address of the Shareholder as evidenced on the register. All documents and remittances are sent at the risk of the Shareholder.

#### 11.16 **Genuine diversity of ownership**

Shares in the TM home investor fund are and will continue to be widely available. The intended categories of investors are retail investors (who should seek independent financial advice before investing) and institutional investors. Different Share Classes are issued to different types of investors.

Shares are and will continue to be marketed and made available sufficiently widely to reach the intended categories of investors for each Share Class, and in a manner appropriate to attract those categories of investors.

#### 11.17 **Contracts and relationships with parties**

Copies of contracts of service between the Company and its directors, including the ACD, will be provided to a Shareholder on request.

#### 11.18 **Legal Implications**

The main legal implications of the contractual relationship entered into for the purpose of investment in the Company are as follows:

By investing in the Company through Electronic Communications, by telephone or by submitting an application form to the Administrator, the investor makes an offer to subscribe for Shares which, once it is accepted by the ACD, or the Administrator on its behalf, has the effect of a binding contract to subscribe for Shares.

The provisions of the scheme documents made between the ACD and the Depositary by way of which the Company is constituted, as the same may be amended from time to time are binding on each of the Shareholder (who are taken to have notice of them) as if that Shareholder was a party to it with effect on and from the date that any person has become a Shareholder.

The scheme documents and the application form are each made under and governed by and shall be construed in accordance with the laws of England and Wales. The Company, the ACD and the Shareholders will be subject to the exclusive jurisdiction of the courts of England and Wales to settle any dispute or claim arising out of or in connection with a Shareholder's investment in the Company or any related matter.

The scheme documents may be amended by agreement between the ACD and the Depositary.

Absent a direct contractual relationship between a Shareholder and the relevant service provider, Shareholders generally have no direct rights against the relevant service provider and there are only limited circumstances in which a Shareholder may potentially bring a claim against the relevant service provider. Instead, the proper claimant in an action in respect of

which a wrongdoing is alleged to have been committed against the Company by the relevant service provider is, prima facie, the Company itself or the ACD acting on behalf of the Company, as the case may be.

## **APPENDIX I**

### **INVESTMENT OBJECTIVE AND INVESTMENT POLICY**

**At present the Company has only one sub-fund, TM home investor fund** (FCA product reference number: 646510). **Details of its investment objective and investment policy are set out below.**

#### **Investment objective**

It is intended that the TM home investor fund be a PAIF at all times, and, as such, its investment objective is to carry on Property Investment Business and to manage cash raised from investors for investment in the Property Investment Business as further described below. HM Revenue & Customs has provided confirmation to the ACD that the TM home investor fund meets the requirements to qualify as a PAIF under Regulation 690 of the Authorised Investment Funds (Tax) Regulations 2006 (as amended).

The objective of the TM home investor fund is to establish a residential property fund which provides investors with exposure to the United Kingdom housing market. Returns will derive principally from capital performance, with lettings of fund properties intended to cover costs and provide some additional return. As it is intended that the TM home investor fund follows the performance of the underlying housing market it will be ungeared apart from occasional borrowings used to support liquidity.

The key investment objective is to maintain a let property portfolio which is diversified according to the geographic distribution of housing stock in England, Scotland and Wales. As far as suitable opportunities allow, the TM home investor fund will allocate investments to each region on the basis of that region's market size compared to the United Kingdom as a whole (excluding Northern Ireland). Attention will also be given to maintaining a balance between property types which appropriately reflects the wider market.

There is no explicit income target for the TM home investor fund but the properties will be selected and managed in such a way as to provide income appropriate to their location while minimising the loss in rental yields due to management and maintenance costs.

#### **Investment policy**

The TM home investor fund will invest primarily in United Kingdom residential Property. Consistent with the TM home investor fund's objective to invest in a portfolio which is diversified according to the distribution of housing stock in the United Kingdom mainland, it will aim to identify properties which are in established rental locations within each area and that have exhibited long term house price growth characteristics that are average or above average for the region. Where appropriate, discounts will be sought on purchases that mitigate or eliminate the transactional costs of investment or provide an element of additional performance.

Properties will generally be let on an assured shorthold ("AST") basis apart from units let to specialist operators for use as serviced apartments or units obtained from residential developers on a sale and leaseback basis. Properties subject to non-AST leases will be managed to ensure that the fund is not unduly exposed to counter-party risk.

The TM home investor fund will invest a small proportion of its assets in liquid instruments and cash in order to obtain appropriate levels of liquidity. To maintain exposure to the United Kingdom residential market, instruments used for this purpose may include property related equities, regulated or unregulated investment funds, and derivatives.

#### **Performance Comparator**

The Fund uses the e.surv House Price Index (previously known as LSL Acadata) for performance comparison purposes only. The benchmark is not a target benchmark and the fund is not constrained by it.

This index has been chosen as a comparator benchmark as it is based upon actual sales completed and is mix-adjusted. There is a detailed comparison of the various indices on the e.surv (previously known as LSL Acadata) website but, put simply, it is the result of taking the average of the price at which every residential transaction in England & Wales took place, smoothed over rolling 3 month periods, mix-adjusted to eliminate the effect of monthly changes in the types of properties sold, and seasonally adjusted to account for times in the year when house buying activity traditionally experiences peaks or troughs.

The ACD reserves the right to change the benchmark following consultation with the Depositary and in accordance with the rules of COLL. A change could arise, for example, where the ACD determines that an alternative may be more appropriate. Shareholders will be notified of such a change through an update to the Prospectus and the change noted in the subsequent annual and half yearly reports.

### **Other information**

The Fund may not invest more than 10% in value of its scheme property in units in other collective investment schemes.

The Fund is a FIIA. For an explanation of the risks associated with the Fund investing in inherently illiquid assets and how those may crystallise, please refer to Section 5.6 of the Prospectus. For a description of the tools and arrangements the ACD would propose using to mitigate these risks, an explanation of the circumstances in which those tools and arrangements would typically be deployed and the likely consequences for investors, please refer to Section 11.1 of the Prospectus.

## APPENDIX II

### SHARE CLASS DETAILS

#### TM home investor fund

<b>Name:</b>	Class C (Unbundled Gross Accumulation)
<b>Valuation Point:</b>	10.30 pm on a Dealing Day
<b>Cut off Point:</b>	10.30 pm on a Dealing Day
<b>Type of Shares:</b>	Gross accumulation
<b>Currency of denomination:</b>	Pounds sterling
<b>Preliminary charge:</b>	Nil
<b>Redemption charge:</b>	Not applicable
<b>Annual Management Charge:</b>	0.9%
<b>Minimum initial investment:</b>	£1,000
<b>Minimum subsequent investment:</b>	£500
<b>Minimum holding:</b>	£500
<b>Minimum redemption:</b>	£500
	The ACD may for each relevant class of Share waive such minima in its absolute discretion.
<b>Income allocation dates:</b>	Annual: 31 October, Interim: last day in February, Quarterly: 31 May and 30 November
<b>Regular savings plan</b>	Yes
<b>ISA status:</b>	Qualifying investment for stocks and shares component
<b>Charges taken from income:</b>	Yes
<b>Past performance:</b>	Past performance information is set out in Appendix VII
<b>Whether Shares will be issued in any other currency:</b>	No
<b>Subscription frequency:</b>	Daily
<b>Redemption frequency:</b>	Daily (Please also see paragraph 5.12 of this Prospectus)
<b>Notice period for subscriptions:</b>	By the Valuation Point for the Dealing Day for Subscription

<b>Notice period for redemptions:</b>	By the Valuation Point for the Dealing Day for Redemption
<b>Dealing Day for Subscription:</b>	Each Business Day
<b>Dealing Day for Redemption:</b>	Each Business Day

### **Investor profile**

This Share Class is intended for use by Retail Investors

Class C Shares are only available to a firm that complies with the following criteria (or its nominee) from time to time: (a) it is authorised by the FCA (or a successor regulator), or an equivalent overseas regulator, to provide custody and dealing services or fund link arrangements to retail investors, (b) it holds the relevant Shares for such a purpose, and (c) it has a written platform, distribution, fund link, investment or similar agreement in place with the ACD.

<b>Name:</b>	Class C (Unbundled Gross Income)
<b>Valuation Point:</b>	10.30 pm on a Dealing Day
<b>Cut off Point:</b>	10.30 pm on a Dealing Day
<b>Type of Shares:</b>	Income
<b>Currency of denomination:</b>	Pounds sterling
<b>Preliminary charge:</b>	Nil
<b>Redemption charge:</b>	Not applicable
<b>Annual Management Charge:</b>	0.9%
<b>Minimum initial investment:</b>	£1,000
<b>Minimum subsequent investment:</b>	£500
<b>Minimum holding:</b>	£500
<b>Minimum redemption:</b>	£500
	The ACD may for each relevant class of Share waive such minima in its absolute discretion.
<b>Income allocation dates:</b>	Annual: 31 October, Interim: last day in February, Quarterly: 31 May and 30 November
<b>Regular savings plan</b>	Yes
<b>ISA status:</b>	Qualifying investment for stocks and shares component
<b>Charges taken from capital:</b>	Yes (please see below table regarding allocation of charges between capital and income).
<b>Past performance:</b>	Past performance information is set out in Appendix VII
<b>Whether Shares will be issued in any other currency:</b>	No
<b>Subscription frequency:</b>	Daily
<b>Redemption frequency:</b>	Daily (Please also see paragraph 5.12 of this Prospectus)
<b>Notice period for subscriptions:</b>	By the Valuation Point for the Dealing Day for Subscription
<b>Notice period for redemptions:</b>	By the Valuation Point for the Dealing Day for Redemption
<b>Dealing Day for Subscription:</b>	Each Business Day
<b>Dealing Day for Redemption:</b>	Each Business Day

<b>Allocation of Charges</b>	<b>Income</b>	<b>Capital</b>
Annual management charge		✓
Administration		✓
Dealing and Registration	✓	
Depositary		✓
Custody	✓	
Valuation	✓	
Portfolio transactions		✓

### **Investor profile**

This Share Class is intended for use by Retail Investors

Class C Shares are only available to a firm that complies with the following criteria (or its nominee) from time to time: (a) it is authorised by the FCA (or a successor regulator), or an equivalent overseas regulator, to provide custody and dealing services or fund link arrangements to retail investors, (b) it holds the relevant Shares for such a purpose, and (c) it has a written platform, distribution, fund link, investment or similar agreement in place with the ACD.

<b>Name:</b>	Class D (Unbundled Net Accumulation)
<b>Valuation Point:</b>	10.30 pm on a Dealing Day
<b>Cut off point:</b>	10.30 pm on a Dealing Day
<b>Type of Shares:</b>	Net accumulation
<b>Currency of denomination:</b>	Pounds sterling
<b>Preliminary charge:</b>	Nil
<b>Redemption charge:</b>	Not applicable
<b>Annual Management Charge:</b>	0.9%
<b>Minimum initial investment:</b>	£1,000
<b>Minimum subsequent investment:</b>	£500
<b>Minimum holding:</b>	£500
<b>Minimum redemption:</b>	£500
	The ACD may for each relevant class of Share waive such minima in its absolute discretion.
<b>Regular savings plan</b>	Yes
<b>Income allocation dates:</b>	Annual: 31 October, Interim: last day in February, Quarterly: 31 May and 30 November
<b>ISA status:</b>	Qualifying investment for stocks and shares component
<b>Charges taken from income:</b>	Yes
<b>Past performance:</b>	Past performance information is set out in Appendix VII
<b>Whether Shares will be issued in any other currency:</b>	No
<b>Subscription frequency:</b>	Daily
<b>Redemption frequency:</b>	Daily (Please also see paragraph 5.12 of this prospectus)
<b>Notice period for subscriptions:</b>	By the Valuation Point for the Dealing Day for Subscription
<b>Notice period for redemptions:</b>	By the Valuation Point for the Dealing Day for Redemption
<b>Dealing Day for Subscription:</b>	Each Business Day
<b>Dealing Day for Redemption:</b>	Each Business Day

**Investor profile**

This Share Class is intended for use by retail investors.

Class D Shares are only available to a firm that complies with the following criteria (or its nominee) from time to time: (a) it is authorised by the FCA (or a successor regulator), or an equivalent overseas regulator, to provide custody and dealing services or fund link arrangements to retail investors, (b) it holds the relevant Shares for such a purpose, and (c) it has a written platform, distribution, fund link, investment or similar agreement in place with the ACD.

<b>Name:</b>	Class D (Unbundled Net Income)
<b>Valuation Point:</b>	10.30 pm on a Dealing Day
<b>Cut off point:</b>	10.30 pm on a Dealing Day
<b>Type of Shares:</b>	Income
<b>Currency of denomination:</b>	Pounds sterling
<b>Preliminary charge:</b>	Nil
<b>Redemption charge:</b>	Not applicable
<b>Annual Management Charge:</b>	0.9%
<b>Minimum initial investment:</b>	£1,000
<b>Minimum subsequent investment:</b>	£500
<b>Minimum holding:</b>	£500
<b>Minimum redemption:</b>	£500
	The ACD may for each relevant class of Share waive such minima in its absolute discretion.
<b>Regular savings plan</b>	Yes
<b>Income allocation dates:</b>	Annual: 31 October, Interim: last day in February, Quarterly: 31 May and 30 November
<b>ISA status:</b>	Qualifying investment for stocks and shares component
<b>Charges taken from capital:</b>	Yes (please see below table regarding allocation of charges between capital and income).
<b>Past performance:</b>	Past performance information is set out in Appendix VII
<b>Whether Shares will be issued in any other currency:</b>	No
<b>Subscription frequency:</b>	Daily
<b>Redemption frequency:</b>	Daily (Please also see paragraph 5.12 of this prospectus)
<b>Notice period for subscriptions:</b>	By the Valuation Point for the Dealing Day for Subscription
<b>Notice period for redemptions:</b>	By the Valuation Point for the Dealing Day for Redemption
<b>Dealing Day for Subscription:</b>	Each Business Day
<b>Dealing Day for Redemption:</b>	Each Business Day

<b>Allocation of Charges</b>	<b>Income</b>	<b>Capital</b>
Annual management charge		✓
Administration		✓
Dealing and Registration	✓	
Depository		✓
Custody	✓	
Valuation	✓	
Portfolio transactions		✓

### **Investor profile**

This Share Class is intended for use by retail investors.

Class D Shares are only available to a firm that complies with the following criteria (or its nominee) from time to time: (a) it is authorised by the FCA (or a successor regulator), or an equivalent overseas regulator, to provide custody and dealing services or fund link arrangements to retail investors, (b) it holds the relevant Shares for such a purpose, and (c) it has a written platform, distribution, fund link, investment or similar agreement in place with the ACD.

<b>Name:</b>	Class E (Institutional Gross Accumulation)
<b>Valuation Point:</b>	10.30 pm on a Dealing Day for Subscription or a Dealing Day for Redemption, as appropriate
<b>Cut off Point</b>	10.30 pm on a Dealing Day for Subscription or a Dealing Day for Redemption, as appropriate
<b>Type of Shares:</b>	Gross accumulation
<b>Currency of denomination:</b>	Pounds sterling
<b>Preliminary charge:</b>	1%
<b>Redemption charge:</b>	Not applicable
<b>Annual Management Charge:</b>	0.75%
<b>Minimum initial investment:</b>	£100,000
<b>Minimum investment:</b>	<b>subsequent</b> £100,000
<b>Minimum holding:</b>	£100,000
<b>Minimum redemption:</b>	£100,000
	The ACD may for each relevant class of Share waive such minima in its absolute discretion.
<b>Income allocation dates:</b>	Annual: 31 October, Interim: last day in February, Quarterly: 31 May and 30 November
<b>Regular savings plan</b>	No
<b>ISA status:</b>	Not eligible
<b>Charges taken from income:</b>	Yes
<b>Past performance:</b>	Past performance information is set out in Appendix VII
<b>Whether Shares will be issued in any other currency:</b>	No
<b>Subscription frequency:</b>	Daily
<b>Redemption frequency:</b>	Quarterly on the first Business Day in each calendar Quarter, with the first Dealing Day for Redemption being 1 October 2012. The ACD may introduce additional Dealing Days for Redemption at its discretion where there is sufficient liquidity in the Fund to do so. (Please also see paragraph 5.12 of this Prospectus and "Dealing Day for Redemption" below).
<b>Notice period for subscriptions:</b>	By the Valuation Point for the Dealing Day for Subscription

**Notice period for redemptions:** Three months prior to the Valuation Point on the appropriate Dealing Day for Redemption.

The ACD will be in receipt of the instructions to redeem on the Business Day which is immediately before the appropriate Dealing Day for Redemption and this Business Day shall be deemed to be the day on which the instruction to redeem is accepted by the ACD.

The ACD retains the discretion to waive the notice period for redemptions, in whole or in part, from time to time and in relation to any redemption request received, where in the ACD's view it is in the best interests of all Shareholders in the Class to do so.

**Dealing Day for Subscription:** Each Business Day

**Dealing Day for Redemption:** Quarterly on the first Business Day in each calendar Quarter, the first Dealing Day for Redemption being 1 October 2012.

The ACD retains the discretion to introduce additional Dealing Days for Redemption from time to time where the ACD in consultation with the Depositary is of the view that any such additional Dealing Day for Redemption is in the best interests of all Shareholders in the Class.

In the event that an additional Dealing Day for Redemption is to be permitted, Shareholders will receive appropriate notice (as will be agreed with the Depositary on each occasion and taking into account factors such as the current Shareholders in the Class and the time until the next Dealing Day for Redemption).

### **Investor profile**

This Share Class is intended for use by institutional investors.

<b>Name:</b>	Class E (Institutional Gross Income)
<b>Valuation Point:</b>	10.30 pm on a Dealing Day for Subscription or a Dealing Day for Redemption, as appropriate
<b>Cut off Point</b>	10.30 pm on a Dealing Day for Subscription or a Dealing Day for Redemption, as appropriate
<b>Type of Shares:</b>	Income
<b>Currency of denomination:</b>	Pounds sterling
<b>Preliminary charge:</b>	1%
<b>Redemption charge:</b>	Not applicable
<b>Annual Management Charge:</b>	0.75%
<b>Minimum initial investment:</b>	£100,000
<b>Minimum investment:</b>	<b>subsequent</b> £100,000
<b>Minimum holding:</b>	£100,000
<b>Minimum redemption:</b>	£100,000
	The ACD may for each relevant class of Share waive such minima in its absolute discretion.
<b>Income allocation dates:</b>	Annual: 31 October, Interim: last day in February, Quarterly: 31 May and 30 November
<b>Regular savings plan</b>	No
<b>ISA status:</b>	Not eligible
<b>Charges taken from capital:</b>	Yes (please see below table regarding allocation of charges between capital and income).
<b>Past performance:</b>	Past performance information is set out in Appendix VII
<b>Whether Shares will be issued in any other currency:</b>	No
<b>Subscription frequency:</b>	Daily
<b>Redemption frequency:</b>	Quarterly on the first Business Day in each calendar Quarter. The ACD may introduce additional Dealing Days for Redemption at its discretion where there is sufficient liquidity in the Fund to do so. (Please also see paragraph 5.12 of this Prospectus and "Dealing Day for Redemption" below).
<b>Notice period for subscriptions:</b>	By the Valuation Point for the Dealing Day for Subscription
<b>Notice period for redemptions:</b>	Three months prior to the Valuation Point on the appropriate Dealing Day for Redemption.

The ACD will be in receipt of the instructions to redeem on the Business Day which is immediately before the appropriate Dealing Day for Redemption and this Business Day shall be deemed to be the day on which the instruction to redeem is accepted by the ACD.

The ACD retains the discretion to waive the notice period for redemptions, in whole or in part, from time to time and in relation to any redemption request received, where in the ACD's view it is in the best interests of all Shareholders in the Class to do so.

**Dealing Day for Subscription:**

Each Business Day

**Dealing Day for Redemption:**

Quarterly on the first Business Day in each calendar Quarter.

The ACD retains the discretion to introduce additional Dealing Days for Redemption from time to time where the ACD in consultation with the Depositary is of the view that any such additional Dealing Day for Redemption is in the best interests of all Shareholders in the Class.

In the event that an additional Dealing Day for Redemption is to be permitted, Shareholders will receive appropriate notice (as will be agreed with the Depositary on each occasion and taking into account factors such as the current Shareholders in the Class and the time until the next Dealing Day for Redemption).

**Allocation of Charges**

Annual management charge  
Administration  
Dealing and Registration  
Depositary  
Custody  
Valuation  
Portfolio transactions

**Income**

✓  
✓  
✓

**Capital**

✓  
✓  
✓  
✓

**Investor profile**

This Share Class is intended for use by institutional investors.

<b>Name:</b>	Class F (Institutional Net Accumulation)		
<b>Valuation Point:</b>	10.30 pm a Dealing Day for Subscription or a Dealing Day for Redemption, as appropriate		
<b>Cut off Point:</b>	10.30 pm on a Dealing Day for Subscription or a Dealing Day for Redemption, as appropriate		
<b>Type of Shares:</b>	Net accumulation		
<b>Currency of denomination:</b>	Pounds sterling		
<b>Preliminary charge:</b>	1%		
<b>Redemption charge:</b>	Not applicable		
<b>Annual Management Charge:</b>	0.75%		
<b>Minimum investment:</b>	<b>initial</b>	£100,000	
<b>Minimum investment:</b>	<b>subsequent</b>	£100,000	
<b>Minimum holding:</b>	£100,000		
<b>Minimum redemption:</b>	£100,000		
	The ACD may for each relevant class of Share waive such minima in its absolute discretion.		
<b>Income allocation dates:</b>	Annual: 31 October, Interim: last day in February, Quarterly: 31 May and 30 November		
<b>ISA status:</b>	Not eligible		
<b>Charges taken from income:</b>	Yes		
<b>Past performance:</b>	Past performance information is set out in Appendix VII		
<b>Whether Shares will be issued in any other currency:</b>	No		
<b>Subscription frequency:</b>	Daily		
<b>Redemption frequency:</b>	Quarterly on the first Business Day in each calendar Quarter, with the first Dealing Day for Redemption being 1 October 2012 The ACD may introduce additional Dealing Days for Redemption at its discretion where there is sufficient liquidity in the Fund to do so. (Please also see paragraph 5.12 of this Prospectus and "Dealing Day for Redemption" below)		
<b>Notice period for subscriptions:</b>	<b>for</b>	By the Valuation Point for the Dealing Day for Subscription	
<b>Notice period for redemptions:</b>	<b>for</b>	Three months prior to the Valuation Point on the appropriate Dealing Day for Redemption	

The ACD will be in receipt of the instructions to redeem on the Business Day which is immediately before the appropriate Dealing Day for Redemption and this Business Day shall be deemed to be the day on which the instruction to redeem is accepted by the ACD.

The ACD retains the discretion to waive the notice period for redemptions, in whole or in part, from time to time and in relation to any redemption request received, where in the ACD's view it is in the best interests of all Shareholders in the Class to do so.

**Dealing Day for Subscription:** Each Business Day

**Dealing Day for Redemption:** Quarterly on the first Business Day in each calendar Quarter, the first Dealing Day for Redemption being 1 October 2012.

The ACD retains the discretion to introduce additional Dealing Days for Redemption from time to time where the ACD in consultation with the Depositary is of the view that any such additional Dealing Day for Redemption is in the best interests of all Shareholders in the Class.

In the event that an additional Dealing Day for Redemption is to be permitted, Shareholders will receive appropriate notice (as will be agreed with the Depositary on each occasion and taking into account factors such as the current Shareholders in the Class and the time until the next Dealing Day for Redemption).

### **Investor profile**

This Share Class is intended for use by institutional and high net worth investors.

<b>Name:</b>	Class F (Institutional Net Income)	
<b>Valuation Point:</b>	10.30 pm a Dealing Day for Subscription or a Dealing Day for Redemption, as appropriate	
<b>Cut off Point:</b>	10.30 pm on a Dealing Day for Subscription or a Dealing Day for Redemption, as appropriate	
<b>Type of Shares:</b>	Income	
<b>Currency of denomination:</b>	Pounds sterling	
<b>Preliminary charge:</b>	1%	
<b>Redemption charge:</b>	Not applicable	
<b>Annual Management Charge:</b>	0.75%	
<b>Minimum investment:</b>	<b>initial</b>	£100,000
<b>Minimum investment:</b>	<b>subsequent</b>	£100,000
<b>Minimum holding:</b>	£100,000	
<b>Minimum redemption:</b>	£100,000	
	The ACD may for each relevant class of Share waive such minima in its absolute discretion.	
<b>Income allocation dates:</b>	Annual: 31 October, Interim: last day in February, Quarterly: 31 May and 30 November	
<b>ISA status:</b>	Not eligible	
<b>Charges taken from capital:</b>	Yes (please see below table regarding allocation of charges between capital and income).	
<b>Past performance:</b>	Past performance information is set out in Appendix VII	
<b>Whether Shares will be issued in any other currency:</b>	No	
<b>Subscription frequency:</b>	Daily	
<b>Redemption frequency:</b>	Quarterly on the first Business Day in each calendar Quarter. The ACD may introduce additional Dealing Days for Redemption at its discretion where there is sufficient liquidity in the Fund to do so. (Please also see paragraph 5.12 of this Prospectus and "Dealing Day for Redemption" below)	
<b>Notice period for subscriptions:</b>	<b>for</b>	By the Valuation Point for the Dealing Day for Subscription
<b>Notice period for redemptions:</b>	<b>for</b>	Three months prior to the Valuation Point on the appropriate Dealing Day for Redemption

The ACD will be in receipt of the instructions to redeem on the Business Day which is immediately before the appropriate Dealing Day for Redemption and this Business Day shall be deemed to be the day on which the instruction to redeem is accepted by the ACD.

The ACD retains the discretion to waive the notice period for redemptions, in whole or in part, from time to time and in relation to any redemption request received, where in the ACD's view it is in the best interests of all Shareholders in the Class to do so.

**Dealing Day for Subscription:** Each Business Day

**Dealing Day for Redemption:** Quarterly on the first Business Day in each calendar Quarter.

The ACD retains the discretion to introduce additional Dealing Days for Redemption from time to time where the ACD in consultation with the Depositary is of the view that any such additional Dealing Day for Redemption is in the best interests of all Shareholders in the Class.

In the event that an additional Dealing Day for Redemption is to be permitted, Shareholders will receive appropriate notice (as will be agreed with the Depositary on each occasion and taking into account factors such as the current Shareholders in the Class and the time until the next Dealing Day for Redemption).

<b>Allocation of Charges</b>	<b>Income</b>	<b>Capital</b>
Annual management charge		✓
Administration		✓
Dealing and Registration	✓	
Depositary		✓
Custody	✓	
Valuation	✓	
Portfolio transactions		✓

**Investor profile**

This Share Class is intended for use by institutional and high net worth investors.

<b>Name:</b>	Class G (Institutional Net Income)
<b>Valuation Point:</b>	10.30 pm on a Dealing Day for Subscription or a Dealing Day for Redemption, as appropriate
<b>Cut off point:</b>	10.30 pm on a Dealing Day for Subscription or a Dealing Day for Redemption, as appropriate
<b>Type of Shares:</b>	Income
<b>Currency of denomination:</b>	Pounds sterling
<b>Preliminary charge:</b>	0.5%
<b>Redemption charge:</b>	Not applicable
<b>Annual Management Charge:</b>	0.75%
<b>Minimum initial investment:</b>	£100,000
<b>Minimum subsequent investment:</b>	£100,000
<b>Minimum holding:</b>	£100,000
<b>Minimum redemption:</b>	£100,000
	The ACD may for each relevant class of Share waive such minima in its absolute discretion.
<b>Income allocation dates:</b>	Annual: 31 October, Interim: last day in February, Quarterly: 31 May and 30 November
<b>ISA status:</b>	Not eligible
<b>Charges taken from income:</b>	Yes
<b>Past performance:</b>	Past performance information is set out in Appendix VII
<b>Whether Shares will be issued in any other currency:</b>	No
<b>Subscription frequency:</b>	Daily
<b>Redemption frequency:</b>	Quarterly on the first Business Day in each calendar Quarter, with the first Dealing Day for Redemption being 1 October 2012
	The ACD may introduce additional Dealing Days for Redemption at its discretion where there is sufficient liquidity in the Fund to do so. Please see "Dealing Day for Redemption" below.
<b>Notice period for subscriptions:</b>	By the Valuation Point for the Dealing Day for Subscription
<b>Notice period for redemptions:</b>	One month prior to the Valuation Point on the appropriate Dealing Day for Redemption

The ACD retains the discretion to waive the notice period for redemptions, in whole or in part, from time to time and in relation to any redemption request received, where in the ACD's view it is in the best interests of all Shareholders in the Class to do so.

**Dealing Day for Subscription:**

Each Business Day

**Dealing Day for Redemption:**

Quarterly on the first Business Day in each calendar Quarter, the first Dealing Day for Redemption being 1 October 2012

The ACD retains the discretion to introduce additional Dealing Days for Redemption from time to time where the ACD in consultation with the Depositary is of the view that any such additional Dealing Day for Redemption is in the best interests of all Shareholders in the Class.

In the event that an additional Dealing Day for Redemption is to be permitted, Shareholders will receive appropriate notice (as will be agreed with the Depositary on each occasion and taking into account factors such as the current Shareholders in the Class and the time until the next Dealing Day for Redemption).

**Investor profile**

This Share Class is intended for use by institutional investors.

<b>Name:</b>	Class H (Accumulation)
<b>Valuation Point:</b>	10.30 pm on a Dealing Day
<b>Cut off point:</b>	10.30 pm on a Dealing Day
<b>Type of Shares:</b>	Gross accumulation
<b>Currency of denomination:</b>	Pounds sterling
<b>Preliminary charge:</b>	0%
<b>Redemption charge:</b>	N/A
<b>Annual Management Charge:</b>	0.0%
<b>Minimum initial investment:</b>	N/A
<b>Minimum subsequent investment:</b>	N/A
<b>Minimum holding:</b>	N/A
<b>Minimum redemption:</b>	N/A
	The ACD may for each relevant class of Share waive such minima in its absolute discretion.
<b>Regular savings plan</b>	Yes
<b>Income allocation dates:</b>	Annual: 31 October, Interim: last day in February, Quarterly: 31 May and 30 November
<b>ISA status:</b>	Qualifying investment for stocks and shares component
<b>Charges taken from income:</b>	Yes
<b>Past performance:</b>	Past performance information is set out in Appendix VII
<b>Whether Shares will be issued in any other currency:</b>	No
<b>Subscription frequency:</b>	Daily
<b>Redemption frequency:</b>	Daily (Please also see paragraph 5.12 of this prospectus)
<b>Notice period for subscriptions:</b>	By the Valuation Point for the Dealing Day for Subscription
<b>Notice period for redemptions:</b>	By the Valuation Point for the Dealing Day for Redemption
<b>Dealing Day for Subscription:</b>	Each Business Day
<b>Dealing Day for Redemption:</b>	Each Business Day

**Investor profile**

This Share Class is available to the TM home investor feeder fund only.

<b>Name:</b>	Class H (Income)
<b>Valuation Point:</b>	10.30 pm on a Dealing Day
<b>Cut off point:</b>	10.30 pm on a Dealing Day
<b>Type of Shares:</b>	Income
<b>Currency of denomination:</b>	Pounds sterling
<b>Preliminary charge:</b>	0%
<b>Redemption charge:</b>	N/A
<b>Annual Management Charge:</b>	0.0%
<b>Minimum initial investment:</b>	N/A
<b>Minimum subsequent investment:</b>	N/A
<b>Minimum holding:</b>	N/A
<b>Minimum redemption:</b>	N/A
	The ACD may for each relevant class of Share waive such minima in its absolute discretion.
<b>Regular savings plan</b>	Yes
<b>Income allocation dates:</b>	Annual: 31 October, Interim: last day in February, Quarterly: 31 May and 30 November
<b>ISA status:</b>	Qualifying investment for stocks and shares component
<b>Charges taken from capital:</b>	Yes (please see below table regarding allocation of charges between capital and income).
<b>Past performance:</b>	Past performance information is set out in Appendix VII
<b>Whether Shares will be issued in any other currency:</b>	No
<b>Subscription frequency:</b>	Daily
<b>Redemption frequency:</b>	Daily (Please also see paragraph 5.12 of this prospectus)
<b>Notice period for subscriptions:</b>	By the Valuation Point for the Dealing Day for Subscription
<b>Notice period for redemptions:</b>	By the Valuation Point for the Dealing Day for Redemption
<b>Dealing Day for Subscription:</b>	Each Business Day
<b>Dealing Day for Redemption:</b>	Each Business Day

<b>Allocation of Charges</b>	<b>Income</b>	<b>Capital</b>
Annual management charge		✓
Administration		✓
Dealing and Registration	✓	
Depository		✓
Custody	✓	
Valuation	✓	
Portfolio transactions		✓

**Investor profile**

This Share Class is available to the TM home investor feeder fund only.

<b>Name:</b>	Class X (Accumulation)
<b>Valuation Point:</b>	10.30 pm on a Dealing Day
<b>Cut off point:</b>	10.30 pm on a Dealing Day
<b>Type of Shares:</b>	Net accumulation
<b>Currency of denomination:</b>	Pounds sterling
<b>Preliminary charge:</b>	0%
<b>Redemption charge:</b>	N/A
<b>Annual Management Charge:</b>	1.10%
<b>Minimum initial investment:</b>	£100
<b>Minimum subsequent investment:</b>	£100
<b>Minimum holding:</b>	£100
<b>Minimum redemption:</b>	£100
	The ACD may for each relevant class of Share waive such minima in its absolute discretion.
<b>Regular savings plan</b>	No
<b>Income allocation dates:</b>	Annual: 31 October, Interim: last day in February, Quarterly: 31 May and 30 November
<b>ISA status:</b>	Qualifying investment for stocks and shares component
<b>Charges taken from income:</b>	Yes
<b>Past performance:</b>	Past performance information is set out in Appendix VII
<b>Whether Shares will be issued in any other currency:</b>	No
<b>Subscription frequency:</b>	Daily
<b>Redemption frequency:</b>	Daily (Please also see paragraph 5.12 of this prospectus)
<b>Notice period for subscriptions:</b>	By the Valuation Point for the Dealing Day for Subscription
<b>Notice period for redemptions:</b>	By the Valuation Point for the Dealing Day for Redemption
<b>Dealing Day for Subscription:</b>	Each Business Day
<b>Dealing Day for Redemption:</b>	Each Business Day

**Investor profile**

This Share Class is restricted to:

- (i) institutional investors (or their nominee companies);
- (ii) investors that, (whether investing in their own name or on behalf of underlying investors) have arrangements for this share class with the ACD or its associates.

**who invest through the TM home investor website at [www.homeinvestor.fund](http://www.homeinvestor.fund)**

The ACD has discretion to accept initial or subsequent investments of lower amounts.

<b>Name:</b>	Class X (Income)
<b>Valuation Point:</b>	10.30 pm on a Dealing Day
<b>Cut off point:</b>	10.30 pm on a Dealing Day
<b>Type of Shares:</b>	Net accumulation
<b>Currency of denomination:</b>	Pounds sterling
<b>Preliminary charge:</b>	0%
<b>Redemption charge:</b>	N/A
<b>Annual Management Charge:</b>	1.10%
<b>Minimum initial investment:</b>	£100
<b>Minimum subsequent investment:</b>	£100
<b>Minimum holding:</b>	£100
<b>Minimum redemption:</b>	£100
	The ACD may for each relevant class of Share waive such minima in its absolute discretion.
<b>Regular savings plan</b>	No
<b>Income allocation dates:</b>	Annual: 31 October, Interim: last day in February, Quarterly: 31 May and 30 November
<b>ISA status:</b>	Qualifying investment for stocks and shares component
<b>Charges taken from capital:</b>	Yes (please see below table regarding allocation of charges between capital and income).
<b>Past performance:</b>	Past performance information is set out in Appendix VII
<b>Whether Shares will be issued in any other currency:</b>	No
<b>Subscription frequency:</b>	Daily
<b>Redemption frequency:</b>	Daily (Please also see paragraph 5.12 of this prospectus)
<b>Notice period for subscriptions:</b>	By the Valuation Point for the Dealing Day for Subscription
<b>Notice period for redemptions:</b>	By the Valuation Point for the Dealing Day for Redemption
<b>Dealing Day for Subscription:</b>	Each Business Day
<b>Dealing Day for Redemption:</b>	Each Business Day

<b>Allocation of Charges</b>	<b>Income</b>	<b>Capital</b>
Annual management charge		✓
Administration		✓
Dealing and Registration	✓	
Depository		✓
Custody	✓	
Valuation	✓	
Portfolio transactions		✓

### **Investor profile**

This Share Class is restricted to:

- (i) institutional investors (or their nominee companies);
- (ii) investors that, (whether investing in their own name or on behalf of underlying investors) have arrangements for this share class with the ACD or its associates.

### APPENDIX III

#### ELIGIBLE SECURITIES MARKETS AND ELIGIBLE DERIVATIVES MARKETS

The Company may deal through securities markets which are regulated markets (as defined in the FCA Glossary) or markets established in the UK or an EEA State which are regulated, operate regularly and are open to the public (except Iceland).

The Company may also deal through the securities markets and derivatives markets indicated below. **Please note that in the case of TM home investor fund in accordance with the investment objective and policy of that Fund, only a small proportion of Scheme Property of that Fund is likely to be invested on such markets.**

<b>For approved securities</b>
American Stock Exchange Boston Stock Exchange Channel Islands Stock Exchange (Guernsey/ Jersey) Chicago Stock Exchange London Stock Exchange Montreal Stock Exchange New York Stock Exchange Nordic Growth Market, Stockholm Stock Exchange NYSE Arca Oslo Stock Exchange Philadelphia Stock Exchange Swiss Exchange (SWX)
Any stock exchange or regulated market which is located in a Member State who joined before 1st May 2004 and certain others who joined on 1 May 2004*
International Capital Market Association (ICMA) The London Alternative Investment Market (AIM)
A market made by dealers which are regulated by the Federal Reserve Bank of New York and the United States Securities and Exchange Commission
A market made by dealers which are regulated by the United States National Association of Securities Dealers and the United States Securities and Exchange Commission

\* Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Portugal, Spain, Sweden, Netherlands, UK, Czech Republic, Hungary, Lithuania, Poland and Slovakia.

**For approved derivatives**

American Stock Exchange (AMEX)  
Chicago Board of Options Exchange (CBOE)  
CME Group  
EUREX  
Euronext - Amsterdam  
Euronext - LIFFE  
Helsinki Exchanges  
Kansas City Board of Trade  
New York Mercantile Exchange (NYMEX)  
NYSE Arca  
EDX London (Formerly OMLX)  
MEFF Renta fija  
MEFF Renta Variable

Any stock exchange or regulated market which is located in a Member State who joined before 1st May 2004 and certain others who joined on 1 May 2004\*

\* Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Portugal, Spain, Sweden, Netherlands, UK, Czech Republic, Hungary, Lithuania, Poland and Slovakia.

## APPENDIX IV

### INVESTMENT AND BORROWING POWERS OF THE COMPANY

#### 1. General

- 1.1 The Scheme Property of each Fund will be invested with the aim of achieving the investment objective of that Fund, but subject to the limits set out in its investment policy set out in Appendix I, this Prospectus and Chapter 5 of the COLL Sourcebook ("COLL") as it applies to non-UCITS retail schemes.

At the date of the Prospectus, the Company has only one sub-fund, TM home investor fund. It is intended that this Fund be a PAIF at all times. HM Revenue & Customs has provided confirmation to the ACD, that TM home investor fund meets the requirements to qualify as a PAIF under Regulation 690 of the Tax Regulations.

The Scheme Property of TM home investor fund will be invested with the aim of achieving the investment objective of TM home investor fund, but subject to the limits set out in its investment policy set out in Appendix I, this Prospectus, the limits set out in Chapter 5 of the COLL Sourcebook ("COLL 5") that are applicable to non-UCITS retail schemes and the relevant provisions of the Tax Regulations.

Consequently, the net income of TM home investor fund deriving from Property Investment Business will be at least 60% of that Fund's net income in each of the Company's accounting periods, and the value of the assets involved in Property Investment Business will be at least 60% of the value of the total value of the assets held by the Fund at the end of each of the Company's accounting periods. For the purpose of this paragraph, net income means the amount falling to be dealt with under the heading "net revenue/expenses before taxation" in TM home investor fund's statement of total return for the period.

From time to time and in particular during periods of uncertain or volatile markets, the Investment Manager may choose to hold a substantial proportion of the property of TM home investor fund in money-market instruments and/or cash deposits, provided that TM home investor fund satisfies all those provisions in the Tax Regulations required for it to maintain its PAIF tax status.

#### 1.2 Prudent spread of risk

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

#### 1.3 Cover

1.3.1 Where the COLL Sourcebook allows a transaction to be entered into or an investment to be retained only (for example, investment in warrants and nil and partly paid securities and the general power to accept or underwrite) if possible obligations arising out of the investment transactions or out of the retention would not cause any breach of any limits in COLL 5, it must be assumed that the maximum possible liability of the Fund under any other of those rules has also to be provided for.

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

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

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

## 2. **Investment in immovable property**

- 2.1 "Property Investment Business" is defined in the Tax Regulations at the time of this prospectus as property rental business (meaning property rental business within the meaning given by section 104 Finance Act 2006, and the property rental business of any intermediate holding vehicle), owning Shares in UK real estate investment trusts (REITs), and shares or units in non-UK REITs.
- 2.2 Each Fund may invest up to 100% in value of its Scheme Property in eligible immovables, both directly and indirectly, through transferable securities, collective investment schemes (including ETFs) and securities issued by intermediate property holding companies. All investments will be made in the manner described in the Investment Policy of each Fund as set out in Appendix I
- 2.3 Not more than 15% in value of a Fund is to consist of any one immovable. Immovables within COLL5.6.18R4(b) must be regarded as one immovable. The figure of 15% may be increased to 25% once the immovable has been included in the Scheme Property of that Fund.
- 2.4 Income received from any one group in an accounting period must not be attributable to immovables comprising (a) more than 25%; or (b) in the case of a government or public body, more than 35%, of the value of the Scheme Property of a Fund.
- 2.5 Not more than 20% in value of the Scheme Property of a Fund is to consist of mortgaged immovables and any mortgage must not secure more than 100% of the valuation received from an appropriate valuer.
- 2.6 The aggregate of any mortgages under paragraph 2.5, any borrowings under COLL 5.6.22R(5) and any transferable securities which are not approved securities must not at any time exceed 20% of the value of Scheme Property of a Fund.
- 2.7 A Fund may invest up to 50% of its Scheme Property in immovables which are unoccupied and non-income producing or in the course of substantial development, redevelopment or refurbishment.
- 2.8 The Company may grant an option to a third party to buy an immovable in the Scheme Property of a Fund provided the value of the relevant immovable does not exceed 20% of the value of the Scheme Property of the relevant Fund together with, where appropriate, the value of investments in (a) unregulated collective investment schemes; and (b) any transferable securities which are not approved securities.
- 2.9 Any furniture, fittings or other contents of any building may be regarded as part of the relevant immovable.
- 2.10 The ACD may undertake, where appropriate, property development and funding of such development to the extent permitted by COLL.
- 2.11 **Eligible Immovables**
- 2.11.1 Subject to FCA approval and COLL 4.3, the Company on behalf of a Fund may acquire land or a building which is situated in the United Kingdom but which is held in an offshore holding structure which is itself a permitted investment for the purposes of COLL 5.6.
- 2.11.2 The ACD must take reasonable care to determine that the title to the underlying immovable is a good marketable title.
- 2.11.3 The ACD must have received a report from an appropriate valuer which contains a valuation of the underlying immovable (with and without any relevant subsisting mortgage) and which states that in the appropriate valuer's opinion the immovable would, if acquired by the Company on behalf of a Fund or the intermediate investment vehicle, be capable of being disposed of in a reasonable timeframe at that valuer's valuation;

or

the ACD must have received a report from an appropriate valuer stating that the immovable is adjacent to, or in the vicinity of another immovable included in the relevant Fund or is another legal interest in an immovable which is already included in the property of that Fund, and that in the opinion of the appropriate valuer, the total value of both immovables would at least equal the sum of the price payable for the immovable and the existing value of the other immovable.

- 2.11.4 An immovable must be bought or be agreed by enforceable contract to be bought within six months after receipt of the report of the appropriate valuer. An immovable must not be bought, if it is apparent to the ACD that the report of the appropriate valuer could no longer reasonably be relied on. An immovable must not be bought at more than 105% of the valuation for the relevant immovable in the report of the appropriate valuer.
- 2.11.5 In circumstances where in a particular jurisdiction it is practical to sell the underlying immovable together with the holding vehicle, the valuations referred to above may be of the holding vehicle and the property as its asset.
- 2.11.6 An appropriate valuer must be a person who has knowledge of and experience in the valuation of immovables of the relevant kind in the relevant area. In addition, an appropriate valuer must be qualified to be a standing independent valuer of a non-UCITS retail scheme or be considered by the Standing Independent Valuer to hold an equivalent qualification. An appropriate valuer must also be independent of the ACD and the Depositary and must not have engaged himself or any of his Associates in relation to the finding of the immovable for the Company. Additional information on the Standing Independent Valuer is provided in Section 2(7) of this Prospectus.

### 3. **Non-UCITS retail schemes - general**

- 3.1 Subject to the investment objective and policy of a Fund, the Scheme Property of a Fund must, except where otherwise provided in COLL 5 only consist of any or all of:
  - 3.1.1 transferable securities;
  - 3.1.2 money market instruments;
  - 3.1.3 units or Shares in permitted collective investment schemes;
  - 3.1.4 permitted derivatives and forward transactions;
  - 3.1.5 permitted deposits; and
  - 3.1.6 permitted immovables.
- 3.2 Transferable securities and money market instruments held within a Fund must (subject to paragraph 3.4 of this Appendix) be:
  - 3.2.1 admitted to or dealt on an eligible market as described in paragraph 7.3 below;
  - 3.2.2 be approved money market instruments not admitted or dealt in on an eligible market below which satisfy the requirement of paragraphs 12 (Investment in money market instruments) and 14 (Appropriate information for money market instruments) in this Appendix;
  - 3.2.3 recently issued transferable securities provided that:
    - 3.2.3.1 the terms of issue include an undertaking that application will be made to be admitted on an eligible market; and

3.2.3.2 such admission is secured within a year of issue.

3.3 Transferable securities held within the Company must also satisfy the criteria in COLL 5.2.7 AR, COLL 5.2.7 CR and COLL 5.2.7 ER for the purpose of investment by a UK UCITS scheme.

3.4 Not more than 20% in value of the Scheme Property of a Fund is to consist of transferable securities, which are not approved securities (aggregated with the value of the Scheme Property of a Fund which can be invested in unregulated collective investment schemes as set out in paragraph 10) or money market instruments which are liquid and have a value which can be determined accurately at any time.

3.5 The requirements on spread of investments generally and in relation to investment in government and public securities, do not apply until 12 months after the later of:

3.5.1 the date when the authorisation order in respect of the Fund takes effect; and

3.5.2 the date the initial offer commenced,

provided that the requirement to maintain prudent spread of risk in paragraph 1.1 of this Appendix is complied with.

#### 4. **Transferable Securities**

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

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

4.3 In applying paragraph 4.2 to an investment which is issued by a body corporate, and which is an investment falling within articles 76 (shares, etc) or 77 (instruments creating or acknowledging indebtedness) of the Regulated Activities Order, the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored.

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

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

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

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

4.5.3 reliable valuation is available for it as follows:

4.5.3.1 in the case of a transferable security admitted to or dealt 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;

4.5.3.2 in the case of a transferable security not admitted to or dealt 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;

- 4.5.4 appropriate information is available for it as follows:
  - 4.5.4.1 in the case of a transferable security admitted to or dealt 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;
  - 4.5.4.2 in the case of a transferable security not admitted to or dealt 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;
- 4.5.5 it is negotiable; and
- 4.5.6 its risks are adequately captured by the risk management process of the ACD.
- 4.6 Unless there is information available to the ACD that would lead to a different determination, a transferable security which is admitted to or dealt on an eligible market shall be presumed:
  - 4.6.1 not to compromise the ability of the ACD to comply with its obligation to redeem Shares at the request of any qualifying Shareholder; and
  - 4.6.2 to be negotiable.
- 4.7 The Company may invest in warrants.
- 5. **Closed-end funds constituting transferable securities**
  - 5.1 A unit or a share in a closed-end fund shall be taken to be a transferable security for the purposes of investment by the Company, provided it fulfils the criteria for transferable securities set out in paragraph 4.5 and 4.6 and either:
    - 5.1.1 where the closed-end fund is constituted as an investment company or a unit trust:
      - 5.1.1.1 it is subject to corporate governance mechanisms applied to companies; and
      - 5.1.1.2 where another person carries out asset management activity on its behalf, that person is subject to national regulation for the purpose of investor protection; or
    - 5.1.2 where the closed-end fund is constituted under the law of contract:
      - 5.1.2.1 it is subject to corporate governance mechanisms equivalent to those applied to companies; and
      - 5.1.2.2 it is managed by a person who is subject to national regulation for the purpose of investor protection.
- 6. **Transferable securities linked to other assets**
  - 6.1 A Fund may invest in any other investment which shall be taken to be a transferable security for the purposes of investment by the Company provided the investment:
    - 6.1.1 fulfils the criteria for transferable securities set out in paragraph 4.5 and 4.6 above; and
    - 6.1.2 is backed by or linked to the performance of other assets, which may differ from those in which that Fund can invest.

6.2 Where an investment in 6.1 contains an embedded derivative component, the requirements of this section with respect to derivatives and forwards will apply to that component.

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

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

7.2 Where a market ceases to be eligible, investments on that market cease to be approved securities. The 20% restriction on investing in non-approved securities applies and exceeding this limit because a market ceases to be eligible will generally be regarded as an inadvertent breach.

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

7.3.1 a regulated market as defined in the Handbook; or

7.3.2 a market in the UK or an EEA State which is regulated, operates regularly and is open to the public.

7.4 A market not falling within paragraph 7.3 of this Appendix is eligible for the purposes of COLL 5 if:

7.4.1 the ACD, after consultation and notification with the Depositary, decides that market is appropriate for investment of, or dealing in, the Scheme Property of a Fund;

7.4.2 the market is included in a list in the Prospectus; and

7.4.3 the Depositary has taken reasonable care to determine that:

7.4.3.1 adequate custody arrangements can be provided for the investment dealt in on that market; and

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

7.5 In paragraph 7.4.1, a market must not be considered appropriate unless it is regulated, operates regularly, is recognised, is open to the public, is adequately liquid and has adequate arrangements for unimpeded transmission of income and capital to or for the order of investors.

## 8. **Spread: general**

8.1 This paragraph does not apply in respect of a transferable security or an approved money-market instrument to which paragraph 9 applies.

8.2 Not more than 20% in value of the Scheme Property of a Fund is to consist of deposits with a single body.

8.3 Not more than 10% in value of the Scheme Property of a Fund is to consist of transferable securities or money market instruments issued by any single body subject to COLL 5.6.23R (Schemes replicating an index).

8.4 The limit of 10% in paragraph 8.3 above is raised to 25% in value of the Scheme Property of a Fund in respect of covered bonds (the Company does not currently invest in covered bonds).

8.5 In applying paragraph 8.3, certificates representing certain securities are to be treated as equivalent to the underlying security.

8.6 Not more than 35% in value of the Scheme Property of a Fund is to consist of the units or shares of any one collective investment scheme.

- 8.7 The exposure to any one counterparty in an OTC derivative transaction must not exceed 10% in value of the Scheme Property of a Fund.
- 8.8 For the purpose of calculating the limit in paragraph 8.7, the exposure in respect of an OTC derivative may be reduced to the extent that collateral is held in respect of it if the collateral meets each of the following conditions:
- 8.8.1 it is marked-to-market on a daily basis and exceeds the value of the amount at risk;
  - 8.8.2 it is exposed only to negligible risks (e.g. government bonds of first credit rating or cash) and is liquid;
  - 8.8.3 it is held by a third party custodian not related to the provider or is legally secured from the consequences of a failure of a related party; and
  - 8.8.4 can be fully enforced by the Company on behalf of a Fund at any time.
- 8.9 For the purposes of calculating the limits in paragraph 8.7, OTC derivative positions with the same counterparty may be netted provided that the netting procedures:
- 8.9.1 comply with the conditions set out in Part 3, Title II, Chapter 6, Section 7 (Contractual netting (Contracts for novation and other netting agreements)) of the UK CRR; and
  - 8.9.2 are based on legally binding agreements.
- 8.10 In applying this paragraph (Spread: general), all derivatives transactions are deemed to be free of counterparty risk if they are performed on an exchange where the clearing house meets each of the following conditions:
- 8.10.1 it is backed by an appropriate performance guarantee; and
  - 8.10.2 it is characterised by a daily mark-to-market valuation of the derivative positions and at least daily margining.
- 8.11 For the purposes of this paragraph 8, companies included in the same group for the purposes of consolidated accounts as defined in section 399 of the Companies Act 2006, Directive 2013/34/EU, or in the same group in accordance with international accounting standards, are regarded as a single body.
9. **Spread: government and public securities**
- 9.1 The following section applies in respect of a transferable security or an approved money-market instrument ("such securities") that is issued by:
- 9.1.1 the UK;
  - 9.1.2 an EEA State;
  - 9.1.3 a local authority of the UK or an EEA State;
  - 9.1.4 a non-EEA State; or
  - 9.1.5 a public international body to which the UK or one or more EEA States belong.
- 9.2 Where no more than 35% in value of the Scheme Property of a 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.
- 9.3 The Company may invest more than 35% in value of the Scheme Property of a Fund in such securities issued by any one body provided that:

- 9.3.1 the ACD has before any such investment is made consulted with the Depositary and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objective of the relevant Fund;
- 9.3.2 no more than 30% in value of the Scheme Property of a Fund consists of such securities of any one issue;
- 9.3.3 the Scheme Property of a Fund includes such securities issued by that or another issuer, of at least six different issues;
- 9.3.4 the disclosures in the Prospectus required by the FCA have been made.

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

10.1 Unless otherwise specified in this section, up to 25% of the value of the Scheme Property of a Fund may be invested in units or Shares in other collective investment schemes (each a "Second Scheme") provided that Second Scheme satisfies all of the conditions set out below. In relation to TM home investor fund and any other Fund which is a PAIF scheme, such investment is limited to the extent required to comply with the PAIF Regulations. The TM home investor fund may invest only up to 10% of the value of its Scheme Property in Second Schemes.

- 10.1.1 The Second Scheme must:
  - 10.1.1.1 be a UK UCITS or satisfy the conditions necessary for it to enjoy the rights conferred by the UCITS Directive as implemented in the EEA; or
  - 10.1.1.2 be authorised as a non-UCITS retail scheme; or
  - 10.1.1.3 be recognised under the provisions of s.264 or s.272 of the Financial Services and Markets Act 2000; or
  - 10.1.1.4 be constituted outside the United Kingdom and have investment and borrowing powers which are the same or more restrictive than those of a non-UCITS retail scheme; or
  - 10.1.1.5 be a scheme not falling within paragraphs 10.1.1.1 to 10.1.1.4 and in respect of which no more than 20% in value of the Scheme Property of a Fund (including any transferable securities which are not approved securities) is invested.
- 10.1.2 The Second Scheme is a scheme which operates on the principle of the prudent spread of risk.
- 10.1.3 The Second Scheme is prohibited from having more than 15% in value of the property of that scheme consisting of units or shares in collective investment schemes.
- 10.1.4 The participants in the Second Scheme must be entitled to have their units or Shares redeemed in accordance with the scheme at a price related to the net value of the property to which the units or shares relate and determined in accordance with the scheme.
- 10.1.5 Where the Second Scheme is an umbrella, the provisions in paragraphs 10.1.2 to 10.1.4 and COLL 5.6.7 R (Spread: general) apply to each sub-fund as if it were a separate scheme.

10.2 A list of the locations of the establishment of any second schemes which the Company may invest in from time to time is shown in Appendix IX.

- 10.3 The Scheme Property attributable to a Fund may include Shares in another Fund of the Company (the "Second Fund") subject to the requirements of paragraph 10.4 below.
- 10.4 A Fund may invest in or dispose of Shares of a Second Fund provided that:
- 10.4.1 the Second Fund does not hold Shares in any other Fund of the Company;
  - 10.4.2 the requirements set out at paragraphs 10.5 and 10.6 below are complied with; and
  - 10.4.3 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.
- 10.5 Investment may only be made in a Second Fund or other collective investment schemes managed by the ACD or an associate of the ACD if the Prospectus of the Company clearly states that the Funds may enter into such investments and the rules on double charging contained in the COLL Sourcebook are complied with.
- 10.6 Where a Fund of the Company invests in or disposes of Shares in a Second Fund or units or shares in another collective investment scheme which is managed or operated by the ACD or an associate of the ACD, the ACD must pay to that Fund by the close of business on the fourth Business Day the amount of any preliminary charge in respect of a purchase, and in the case of a sale, any charge made for the disposal.
- 10.7 The Company may, subject to the limit set out in 10.1 above, invest in collective investment schemes managed or operated by, or whose authorised corporate director is, the ACD of the Company or one of its associates.

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

A transferable security or an approved money-market instrument on which any sum is unpaid falls within a power of investment only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Fund, at the time when payment is required, without contravening the rules in COLL 5.

#### **12. Investment in money market instruments**

- 12.1 A Fund may invest up to 100% in money-market instruments which are within the provisions of 3.2 above or 12.2 below and, subject to the limit of 20% referred to in 3.4 above, which are normally dealt in or on the money market, are liquid and the value of which can be accurately determined at any time.
- 12.2 In addition to instruments admitted to or dealt in on an eligible market, a Fund may invest in an approved money-market instrument provided it fulfils the following requirements:
- 12.2.1 the issue or the issuer is regulated for the purpose of protecting investors and savings; and
  - 12.2.2 the instrument is issued or guaranteed in accordance with COLL 5.2.10BR.
- 12.3 The issue or the issuer of a money-market instrument, other than one dealt in on an eligible market, shall be regarded as regulated for the purpose of protecting investors and savings if:
- 12.3.1 the instrument is an approved money-market instrument;
  - 12.3.2 appropriate information is available for the instrument (including Information which allows an appropriate assessment of the credit risks related to investment in it), in accordance with COLL 5.2.10CR; and
  - 12.3.3 the instrument is freely transferable.

### 13. **Issuers and guarantors of money-market instruments**

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

13.1.1 issued or guaranteed by any one of the following:

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

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

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

13.1.1.4 the European Union or the European Investment Bank;

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

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

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

13.1.3 issued or guaranteed by an establishment which is:

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

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

13.2 An establishment shall be considered to satisfy the requirement in 13.1.3.2 if it is subject to and complies with prudential rules, and fulfils one or more of the following criteria:

13.2.1 it is located in the UK or the EEA;

13.2.2 it is located in an OECD country belonging to the Group of Ten;

13.2.3 it has at least investment grade rating;

13.2.4 on the basis of an in-depth analysis of the issuer, it can be demonstrated that the prudential rules applicable to that issuer are at least as stringent as those laid down by UK or EU law.

### 14. **Appropriate information for money-market instruments**

14.1 In the case of an approved money-market instrument within 13.1.2 or issued by a body of the type referred to in COLL 5.2.10EG, or which is issued by an authority within or a public international body within 13.1.1.2 but is not guaranteed by a central authority within 13.1.1.1 the following information must be available:

14.1.1 information on both the issue or the issuance programme, and the legal and financial situation of the issuer prior to the issue of the instrument, verified by appropriately qualified third parties not subject to instructions from the issuer;

14.1.2 updates of that information on a regular basis and whenever a significant event occurs; and

14.1.3 available and reliable statistics on the issue or the issuance programme.

- 14.2 In the case of an approved money-market instrument issued or guaranteed by an establishment within 13.1.3 the following information must be available:
- 14.2.1 information on the issue or the issuance programme or on the legal and financial situation of the issuer prior to the issue of the instrument;
  - 14.2.2 updates of that information on a regular basis and whenever a significant event occurs; and
  - 14.2.3 available and reliable statistics on the issue or the issuance programme, or other data enabling an appropriate assessment of the credit risks related to investment in those instruments.

14.3 In the case of an approved money-market instrument:

- 14.3.1 within 13.1.1.1, 13.1.1.4 or 13.1.1.5; or
- 14.3.2 which is issued by an authority within 13.1.1.2 or a public international body within 13.1.1.6 and is guaranteed by a central authority within 13.1.1.1;

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

## 15. **Derivatives: General**

**The Investment Manager may employ derivatives solely for the purposes of hedging in accordance with Efficient Portfolio Management.**

- 15.1 A transaction in derivatives or a forward transaction must not be effected for a Fund unless the transaction is of a kind specified in paragraph 17 (Permitted transactions (derivatives and forwards)) below, and the transaction is covered, as required by paragraph 24 (Cover for transactions in derivatives and forward transactions).
- 15.2 Where the Company invests in derivatives, the exposure to the underlying assets must not exceed the limits set out in the COLL Sourcebook in relation to spread (COLL 5.2.11R Spread: general, COLL 5.2.12R Spread: government and public securities) except for index based derivatives where the rules below apply.
- 15.3 Where a transferable security or approved money-market instrument embeds a derivative, this must be taken into account for the purposes of complying with this section.
- 15.4 A transferable security or an approved money-market instrument will embed a derivative if it contains a component which fulfils the following criteria:
- 15.4.1 by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or approved money-market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, and therefore vary in a way similar to a stand-alone derivative;
  - 15.4.2 its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and
  - 15.4.3 it has a significant impact on the risk profile and pricing of the transferable security or approved money-market instrument.
- 15.5 A transferable security or an approved money-market instrument does not embed a derivative where it contains a component which is contractually transferable independently of the transferable security or the approved money-market instrument. That component shall be deemed to be a separate instrument.

15.6 Where a Fund invests in an index based derivative, provided the relevant index falls within COLL 5.6.23R (Relevant Indices) the underlying constituents of the index do not have to be taken into account for the purposes of COLL 5.6.7R and COLL 5.6.8R.

## 16. **Efficient Portfolio Management**

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

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

16.2.1 Transactions undertaken to reduce risk or cost in terms of fluctuations in prices, interest rates or exchange rates where the ACD reasonably believes that the transaction will diminish a risk or cost of a kind or level which it is sensible to reduce; or

16.2.2 Transactions for the generation of additional capital growth or income for a Fund by taking advantage of gains which the ACD reasonably believes are certain to be made (or certain, barring events which are not reasonably foreseeable) as a result of:

16.2.2.1 pricing imperfections in the market as regards the property which the Fund holds or may hold; or

16.2.2.2 receiving a premium for the writing of a covered call option or a cash covered put option on property of that Fund which the Fund is willing to buy or sell at the exercise price; or

16.2.2.3 stock-lending arrangements.

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

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

## 17. **Permitted transactions (derivatives and forwards)**

17.1 A transaction in a derivative must be:

17.1.1 in an approved derivative; or

17.1.2 be one which complies with paragraph 21 (OTC transactions in derivatives).

17.2 A transaction in a derivative must have the underlying consisting of any one or more of the following to which the Fund is dedicated:

17.2.1 transferable securities;

- 17.2.2 money-market instruments;
  - 17.2.3 deposits;
  - 17.2.4 permitted derivatives under this paragraph;
  - 17.2.5 collective investment scheme units permitted under paragraph 10 (Investment in collective investment schemes);
  - 17.2.6 permitted immovables;
  - 17.2.7 gold;
  - 17.2.8 financial indices which satisfy the criteria set out in COLL 5.2.20R;
  - 17.2.9 interest rates;
  - 17.2.10 foreign exchange rates; and
  - 17.2.11 currencies.
- 17.3 The exposure to the underlyings in paragraph 17.2 above must not exceed the limits in paragraph 8 above.
- 17.4 A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market.
- 17.5 A transaction in a derivative must not cause the Fund to diverge from its investment objectives as stated in the Instrument of Incorporation and the most recently published version of this Prospectus.
- 17.6 A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of transferable securities, money-market instruments, units in collective investment schemes, or derivatives, provided that a sale is not to be considered as uncovered if the conditions in paragraph 20.2 are satisfied.
- 17.7 Any forward transaction must be with an Eligible Institution or an Approved Bank (as defined in the Handbook).
- 18. Financial indices underlying derivatives**
- 18.1 The financial indices referred to in paragraph 17.2 are those which satisfy the following criteria:
- 18.1.1 the index is sufficiently diversified;
  - 18.1.2 the index represents an adequate benchmark for the market to which it refers; and
  - 18.1.3 the index is published in an appropriate manner.
- 18.2 A financial index is sufficiently diversified if:
- 18.2.1 it is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;
  - 18.2.2 where it is composed of assets in which the Fund is permitted to invest, its composition is at least diversified in accordance with the requirements with respect to spread and concentration set out in this Appendix; and
  - 18.2.3 where it is composed of assets in which the Fund cannot invest, it is diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration set out in this Appendix.

- 18.3 A financial index represents an adequate benchmark for the market to which it refers if:
- 18.3.1 it measures the performance of a representative group of underlyings in a relevant and appropriate way;
  - 18.3.2 it is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers, following criteria which are publicly available; and
  - 18.3.3 the underlyings are sufficiently liquid, allowing users to replicate it if necessary.
- 18.4 A financial index is published in an appropriate manner if:
- 18.4.1 its publication process relies on sound procedures to collect prices, and calculate and subsequently publish the index value, including pricing procedures for components where a market price is not available; and
  - 18.4.2 material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.
- 18.5 Where the composition of underlyings of a transaction in a derivative does not satisfy the requirements for a financial index, the underlyings for that transaction shall where they satisfy the requirements with respect to other underlyings pursuant to paragraph 17.2 be regarded as a combination of those underlyings.

**19. Transactions for the purchase of property**

- 19.1 A derivative or forward transaction which will or could lead to the delivery of property for the account of the Company may be entered into only if that property can be held for the account of the Company, and the ACD having taken reasonable care determines that delivery of the property under the transaction will not occur or will not lead to a breach of the rules in the COLL Sourcebook.

**20. Requirement to cover sales**

- 20.1 No agreement by or on behalf of the Fund to dispose of property or rights may be made unless the obligation to make the disposal and any other similar obligation could immediately be honoured by the Fund by delivery of property or the assignment (or, in Scotland, assignation) of rights, and the property and rights above are owned by the Company at the time of the agreement. This requirement does not apply to a deposit.
- 20.2 The above does not apply where:
- 20.2.1 the risks of the underlying financial instrument of a derivative can be appropriately represented by another financial instrument and the underlying financial instrument is highly liquid; or
  - 20.2.2 the ACD or the Depositary has the right to settle the derivative in cash and cover exists within the Scheme Property of the Fund which falls within one of the following asset classes:
    - 20.2.2.1 cash;
    - 20.2.2.2 liquid debt instruments (e.g. government bonds of first credit rating) with appropriate safeguards (in particular, haircuts); or
    - 20.2.2.3 other highly liquid assets having regard to their correlation with the underlying of the financial derivative instruments, subject to appropriate safeguards (e.g. haircuts where relevant).

20.3 In the asset classes referred to in paragraph 20.2, an asset may be considered as liquid where the instrument can be converted into cash in no more than seven Business Days at a price closely corresponding to the current valuation of the financial instrument on its own market.

## 21. **OTC transactions in derivatives**

21.1 Any transaction in an OTC derivative under paragraph 17.1.2 must be:

21.1.1 in a future or an option or a contract for differences;

21.1.2 with an approved counterparty; a counterparty to a transaction in derivatives is approved only if the counterparty is an Eligible Institution or an Approved Bank; or a person whose permission (including any requirements or limitations), as published in the FCA Register or whose Home State authorisation, permits it to enter into the transaction as principal off-exchange; a CCP that is authorised in that capacity for the purposes of EMIR; a CCP that is recognised in that capacity in accordance with the process set out in article 25 of EMIR; or to the extent not already covered, a CCP supervised in a jurisdiction that has implemented the relevant G20 reforms on OTC derivatives to at least the same extent as the United Kingdom and is identified as having done so by the Financial Stability Board in its summary report on progress in implementation of G20 regulatory reforms dated 25 June 2019;

21.1.3 on approved terms; the terms of the transaction in derivatives are approved only if the ACD: carries out, at least daily, a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and which does not rely only on market quotations by the counterparty, and can enter into one or more further transactions to sell, liquidate or close out that transaction at any time, at its fair value;

21.1.4 capable of reliable valuation; a transaction in derivatives is capable of reliable valuation only if the ACD having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy:

21.1.4.1 on the basis of an up-to-date market value which the ACD and the Depositary have agreed is reliable; or

21.1.4.2 if the value referred to in paragraph 21.1.4.1 is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and

21.1.5 subject to verifiable valuation: a transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into), verification of the valuation is carried out by:

21.1.5.1 an appropriate third party which is independent from the counterparty of the derivative at an adequate frequency and in such a way that the ACD is able to check it; or

21.1.5.2 a department within the ACD which is independent from the department in charge of managing the Scheme Property and which is adequately equipped for such a purpose.

21.2 For the purposes of paragraph 21.1.3 "fair value" is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

## 22. **Risk management**

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

23. **Investments in deposits**

A Fund may invest in deposits only with an Approved Bank and which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months.

24. **Cover for transactions in derivatives and forward transactions**

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

24.2 Cover ensures that the Fund is not exposed to the risk of loss of property, including money, to an extent greater than the net value of its Scheme Property. Therefore, the Fund must hold Scheme Property sufficient in value or amount to match the exposure arising from a derivative obligation to which the Fund is committed. Detailed requirements for cover of the Fund are set out below.

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

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

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

24.6 Exposure is covered globally if adequate cover from within the Scheme Property of a Fund is available to meet the Fund'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.

24.7 Cash not yet received into the Scheme Property of a Fund but due to be received within one month is available as cover.

24.8 Property 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.

24.9 The global exposure relating to derivatives may not exceed the net value of the Scheme Property of a Fund.

25. **Borrowing**

25.1 Cash obtained from borrowing, and borrowing which the ACD reasonably regards an Eligible Institution or an Approved Bank to be committed to provide, is available for cover under paragraph 24 of this Appendix as long as the normal limits on borrowing (see below) are observed.

25.2 Where, for the purposes of this paragraph a Fund borrows an amount of currency from an Eligible Institution or an Approved Bank; and keeps an amount in another currency, at least equal to such borrowing for the time on deposit with the lender (or his agent or nominee), then this applies as if the borrowed currency, and not the deposited currency, were part of the Scheme Property of the Fund, and the normal limits on borrowing under paragraph 28 (General power to borrow) of this Appendix do not apply to that borrowing.

26. **Cash and near cash**

26.1 Cash and near cash must not be retained in the Scheme Property of a Fund except to the extent that, where this may reasonably be regarded as necessary in order to enable:

26.1.1 the pursuit of the Fund's investment objective; or

26.1.2 the redemption of Shares; or

26.1.3 efficient management of the Fund in accordance with its investment objective; or

26.1.4 other purposes which may reasonably be regarded as ancillary to the investment objective of the Fund.

26.2 For TM home investor fund and other PAIF sub-funds, this provision is subject to the PAIF requirements.

27. **General**

27.1 It is envisaged that each Fund will normally be fully invested but there may be times that it is appropriate not to be fully invested when the ACD reasonably regards this as necessary in order to enable the redemption of shares, efficient management of the Fund or any one purpose which may reasonably be regarded as ancillary to the investment objective of the Fund.

27.2 Where a Fund invests in or disposes of units or shares in another collective investment scheme which is managed or operated by the ACD or an associate of the ACD, the ACD must pay to the Company by the close of business on the fourth Business Day the amount of any preliminary charge in respect of a purchase, and in the case of a sale, any charge made for the disposal.

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

28. **General power to borrow**

28.1 The ACD may, on the instructions of a Fund and subject to the COLL Sourcebook, borrow money from an Eligible Institution or an Approved Bank for the use of the Fund on terms that the borrowing is to be repayable out of the Scheme Property of the Fund.

28.2 The ACD must ensure that borrowing does not, on any Business Day, exceed 10% of the value of the Fund.

28.3 These borrowing restrictions do not apply to "back to back" borrowing for currency hedging purposes (i.e. borrowing permitted in order to reduce or eliminate risk arising by reason of fluctuations in exchange rates).

29. **Restrictions on lending of money**

29.1 None of the money in the Scheme Property of a Fund may be lent and, for the purposes of this paragraph, money is lent by a Fund if it is paid to a person (the "payee") on the basis that it should be repaid, whether or not by the payee.

29.2 Acquiring a debenture is not lending for the purposes of paragraph 29.1, nor is the placing of money on deposit or in a current account.

30. **Restrictions on lending of property other than money**

30.1 Scheme Property of a Fund other than money must not be lent by way of deposit or otherwise.

30.2 Nothing in this paragraph prevents the Depositary at the request of the ACD from lending, depositing, pledging or charging Scheme Property of a Fund for margin requirements where transactions in derivatives or forward transactions are used for the account of the Fund in accordance with COLL 5.

### 31. **Guarantees and indemnities**

31.1 Save for a modification by consent of COLL 5.6.22R(9) in respect of TM home investor fund, the Depositary for the account of a Fund must not provide any guarantee or indemnity in respect of the obligations of any person. As regards TM home investor fund, the Depositary for the account of the Company, may provide a guarantee or indemnity in respect of any acquisition or holding of an immovable permitted under COLL 5.6.18R and 5.6.19R, provided that: this will not result in any undue risk to Shareholders in the Fund (and it has taken reasonable steps to mitigate such risk); and no recourse may be had to Scheme Property under COLL 5.5.9R(2) where the depositary (or a delegate) fails to perform an obligation by reason of its negligence, default, breach of duty or breach of trust.

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

31.3 Paragraphs 31.1 and 31.2 do not apply to any indemnity or guarantee given for margin requirements where derivatives or forward transactions are being used in accordance with COLL 5, and:

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

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

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

### 32. **Stock-lending**

32.1 The entry into stock-lending transactions and repo contracts for the account of a Fund is permitted for the generation of additional income for the benefit of the Fund, and hence for its investors.

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

32.3 The stock-lending permitted by this section may be exercised by the Company on behalf of a Fund when it reasonably appears to the Company to be appropriate to do so with a view to generating additional income for that Fund with an acceptable degree of risk.

32.4 The Company or the Depositary at the request of Company may enter into a stock-lending arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992 (without extension by section 263C), but only if all the terms of the agreement under which securities are to be reacquired by the Depositary for the account of the Company on behalf of a Fund, are in a form which is acceptable to the Depositary and are in accordance with

good market practice, the counterparty is an authorised person or a person authorised by a Home State Regulator, and collateral is obtained to secure the obligation of the counterparty. Collateral must be acceptable to the Depositary, adequate and sufficiently immediate.

- 32.5 The Depositary must ensure that the value of the collateral at all times is at least equal to the value of the securities transferred by the Depositary. This duty may be regarded as satisfied in respect of collateral the validity of which is about to expire or has expired where the Depositary takes reasonable care to determine that sufficient collateral will again be transferred at the latest by the close of business on the day of expiry.
- 32.6 Any agreement for transfer at a future date of securities or of collateral (or of the equivalent of either) may be regarded, for the purposes of valuation under the COLL Sourcebook, as an unconditional agreement for the sale or transfer of property, whether or not the property is part of the property of a Fund.
- 32.7 There is no limit on the value of the Scheme Property of a Fund which maybe the subject of stock-lending transactions and repo contracts.
- 32.8 At the date of this Prospectus there is no intention to enter into stock-lending transactions and repo contracts.

## APPENDIX V

### VALUATION FOR SINGLE-PRICING

#### 1. General

- 1.1 The valuation of the property of a Fund takes place as at a Valuation Point fixed by the ACD and set out in the Prospectus under the heading "Valuation".
- 1.2 The valuation is in the Fund's base currency.
- 1.3 Prices used are the most recent prices that can reasonably be obtained after the Valuation Point with a view to giving an accurate valuation as at that point.
- 1.4 The price of a Share of a particular Class is calculated by reference to the Net Asset Value of the Class to which it relates and adjusted for the effect of charges and, if necessary, to reduce any dilutive effect of dealing.
- 1.5 To convert to the base currency the value of Scheme Property which would otherwise be valued in another currency the ACD will either:
  - 1.5.1 select a rate of exchange which represents the average of the highest and lowest rates quoted at the relevant time for conversion of that currency into base currency on the market on which the ACD would normally deal if it wished to make such a conversion; or
  - 1.5.2 invite the Depositary to agree that it is in the interests of unitholders to select a different rate, and, if the Depositary so agrees, use that other rate.
- 1.6 The value of the Scheme Property of a Fund shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions.

#### 2. What is included in the valuation

- 2.1 All of the Fund's Scheme Property is included, subject to adjustments arising as detailed in this Appendix, as at the valuation point.
- 2.2 If the Depositary has been instructed to issue or cancel Shares, the ACD will assume (unless the contrary is shown) that:
  - 2.2.1 the Depositary has done so;
  - 2.2.2 the Depositary has paid or been paid for them; and
  - 2.2.3 all consequential action required by this Appendix or by the Instrument has been taken.
- 2.3 If the Depositary has issued or cancelled Shares in a Fund but consequential action is outstanding, the ACD will assume that it has been taken.
- 2.4 If agreements for the unconditional sale or purchase of property in a Fund are in existence but uncompleted, the ACD will assume:
  - 2.4.1 completion; and
  - 2.4.2 that all consequential action required by their terms has been taken.

- 2.5 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.
- 2.6 The ACD will not include in paragraph 2.3 above any agreement which is:
- 2.6.1 a future or contract for differences which is not yet due to be performed; or
  - 2.6.2 an unexpired option written or purchased for the Company which has not yet been exercised.
- 2.7 The ACD will include in paragraph 2.3 any agreement the existence of which is, or could reasonably be expected to be, known to the ACD, assuming that all other persons in the ACD's employment take all reasonable steps to inform the ACD immediately of the making of any agreement.
- 2.8 If the underlying investment is real property and it is common practice in the jurisdiction in which it is situated to dispose of the real property together with a holding vehicle then the holding vehicle together with the real estate asset may be valued.
- 3. Tax and other adjustments**
- 3.1 The ACD will deduct an estimated amount for anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the Scheme Property of the relevant Fund; on realised capital gains in respect of previously completed and current accounting periods and on income where liabilities have accrued) including (as applicable and without limitation) capital gains tax, income tax, corporation tax, value added tax, stamp duty and stamp duty reserve tax.
- 3.2 The ACD will then deduct:
- 3.2.1 an estimated amount for any liabilities payable out of the Scheme Property of the relevant Fund and any value added or other tax on it (treating any periodic items as accruing from day to day);
  - 3.2.2 the principal amount of any outstanding borrowings whenever payable;
  - 3.2.3 any accrued but unpaid interest on borrowings;
  - 3.2.4 the value of any option written (if the premium for writing the option has become part of the Scheme Property of the relevant Fund); and
  - 3.2.5 in the case of a margined contract, any amount reasonably anticipated to be paid by way of variation margin (that is the difference in price between the last settlement price, whether or not variation margin was then payable, and the price of the contract at the valuation point).
- 3.3 The ACD will add an estimated amount for accrued claims for repayment of taxation levied:
- 3.3.1 on capital (including capital gains); and
  - 3.3.2 on income.
- 3.4 The ACD will then add:
- 3.4.1 any other credit due to be paid into the Scheme Property of a Fund;
  - 3.4.2 in the case of a margined contract, any amount reasonably anticipated to be received by way of variation margin (that is the difference in price between the last settlement price, whether or not variation margin was then receivable, and the price of the contract at the valuation point).

#### 4. **Valuation of the Scheme Property**

4.1 The valuation of Scheme Property of a Fund is undertaken as follows:

4.2 Scheme Property which is not cash (or other assets dealt with above) shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:

4.2.1 immovable property:

4.2.1.1 by a standing independent valuer (as defined in the FCA Glossary) appointed by the ACD with the approval of the Depositary on the basis of the RICS Valuation Global Standards (The Red Book) (effective from 1 July 2017), as updated from time to time 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

4.2.1.2 on the basis of the last full valuation, at least once a month;

4.2.1.3 and in each case, plus any dealing costs (as defined below);

4.2.2 units or shares in a collective investment scheme:

4.2.2.1 if a single price for buying and selling units or shares is quoted, at that price; or

4.2.2.2 if separate buying (offer) and selling (bid) prices are quoted, at the average of the two prices provided that the buying price has been reduced by any preliminary charge included therein and the selling price excludes any exit or redemption charge attributable thereto; or

4.2.2.3 if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists or if the most recent price available does not reflect the ACD's best estimate of the value, at a value which, in the opinion of the ACD, is fair and reasonable;

4.2.3 exchange-traded derivative contracts:

4.2.3.1 if a single price for buying and selling the exchange-traded derivative contract is quoted, at that price; or

4.2.3.2 if separate buying and selling prices are quoted, at the average of the two prices;

4.2.4 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;

4.2.5 any other investment:

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

4.2.5.2 if separate buying and selling prices are quoted, the average of those two prices; or

4.2.5.3 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; and

4.2.6 Scheme Property other than that described above: at a value which, in the opinion of the ACD, is fair and reasonable (plus any dealing costs (as defined below)).

4.3 For the purposes of this Appendix, 'dealing costs' means in relation to immovable property any costs and charges incurred in buying or selling immovable property, including stamp duty land tax and any fiscal charges, commission or other charges payable in the event of the relevant Fund carrying out the transaction in question (but excluding any preliminary charge payable by the Fund on the purchase of units or shares), assuming that the commission and charges (other than fiscal charges) which would be payable by the Fund are the least that could reasonably be expected to be paid in order to carry out the transaction and otherwise "dealing costs" means any fiscal charges, commission or other charges payable in the event of the Fund carrying out the transaction in question (but excluding any preliminary charge payable by the Fund on the purchase of units or shares), assuming that the commission and charges (other than fiscal charges) which would be payable by the Fund are the least that could reasonably be expected to be paid in order to carry out the transaction.

## APPENDIX VI

### LIST OF OTHER AUTHORISED COLLECTIVE INVESTMENT SCHEMES OPERATED BY THE ACD

The ACD is also the authorised corporate director of the following open-ended investment companies and manager of the following authorised unit trusts:

<b><u>Authorised Investment Companies with Variable Capital</u></b>	<b><u>Authorised Unit Trusts</u></b>
Abaco Fund ICVC	BPM Trust
Arch House Fund	Eden Investment Fund
Ariel Fund	Elfynn International Trust
Bryth ICVC	Glenhuntley Portfolio Trust
Destiny Fund ICVC	Hawthorn Portfolio Trust
Harroway Capital ICVC	KES Diversified Trust
Hawarwatza Fund	KES Equity Fund
Libero Portfolio Fund	KES Growth Fund
Lime Grove Fund	KES Income and Growth Fund
Meadowgate Funds	KES Strategic Investment Fund
Skiwi Fund	Latour Growth Fund
The Ambrose Fund	Lavaud Fund
The Astral Fund	Mossylea Fund
The Capital Link Growth Fund	Palm Fund
The Contact Fund	Pippin Return Fund
The Diversification Fund ICVC	The Darin Fund
The Dunnottar Fund	The Eldon Fund
The Global Balanced Strategy Fund	The Hall Fund
The Global Multi Asset Fund	The HoundStar Fund
The Gulland Fund	The Iceberg Trust
The Hector Fund	The Maiden Fund
The Juniper Fund	The Norfolk Trust
The Lockerley Fund	The Notts Trust
The Motim Fund	The Palfrey Fund
The Northern Funds	The TM Stockwell Fund
The Oenoke Fund	The White Hill Fund
The Ord Fund ICVC	Thesis Headway Fund
The Overstone Fund	Thesis Lion Growth Fund
The Penare Fund	Thesis Optima Fund
The Saint Martins Fund	Thesis PM A Fund
The Staderas Fund	Thesis PM B Fund
The Stratford Fund	Thesis Thameside Managed Fund
The Sun Portfolio Fund	The TUTMAN B&CE Contracted-out Pension Scheme
The TBL Fund	TM Balanced Fund
The TM Lancewood Fund	TM Balanced Return Fund
The TM Levitas Funds	TM Chainpoint Fund
The TM Mitcham Fund	TM Growth Fund
The Vinings Fund	TM Hearthstone UK Residential Feeder Fund
The Wharton Fund	TM Managed Fund
Thesis JDS Fund	TM Masonic Charitable Foundation Investment Fund
TM Acer Fund	TM New Court Fund
TM Balanced Growth Fund	TM New Court Equity Growth Fund
TM Brunsdon OEIC	TM New Institutional World Fund
TM Cerno Investment Funds	TM Preservation Fund
TM Credit Suisse Fund	TM Private Portfolio Trust
TM Cresswell Fund	TM Stonehage Fleming Global Equities Fund
TM CRUX Funds ICVC	TM Stonehage Fleming Global Equities Fund II
TM CRUX OEIC	TM Stonehage Fleming Global Equities Umbrella Fund
TM First Arrow Investment Funds	TM Stonehage Fleming Multi-Manager Global Equities Fund
TM Hearthstone ICVC	
TM Investment Exposures Fund	
TM Investment Funds	
TM Lime Fund	
TM Neuberger Berman UCITS Funds	
TM Oak Fund	
TM Optimal Funds	
TM P1 Investment Funds	
TM RWC Funds	
TM Stonehage Fleming Global Multi-Asset Umbrella Fund	
TM Tellworth Investments Funds	

TM Total Return Fund  
TM UBS (UK) Fund  
Trowbridge Investment Funds

## APPENDIX VII

### PAST PERFORMANCE DATA TABLES

The performance table shows the total annual return up to 31 December in each year listed and is over a five-year period.

Where data is not yet available, the table is marked 'N/A'.

This performance information for classes C & E is net of charges (subscription and redemption fees) but does not include the effect of any preliminary charge that may be paid on the purchase of an investment and assumes that the investor pays no taxes.

This performance information for Classes D, F and G is net of subscription and redemption fees but does not include the effect of any preliminary charge that may be paid on the purchase of an investment. Performance figures for these share classes are net of basic rate income tax on PAIF property income distributions for all periods. PAIF dividend distributions have been made gross without any tax credit since 6<sup>th</sup> April 2016, and gross for PAIF interest distributions since 6<sup>th</sup> April 2017.

FUND	2016	2017	2018	2019	2020
	%	%	%	%	%
Class C Accumulation	2.95	4.00	2.69	1.70	1.04
Class D Accumulation	2.75	3.90	2.35	1.44	0.99
Class E Accumulation	3.05	4.18	2.79	1.81	1.10
Class F Accumulation	2.88	4.01	2.47	1.63	1.05
Class G Income	2.85	3.96	2.49	1.55	1.06
Class H Accumulation	N/A	N/A	N/A	N/A	N/A
Class X Accumulation	N/A	N/A	1.34	1.25	0.87

*Source:* These performance figures have been derived from information extracted from information provided through Morningstar.

Performance figures for Class C, D, E, F, H and X Income Shares are not yet available as these classes launched on 16 March 2020.

**These performance figures are presented as a matter of record and should be regarded as such.**

Performance is determined by many factors including the general direction and volatility of markets and may not be repeatable.

**Investors should note that these figures refer to the past and past performance is not a reliable indicator of future results.**

## **APPENDIX VIII**

### **ESTABLISHMENT OF COLLECTIVE INVESTMENT SCHEMES**

Any second schemes in which the Company may invest are established in the locations listed below. This list is not restrictive and may be amended from time to time where the Company invests in second schemes established in new locations.

Ireland

United Kingdom

## DIRECTORY

<b>The Company and Head Office:</b>	TM Hearthstone ICVC Exchange Building St John's Street Chichester, West Sussex PO19 1UP
<b>Authorised Corporate Director:</b>	Thesis Unit Trust Management Limited Exchange Building St John's Street Chichester, West Sussex PO19 1UP
<b>Depository:</b>	NatWest Trustee and Depository Services Limited House A, Floor 0, Gogarburn, 175 Glasgow Rd, Edinburgh EH12 1HQ
<b>Property Investment Manager:</b>	Hearthstone Asset Management Limited 29 Throgmorton Street London, EC2N 2AT
<b>Investment Manager:</b>	Thesis Asset Management Limited Exchange Building St John's Street Chichester, West Sussex PO19 1UP <a href="http://www.thesisam.com">www.thesisam.com</a>
<b>Administrator, Registrar and Fund Accountant:</b>	Northern Trust Company 50 Bank Street Canary Wharf, London E14 5NT
<b>Dealing Office:</b>	Thesis Unit Trust Management Limited Sunderland SR43 4AZ  Tel: 0333 300 0375
<b>Auditors:</b>	Grant Thornton UK LLP 30 Finsbury Square London EC2P 2YU
<b>Conveyancer</b>	Conveyancing Direct Limited Windmill Road St Leonards-on-Sea East Sussex, TN38 9BY
<b>Standing Independent Valuer:</b>	CBRE Limited St Martin's Court, 10 Paternoster Row London EC4M 7HP
<b>Property Manager:</b>	Connells Limited The Bailey, Skipton, North Yorkshire BD23 1DN
<b>Financial Conduct Authority (FCA):</b>	12 Endeavour Square London E20 1JN