

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

T. Bailey Fund Services 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 to be included in it. T. Bailey Fund Services Limited accepts responsibility accordingly.

# TB WISE

**PROSPECTUS**

**OF**

**TB WISE INVESTMENT FUNDS**

**(An open-ended investment company incorporated with limited liability and registered in England and Wales under registered number IC 283)**

This document constitutes the Prospectus for TB Wise Investment Funds which has been prepared in accordance with the Collective Investment Schemes Sourcebook.

This Prospectus is dated, and is valid as at 1 April 2016.

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

## CONTENTS

Clause		Page
1	DEFINITIONS .....	1
2	DETAILS OF THE COMPANY .....	5
2.1	General information .....	5
2.1.1	General .....	5
2.1.2	Head Office .....	5
2.1.3	Address for Service .....	5
2.1.4	Base Currency .....	5
2.1.5	Share Capital .....	5
2.2	The structure of the Company.....	6
2.2.1	The Sub-funds.....	6
2.2.2	Shares .....	7
3	BUYING, REDEEMING AND SWITCHING SHARES .....	9
3.1	Money laundering.....	9
3.2	Buying Shares .....	9
3.2.1	Procedure .....	9
3.2.2	Documents the buyer will receive.....	10
3.2.3	Regular Savings Plan.....	11
3.2.4	Minimum subscriptions and holdings .....	11
3.3	Redeeming Shares.....	11
3.3.1	Procedure .....	11
3.3.2	Documents a redeeming Shareholder will receive.....	12
3.3.3	Minimum redemption .....	12
3.4	Switching.....	12
3.5	Dealing Charges.....	13
3.5.1	Initial charge .....	14
3.5.2	Redemption Charge .....	15
3.5.3	Charges on Switching .....	15
3.5.4	Dilution Levy.....	15
3.6	Stamp duty reserve tax ('SDRT') .....	16
3.7	Transfers .....	16
3.8	Restrictions and Compulsory Transfer and Redemption.....	16
3.9	Issue of Shares in exchange for in specie assets .....	17
3.10	In specie redemptions .....	18
3.11	Suspension of dealings in the Company .....	18
3.12	Governing law .....	19
4	VALUATION OF THE COMPANY .....	20
4.1	General .....	20
4.2	Calculation of the Net Asset Value .....	20
4.3	Price per Share in each Sub-fund and each Class .....	23
4.4	Pricing basis .....	23
4.5	Publication of Prices .....	23
5	RISK FACTORS.....	24
6	MANAGEMENT AND ADMINISTRATION .....	28
6.1	Regulatory Status.....	28
6.2	Authorised Corporate Director .....	28
6.2.1	General .....	28

	6.2.2	Terms of Appointment: .....	29
6.3		The Depositary .....	30
	6.3.1	General .....	30
	6.3.2	Terms of Appointment: .....	30
6.4		The Investment Manager .....	31
	6.4.1	General .....	31
	6.4.2	Terms of Appointment: .....	31
6.5		The Registrar .....	32
	6.5.1	General .....	32
	6.5.2	Register of Shareholders .....	32
6.6		The Auditors .....	32
6.7		Conflicts of Interest .....	32
7		FEES AND EXPENSES .....	33
	7.1.1	Ongoing .....	33
	7.1.2	Charges payable to the ACD .....	34
	7.1.2.1	Annual Management Charge .....	35
	7.1.2.2	Administration and Registration Fees .....	36
	7.1.2.3	Expenses .....	36
	7.1.3	Depositary's fee and expenses .....	36
	7.1.4	Investment Manager's fee .....	38
	7.1.2	Charges payable to the ACD .....	38
	7.1.2.1	Annual Management Charge .....	39
	7.1.2	Charges payable to the ACD .....	39
	7.3	Allocation of fees and expenses between Sub-funds .....	41
8		INSTRUMENT OF INCORPORATION .....	42
9		SHAREHOLDER MEETINGS AND VOTING RIGHTS .....	43
	9.1	Class, Company and Sub-fund Meetings .....	43
	9.2	Requisitions of Meetings .....	43
	9.3	Notice and Quorum .....	43
	9.4	Voting Rights .....	43
	9.5	Variation of Class or Sub-fund rights .....	44
10		TAXATION .....	45
	10.1	General .....	45
	10.2	The Company .....	45
	10.3	Shareholders .....	45
	10.3.1	Income .....	45
	10.3.2	Income equalisation .....	46
	10.3.3	Gains .....	46
11		WINDING UP OF THE COMPANY OR A SUB-FUND .....	49
12		GENERAL INFORMATION .....	50
	12.1	Accounting Periods .....	50
	12.2	Notice to Shareholders .....	51
	12.3	Income Allocations .....	51
	12.4	Fewer than two Sub-funds .....	51
	12.5	Annual Reports .....	51
	12.6	Documents of the Company .....	52
	12.7	Material Contracts .....	52
	12.8	Provision of Investment Advice .....	52

12.9	Telephone Recordings .....	52
12.10	Complaints .....	53
12.11	Risk Management.....	53
12.12	Indemnity .....	53
12.12	Indemnity .....	53
12.12	Indemnity .....	54
	APPENDIX I .....	55
	SUB-FUND DETAILS .....	55
	APPENDIX II .....	60
	ELIGIBLE SECURITIES MARKETS AND ELIGIBLE DERIVATIVES MARKETS.....	60
	APPENDIX III .....	62
	INVESTMENT AND BORROWING POWERS OF THE COMPANY .....	62
	APPENDIX IV.....	74
	LIST OF OTHER AUTHORISED COLLECTIVE INVESTMENT SCHEMES OPERATED BY THE ACD .....	74
	APPENDIX V.....	75
	PAST PERFORMANCE AND INVESTOR PROFILE .....	75
	APPENDIX VI.....	77
	DIRECTORY .....	77

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

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

**Shares are not available for distribution to or investment by US persons. The Shares have not been and will not be registered under the United States Securities Act of 1933, as amended. They may not be offered or sold in the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia or offered or sold to US Persons. The Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended. The ACD has not been registered under the United States Investment Advisers Act of 1940.**

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

The provisions of the Instrument of Incorporation are binding on each of the Shareholders a summary of which are included in this Prospectus 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 T. Bailey Fund Services 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 hereof. The Company cannot be bound by an out of date prospectus when it has issued a new prospectus and investors should check with T. Bailey Fund Services Limited that this is the most recently published prospectus.

1. **DEFINITIONS**

<b>"ACD"</b>	T. Bailey Fund Services Limited, the authorised corporate director of the Company
<b>"ACD Agreement"</b>	An agreement between the Company and the ACD
<b>"Approved Bank"</b>	(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 other than in the United Kingdom and duly authorised by the relevant Home State Regulator; or  (iii) a bank which is regulated in the Isle of Man or the Channel Islands; or  (iv) a bank supervised by the South African Reserve Bank
<b>"Approved Money Market Instrument"</b>	a money market instrument which is normally dealt in on the money market, is liquid and has a value which can be accurately determined any time.
<b>"Auditor"</b>	Deloitte LLP, or such other entity as is appointed to act as auditor to the Company from time to time

<b>“business day”</b>	a day on which the London Stock Exchange is open. If the London Stock Exchange is closed as a result of a holiday or for any other reason, or there is a holiday elsewhere or other reason which impedes the calculation of the fair market value of the Sub-fund’s portfolio of securities or a significant portion thereof, the ACD may decide that any business day shall not be construed as such
<b>“Class” or “Classes”</b>	in relation to Shares, means (according to the context) all of the Shares related to a single Sub-fund or a particular class or classes of Share related to a single Sub-fund
<b>“Company”</b>	TB Wise Investment Funds
<b>“Credit”</b>	Any kind of loan deferment of repayment or any loan or of interest on any loan guarantee or indemnity any other kind of accommodation or facility in the nature of credit.
<b>“Dealing Day”</b>	Monday to Friday where these days are business days
<b>“Depositary”</b>	National Westminster Bank Plc, 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 State”</b>	a member state of the European Union and any other state which is within the European Economic Area
<b>“Efficient Portfolio Management” or “EPM”</b>	an investment technique where derivatives are used for one or more of the following purposes: reduction of risk, reduction of cost or generation of additional income with a risk level which is consistent with the risk profile of the relevant sub-fund and the risk diversification rules laid down in the Sourcebook
<b>“Eligible Institution”</b>	one of certain eligible institutions as defined in the glossary of definitions to the FCA Handbook
<b>“FATCA”</b>	the Foreign Account Tax Compliance Act
<b>“Fixed Interest Securities”</b>	a type of security that gives a fixed stated interest payment

<b>"the FCA"</b>	the Financial Conduct Authority or any other regulatory body which may assume its regulatory responsibilities from time to time
<b>"the FCA Handbook"</b>	the FCA Handbook of Rules and Guidance, as amended from time to time
<b>"ICVC"</b>	investment company with variable capital
<b>"Instrument of Incorporation"</b>	the instrument of incorporation of the Company as amended from time to time
<b>"Investment Manager"</b>	Wise Investments Limited, the investment manager to the ACD in respect of the Company
<b>"Net Asset Value" or "NAV"</b>	the value of the Scheme Property of the Company or of any Sub-fund (as the context may require) less the liabilities of the Company (or of the Sub-fund concerned) as calculated in accordance with the Instrument of Incorporation
<b>"OEIC Regulations"</b>	the Open-Ended Investment Companies Regulations 2001 as amended or re-enacted from time to time
<b>"Register"</b>	the register of Shareholders of the Company
<b>"Registrar"</b>	T. Bailey Fund Services Limited or such other entity as is appointed to act as Registrar to the Company from time to time
<b>"Regulated Activities Order"</b>	the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544)
<b>"Regulations"</b>	the OEIC Regulations and the FCA Handbook (including the Sourcebook)
<b>"Scheme Property"</b>	the scheme property of the Company or a Sub-fund (as appropriate) required under the Sourcebook to be given for safekeeping to the Depositary
<b>"SDRT"</b>	stamp duty reserve tax
<b>"Share" or "Shares"</b>	a share or shares in the Company (including larger denomination shares, and smaller denomination shares equivalent to one thousandth of a larger denomination share)



<b>"Shareholder"</b>	a holder of registered Shares in the Company
<b>"the Sourcebook"</b>	that part of the FCA Handbook which deals with regulated collective investment schemes as amended from time to time
<b>"Sub-fund" or "Sub-funds"</b>	a sub-fund of the Company (being part of the Scheme Property of the Company which is pooled separately) to which specific assets and liabilities of the Company may be allocated and which is invested in accordance with the investment objective applicable to such sub-fund
<b>"Switch"</b>	the exchange where permissible of Shares of one Class or Sub-fund for Shares of another Class or Sub-fund
<b>"UCITS scheme"</b>	a scheme constituted in accordance with the UCITS Directive (a European Directive relating to undertakings for collective investment in transferable securities which has been adopted in the UK)
<b>"Valuation Point"</b>	the point, on a Dealing Day whether on a periodic basis or for a particular valuation, at which the ACD carries out a valuation of the Scheme Property for the Company or a Sub-fund (as the case may be) for the purpose of determining the price at which Shares of a Class may be issued, cancelled or redeemed. The current Valuation Point is 12 noon London time on each Dealing Day with the exception of a bank holiday in England and Wales.
<b>"VAT"</b>	value added tax

## 2. **DETAILS OF THE COMPANY**

### 2.1 **General information**

#### 2.1.1 **General**

TB Wise Investment Funds (the Company) is an investment company with variable capital incorporated in England and Wales under registered number IC 283 and authorised by the Financial Conduct Authority with effect from 4 February 2004. The Company has an unlimited duration.

Shareholders are not liable for the debts of the Company.

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

#### 2.1.2 **Head Office**

The head office of the Company is at 64 St James's Street, Nottingham NG1 6FJ.

#### 2.1.3 **Address for Service**

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

#### 2.1.4 **Base Currency**

The base currency of the Company and each Sub-fund is Pounds Sterling.

#### 2.1.5 **Share Capital**

Maximum £100,000,000,000

Minimum £1

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

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

Each of the Sub-funds of the Company is designed and managed to support longer-term investment and active trading is discouraged. Short-term or excessive trading into and out of a Sub-fund may harm performance by disrupting portfolio management strategies and by increasing expenses. The ACD may at its discretion refuse to accept applications for, or switching of, Shares, especially where transactions are deemed disruptive, particularly from possible market timers

or investors who, in its opinion, have a pattern of short-term or excessive trading or whose trading has been or may be disruptive to a Sub-fund(s). For these purposes, the ACD may consider an investor's trading history in the Sub-fund(s) or other T. Bailey Fund Services Limited funds and accounts under common ownership or control.

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

### 2.2.1 **The Sub-funds**

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

The Company is a UCITS scheme.

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

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

The eligible securities markets and eligible derivatives markets on which the Sub-funds may invest are set out in Appendix II. A detailed statement of the general investment and borrowing restrictions in respect of each type of Sub-fund is set out in Appendix III.

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

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

## 2.2.2 Shares

### **Classes of Share within the Sub-funds**

Shares will be issued in larger and smaller denominations. There are 1,000 smaller denomination Shares to each larger denomination Share. Smaller denomination Shares represent what, in other terms, might be called fractions of a larger Share and have proportionate rights.

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

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

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

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

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

Each Sub-fund may issue income and accumulation Shares, although at present, accumulation shares only are in issue in respect of TB Wise Strategic and TB Wise Investment. 'A' income and 'A' accumulation shares and 'B' income and 'B' accumulation shares are currently in issue in respect of TB Wise Income. 'A' income and 'A' accumulation shares, 'B' income and 'B' accumulation shares and 'C' income and 'C' accumulation shares are currently in issue in respect of Evenlode Income.

Further details of the Shares presently available for each Sub-fund, including details of their criteria for subscription and fee structure, are set out in Appendix I.

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

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

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

The Instrument of Incorporation allows gross income and gross accumulation Shares to be issued, as well as net income and net accumulation Shares, but currently none are issued. Net Shares are Shares in respect of which income allocated to them is distributed periodically to the relevant Shareholders (in the case of income Shares) or credited periodically to capital (in the case of accumulation Shares), in either case in accordance with relevant tax law, net of any tax deducted or accounted for by the Company. Gross Shares are income or accumulation Shares where, in accordance with relevant tax law, distribution or allocation of income is made without any tax being deducted or accounted for by the Company. All references in this Prospectus are to net Shares unless otherwise stated.

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

Shareholders are entitled (subject to certain restrictions) to Switch all or part of their Shares in a Class or a Sub-fund for Shares of another Class within the same Sub-fund or for Shares of the same or another Class within a different Sub-fund of the Company. Details of this switching facility and the restrictions are set out in paragraph 3.4 "Switching".

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

The dealing office of the ACD is normally open from 9.00 a.m. to 5.00 p.m. (London time) on each business day to receive postal requests for the purchase, sale and switching of Shares. The ACD may vary these times at its discretion. Requests to deal in Shares may also be made by telephone on each business day (at the ACD's discretion) between 9.00 a.m. and 5.00 p.m. (London time) directly to the office of the ACD (telephone: 0115 988 8258 or such other number as published from time to time). The initial purchase must, at the discretion of the ACD, be accompanied by an application form. Dealing in Shares shall only take place on a Dealing Day.

In addition, the ACD may from time to time make arrangements to allow Shares to be bought or sold on-line or through other communication media.

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

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

#### 3.1 **Money laundering**

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

#### 3.2 **Buying Shares**

##### 3.2.1 **Procedure**

Shares may be bought directly from the ACD or through a professional adviser. A professional adviser 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. In addition, the ACD may from time to time make arrangements to allow Shares to be bought through other communication media. For details of

dealing charges see paragraph 3.5 below. Application forms may be obtained from the ACD.

Valid applications to purchase Shares in a Sub-fund will be processed at the Share price calculated, based on the Net Asset Value per Share, at the next Valuation Point following receipt of the application, except in the case where dealing in a Sub-fund has been suspended as set out in paragraph 3.11.

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

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

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

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

### **3.2.2 Documents the buyer will receive**

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

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

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

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

### 3.2.3 **Regular Savings Plan**

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

### 3.2.4 **Minimum subscriptions and holdings**

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

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

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

## 3.3 **Redeeming Shares**

### 3.3.1 **Procedure**

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

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



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 3.5 below.

### 3.3.2 **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 telegraphic transfer in accordance with any instruction received (the ACD may recover any bank charge levied on such transfers). Instructions to make payments to third parties (other than intermediaries associated with the redemption) will not normally be accepted.

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

### 3.3.3 **Minimum redemption**

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

## 3.4 **Switching**

Subject to any restrictions on the eligibility of investors for a particular Share Class, a Shareholder in a Sub-fund may at any time Switch all or some of his Shares of one Class or Sub-fund ("the Original Shares") for Shares of another Class or Sub-fund ("the New Shares")

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

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

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

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

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

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

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

### 3.5 Dealing Charges

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

deal, if applicable) is payable in addition to the price or deducted from the proceeds and is taken from the gross subscription or redemption monies.

### 3.5.1 **Initial charge**

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

The initial charge (which is deducted from subscription monies) is payable by the Shareholder to the ACD. From the initial charge received, or out of its other resources, the ACD may pay a commission to relevant intermediaries including the Investment Manager and its Associates, with the balance being paid to the Investment Manager. None of the initial charge is kept by the ACD.

For example, for an investment of £10,000 into the Class A shares (initial charge 4%), the total initial charge would be £400 and this would be deducted from the amount invested into the relevant sub-fund (i.e. £9,600 would be invested) with the £400 being paid by the ACD to the intermediary introducing the deal.

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

Fees or commissions will only be paid to third parties from initial and ongoing charges if this does not impair compliance with the ACD's duty to act in the best interests of the Schemes.

The payment of fees or commissions to third parties from initial charges is designed to allow remuneration for intermediaries to enable them to service the underlying investor (e.g. provision of advice, facilitating the investment etc.).

The ACD does not offer advice to private individuals and therefore only discloses the maximum initial charge and the full ongoing charge in the Key Investor information document which must be read by investors prior to any investment being made.

It is the obligation of the party giving advice to disclose prior to investment any fees or commissions which they will take from the investment. Post investment the ACD will issue contract note(s) which disclose any fees or commissions payable to the intermediary on the account. For platform business contract notes will be issued to the platform by the ACD and by the platform itself to the end investor.

Further details on fees and commissions payable are available on request from the ACD.

### 3.5.2 **Redemption Charge**

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

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

### 3.5.3 **Charges on Switching**

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

The ACD's current policy is to only levy a charge on switching between Sub-funds that is no more than the excess of the initial charge applicable to New Shares over the initial charge applicable to the Original Shares as specified in Appendix I. There is currently no charge for switching Shares in one Class of a Sub-fund for Shares in another Class of the same Sub-fund.

### 3.5.4 **Dilution Levy**

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

The need to charge a dilution levy will depend on the volume of sales and redemptions. The ACD may require a dilution levy on the sale and redemption of Shares if, in its opinion, the existing Shareholders (for sales) or remaining Shareholders (for redemptions) might otherwise be adversely affected. In particular, the dilution levy may be charged in the following circumstances:

- where the Scheme Property is in continual decline;

- on “large deals” (where the net issues or net redemptions of shares in a Sub-fund at a particular dealing point exceed £500,000 or 5% of the size of the Sub-fund, whichever is lower);
- in any case where the ACD is of the opinion that the interests of remaining Shareholders require the imposition of a dilution levy.

It is not possible to predict accurately whether dilution would occur at any point in time, although analysis suggests that over the 12 month period ended 31 December 2014 a dilution levy was only charged on Evenlode Income on 8 occasions and was not charged on TB Wise Income, TB Wise Investment or TB Wise Strategic. If a dilution levy is required then, based on typical portfolios, the rate of such a levy is expected to be less than 0.5% for Evenlode Income and TB Wise Strategic and less than 0.80% for TB Wise Income and TB Wise Investment, although the actual percentages can only be accurately calculated at the time.

The ACD’s policy currently is to charge a dilution levy on the purchase or sale of Shares if it is in the interest of Shareholders. The ACD may alter its current dilution policy in accordance with the procedure set out in the Regulations.

### 3.6 **Stamp duty reserve tax (“SDRT”)**

HM Treasury regulations require a 0.5% SDRT charge to be made on the value of shares redeemed by the ACD and on certain other transfers of shares. The HM Treasury regulations call these transactions “surrenders”. SDRT liability is calculated taking into account the value of surrenders and the value of shares issued in a week and the following week. From April 2014, no SDRT charge will be levied on redeemed shares or certain other transfers of shares.

### 3.7 **Transfers**

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

### 3.8 **Restrictions and Compulsory Transfer and Redemption**

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

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

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

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

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

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

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

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

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

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

### 3.10 **In specie redemptions**

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

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

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

The assets within the Sub-fund to be transferred (or the proceeds of sale thereof) shall be subject to the retention by the Depositary of Scheme Property including cash of a value or amount equivalent to any redemption charge or any SDRT provision to be paid in relation to the cancellation of Shares.

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

The ACD may with the prior agreement of the Depositary, or shall if the Depositary so requires, temporarily suspend the issue, cancellation, purchase and redemption of Shares where due to exceptional circumstances it is in the interest of all of the Shareholders.

On suspension the ACD or the Depositary if it has required the ACD to suspend dealings in Shares must immediately inform the FCA stating the reason for its action and as soon as practicable give written confirmation to the FCA of the suspension and the reasons for it.

The ACD must ensure that a notification of the suspension is made to Shareholders as soon as practicable after suspension commences. The ACD must ensure that it:

- (a) draws Shareholders' particular attention to the exceptional circumstances which resulted in the suspension;
- (b) is clear, fair and not misleading; and

- (c) informs Shareholders how to obtain sufficient details (either through the ACD's website or by any other general means) about the suspension including, if known, its likely duration.

The ACD and the Depositary must formally review the suspension at least every 28 days and inform the FCA of the result of this review with a view to ending the suspension as soon as practicable after the exceptional circumstances have ceased.

Recalculation of the Share price for the purpose of sales and purchases will commence on the next relevant Valuation Point following the ending of the suspension.

### 3.12 **Governing law**

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



## 4. VALUATION OF THE COMPANY

### 4.1 General

The price of a Share is calculated by reference to the Net Asset Value of the Sub-fund to which it relates. The Net Asset Value per Share of a Sub-fund is currently calculated at 12 noon (London time) (this being the Valuation Point) on each Dealing Day.

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

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

The Manager deals at forward prices, that is to say at the price for each type of Share ruling at the next valuation point following receipt of a request to sell or redeem Shares.

Applications for the sale or redemption of Shares must be received by the Manager before 12.00 noon on a business day to be dealt at the regular valuation point.

### 4.2 Calculation of the Net Asset Value

The value of the Scheme Property shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions:

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

4.2.2 Scheme Property which is not cash (or other assets dealt with in paragraph 4.2.2.4 below) or a contingent liability transaction shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:

4.2.2.1 Units or shares in a collective investment scheme:

(a) if a single price for buying and redeeming units or shares is quoted, at that price; or

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

4.2.2.2 Any other transferable security:

- (a) if a single price for buying and redeeming the security is quoted, at that price; or
- (b) if separate buying and redemption prices are quoted, at the average of the two prices; or
- (c) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists or if the most recent price available does not reflect the ACD's best estimate of the value of the security, at a value which, in the opinion of the ACD, is fair and reasonable;

4.2.2.3 Scheme Property other than that described in paragraphs 4.2.2.1 and 4.2.2.2 above, at a value which, in the opinion of the ACD, is fair and reasonable;

4.2.2.4 Cash and amounts held in current, deposit and margin accounts and in other time related deposits shall be valued at their nominal values.

4.2.2.5 Currencies or values in currencies other than Sterling shall be converted at the relevant Valuation Point at a rate of exchange that is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders.

4.2.3 Scheme Property which is a contingent liability transaction shall be treated as follows:

4.2.3.1 if it is a written option (and the premium for writing the option has become part of the Scheme Property), deduct the amount of the net valuation of premium receivable. If the Scheme Property is an off exchange option the method of valuation shall be agreed between the ACD and the Depositary;

- 4.2.3.2 if it is an off exchange future, include it at the net value of closing out in accordance with a valuation method agreed between the ACD and the Depositary;
- 4.2.3.3 if it is any other form of contingent liability transaction, include it at the net value of margin on closing out (whether as a positive or negative value). If the Scheme Property is an off exchange derivative, include it at a valuation method agreed between the ACD and the Depositary.
- 4.2.4 In determining the value of the Scheme Property, all instructions given to issue or cancel Shares shall be assumed to have been carried out (and any cash paid or received) whether or not this is the case.
- 4.2.5 Subject to paragraphs 4.2.6 and 4.2.7 below, agreements for the unconditional sale or purchase of Scheme Property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and if, in the opinion of the ACD, their omission will not materially affect the final net asset amount.
- 4.2.6 Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph 4.2.5.
- 4.2.7 All agreements are to be included under paragraph 4.2.5 which are, or ought reasonably to have been, known to the person valuing the Scheme Property.
- 4.2.8 Deduct an estimated amount for anticipated tax liabilities at that point in time including (as applicable and without limitation) capital gains tax, income tax, corporation tax, VAT, stamp duty, SDRT and any foreign taxes or duties.
- 4.2.9 Deduct an estimated amount for any liabilities payable out of the Scheme Property and any tax or duty thereon, treating periodic items as accruing from day to day.
- 4.2.10 Deduct the principal amount of any outstanding borrowings whenever repayable and any accrued but unpaid interest on borrowings.
- 4.2.11 Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.
- 4.2.12 Add any other credits or amounts due to be paid into the Scheme Property.

- 4.2.13 Add a sum representing any interest or any income accrued due or deemed to have accrued but not received and any stamp duty reserve tax provision anticipated to be received.

#### 4.3 **Price per Share in each Sub-fund and each Class**

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

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

#### 4.4 **Pricing basis**

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

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

The prices of all Shares are published on the Financial Express ("FE") website [www.fundlistings.com](http://www.fundlistings.com). The price of Shares may also be obtained by calling 0115 988 8258 during the ACD's normal business hours. As the ACD deals on a forward pricing basis, the price that appears in these sources will not necessarily be the same as the one at which investors can currently deal. The ACD may also, at its sole discretion, decide to publish certain Share prices in other third party websites or publications but the ACD does not accept responsibility for the accuracy of the prices published in, or for the non-publication of prices by, these sources for reasons beyond the control of the ACD.

## 5. **RISK FACTORS**

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

Investments will be managed strictly in accordance with the objectives and constraints contained in the Instrument of Incorporation and published Prospectus, and investors should be alert to the following risk factors which can affect the return.

The section entitled 'General risk factors: all funds' outlines risks which are applicable to all funds, in order to avoid repetition. The risk factors in each section are arranged in order of relevance and importance and it is recommend that they are read and understood before an investment is made.

### 5.1 **Risk factors affecting specific funds:**

#### 5.1.1 **Charges**

For TB Wise Income and Evenlode Income, charges are to be deducted from capital which may constrain capital growth.

#### 5.1.2 **Yield**

As the aims of TB Wise Strategic and TB Wise Investment are to achieve long term capital growth the yield on the portfolios is likely to be low. Distributions will be retained and reflected in the price of units. The level of yield of TB Wise Income and Evenlode Income may be subject to fluctuation and is not guaranteed.

#### 5.1.3 **Spread**

Funds which specialise in investing in a focused number of holdings such as Evenlode Income have less diversification than those with a broader spread of investments and therefore could be considered more risky.

### 5.2 **General risk factors: all funds**

#### 5.2.1 **Market risk**

The investments of the Funds are subject to normal market fluctuations and other risks inherent in investing in such investments.

The value of your investments and the income derived from them can go down as well as up, and you may not get back the money you invested. In other words

there is no assurance that any appreciation in value will occur and no assurance that the investment objectives of any Fund will actually be achieved.

In certain circumstances, investors will have the right to cancel your initial investment. However, it should be noted that cancellation may mean that you may not receive back the full amount invested if the value of the investment falls before a cancellation notice is acted on.

#### 5.2.2 **Performance risk**

The performance and risk levels of the Funds will vary according to individual fund selections. There is no guarantee for the performance level of the Funds and no guarantees are given by third parties. Past performance is not a reliable indicator of future results.

#### 5.2.3 **Charges**

Capital appreciation in the early years will be adversely affected by the impact of initial charges, which by their nature are not levied uniformly throughout the life of the investment. Where an initial charge is imposed, if you sell your shares after a short period you may not get back the money you invested, even if there has not been a fall in value of the underlying investments. You should, therefore, regard your investment in the Funds as medium-to-long term.

A dilution levy may be charged on the purchase or sale of shares in certain circumstances. Where this is not applied the fund in question may incur dilution, which may constrain capital growth.

#### 5.2.4 **Exchange or currency risk**

Fluctuations in exchange rates between currencies may cause the value of investments to increase or diminish.

#### 5.2.5 **Derivatives**

To the extent permitted by the regulations, the Funds may invest in derivatives. A derivative transaction will only be entered into for risk management and hedging purposes and not for any speculative reasons.

#### 5.2.6 **Capital risk**

If you choose to make withdrawals, the performance of the Funds may not be sufficient to cover the payments and you will suffer some capital erosion.

#### 5.2.7 **Regular Savers**

If you start your regular savers scheme in order to build up a particular sum by a certain date this target may not be achieved if the investment value does not grow as expected, or if you fail to maintain your contributions.

#### 5.2.8 **Inflation risk**

Inflation may occur over the duration of your investment, and will affect the future buying power of your capital.

#### 5.2.9 **Counterparty risk**

There is a risk that an issuer or counterparty will default.

#### 5.2.10 **Settlement risk**

A settlement in a transfer system may not take place as expected due to a failure of that transfer system or because a counterparty does not pay or deliver on time as expected.

#### 5.2.11 **Taxation**

Statements on taxation are based on the current position in the UK as at the time of publication. The value of investments could alter as a result of future legislation. There can be no guarantee that the tax position prevailing at the time of investment will endure indefinitely. There may also be other taxes applicable to the investment and any shareholder or potential investor in doubt as to their tax position should take professional advice.

#### 5.2.12 **Political/ regulatory risk**

The value of the assets of the Funds may be affected by uncertainties such as international political developments, changes in government policies, restrictions in foreign investment and other developments in the laws and regulations of countries in which investment may be made.

#### 5.2.13 **Emerging Markets**

A proportion of the Funds can be invested in the Emerging Markets regions. Investment may carry risks associated with failed or delayed settlement of market transactions and with registration and custody of securities. Investing in Emerging Markets may involve a higher than average risk and may not afford the same level of investor protection as would apply in more developed jurisdictions.

#### 5.2.14 **Investment Trusts**

The Funds may invest in geared investment trusts, whose price may be discounted in relation to their underlying asset value. Some of these holdings may also be relatively illiquid and there is therefore a risk that a position cannot be liquidated in a timely manner.

#### 5.2.15 **Bonds**

The Funds may hold, either directly or via other Collective Investment Schemes, higher yielding bonds where there is an increased risk of capital erosion through default or if the redemption yield is below the income yield.

Fixed interest securities are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of capital may fall, and vice versa. Inflation will also decrease the real value of capital.

The value of a fixed interest security will fall in the event of the default or reduced credit rating of the issuer.

Generally, the higher the rate of interest, the higher the perceived credit risk of the issuer. High yield bonds with lower credit ratings (also known as sub-investment grade bonds) are potentially more risky (higher credit risk) than investment grade bonds. A sub-investment grade bond has a Standard & Poor's credit rating of below BBB or equivalent.

#### 5.2.16 **OEIC liabilities**

As explained in paragraph 2.2.1, under the OEIC Regulations, each Fund is a segregated portfolio of assets and those assets can only be used to meet the liabilities of, or claims against, that Fund. Whilst the provisions of the OEIC Regulations provide for segregated liability between Funds, the concept 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.

#### 5.2.17 **Custody**

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



### 5.3 **ISA specific risks:**

The value of tax benefits depends on individual circumstances. The favourable tax treatment for ISAs may not be maintained. It is intended that the portfolio of the Schemes will be managed so that units are eligible to be held in the stocks and shares component of an ISA subject to applicable subscription limits (which was increased to £15,240 for the tax year ended 5th April 2016). Investments held in ISAs will be free of UK tax both on capital gains and income.

If an investor redeems or exercises the right to cancel an ISA they will irrevocably lose any favourable tax treatment associated with the ISA holding.

For ISA transfers, there is potential for a loss of income or growth, following a rise in the markets, whilst we await receipt of the ISA transfer from the current provider.

ISAs are subject to Government legislation and as such their tax benefits and investment levels may be changed in the future. See [www.hmrc.gov.uk](http://www.hmrc.gov.uk) for more information.

## 6. **MANAGEMENT AND ADMINISTRATION**

### 6.1 **Regulatory Status**

The ACD, the Depositary and the Investment Manager are authorised and regulated by the Financial Conduct Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS.

### 6.2 **Authorised Corporate Director**

#### 6.2.1 **General**

The ACD is T. Bailey Fund Services Limited which is a private company limited by shares incorporated in England and Wales on 25 February 1999.

The names of the directors of the ACD and significant activities of each director not connected with the business of the ACD (which comprise directorships in the companies listed) are as follows:

<b>Name</b>	<b>Activity</b>
Helen Stevens (Chief Executive Officer)	None.
Richard Taylor (Compliance Director)	None.
Richard Bonney (Finance Director)	None.

<b>Registered Office and Head Office:</b>	64 St. James's Street, Nottingham NG1 6FJ.
<b>Share Capital:</b>	It has a share capital of £1,250,001 issued and paid up.
<b>Ultimate Holding Company:</b>	Nottingham Industrial Group Limited, a company incorporated in England and Wales.

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

It has therefore delegated to the Investment Manager the function of managing and acting as the investment adviser for the investment and reinvestment of the assets of the Sub-funds (as further explained in paragraph 6.4 below).

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

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

Pursuant to the ACD Agreement, the ACD manages and administers the affairs of the Company in accordance with the Regulations, the Instrument of Incorporation and this Prospectus. The ACD Agreement incorporates detailed provisions relating to the ACD's responsibilities. The ACD Agreement is available to the Shareholders on request.

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

Details of the fees payable to the ACD are set out in paragraph 7.1.2 "Charges payable to the ACD" below.

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

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

## 6.3 **The Depositary**

### 6.3.1 **General**

The Depositary of the Company is National Westminster Bank Plc, a public limited company incorporated in England & Wales on 18 March 1968. The ultimate holding company of the Depositary is The Royal Bank of Scotland Group plc, a public limited company incorporated in Scotland.

The registered office and head office of the Depositary is at 135 Bishopsgate, London EC2M 3UR. The principal business of the Depositary is banking. It is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority.

The Depositary is responsible for the safekeeping of all the Scheme Property (other than tangible moveable property) of the Company and has a duty to take reasonable care to ensure that the Company is managed in accordance with the Instrument of Incorporation and the provisions of the Sourcebook relating to the pricing of, and dealing in, Shares and relating to the income and the investment and borrowing powers of the Sub-funds.

### 6.3.2 **Terms of Appointment:**

The appointment of the Depositary has been made under an agreement between the Company, the ACD and novated in favour of the Depositary on 21 October 2011, (the "Depositary Agreement").

Subject to the 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 terms of the Depositary Agreement between the Company, the ACD and the Depositary provide that the Depositary be engaged to maintain the safe custody of the Scheme Property and to fulfil other duties required in the Regulations, which include the taking of reasonable care to ensure that the Company is managed in accordance with those parts of the Regulations that concern pricing and dealing in shares of the Company, income and compliance of the Company with its investment and borrowing powers. Under the Agreement the Depositary has the power to appoint sub-Custodians and may include in such appointment powers of

sub-delegation. The Depositary has delegated custody to The Northern Trust Company.

The Depositary will not be held liable for any loss incurred by it, or through any of its agents in carrying out its obligations or functions, unless such loss arises from its negligence, fraud or wilful default.

The Depositary Agreement provides indemnities to the Depositary to the extent allowed by the Regulations and except in respect of its failure to exercise due care and diligence or in the event of its negligence, fraud or wilful default.

The Depositary is entitled to receive remuneration out of the Scheme Property for its services, as explained in paragraph 7.1.3 "Depositary's fee and expenses" below. The Depositary is under no obligation to account to the ACD, the Company or the Shareholders for any profits or benefits it makes or receives that are made or derived from or in connection with its role as depositary.

## 6.4 **The Investment Manager**

### 6.4.1 **General**

The ACD has appointed the Investment Manager, Wise Investments Limited, to provide investment management services to the ACD. The Investment Manager is authorised and regulated by the Financial Conduct Authority.

The Investment Manager's registered office is at Wise Investment, The Long Barn, Chalford Park Barns, Oxford Road, Chipping Norton, Oxon OX7 5QR.

The principal activity of the Investment Manager is the provision of investment advisory and investment management services.

### 6.4.2 **Terms of Appointment:**

The terms of the Investment Management Agreement between the ACD and the Investment Manager include the provision of investment management to attain the investment objectives of the Sub-funds, the purchase and sale of investments and on the exercise of voting rights relating to such investments. The Investment Manager has authority to make decisions on behalf of the ACD on a discretionary basis in respect of day to day investment management of the Scheme Property including authority to place purchase orders and sale orders with regulated dealers and preparation of the Investment Manager's report half yearly for inclusion in the Company's Report for circulation to Shareholders. The Agreement may be terminated by either party on not less than six months' written notice or earlier upon the happening of certain specified events.

The Investment Manager will receive a fee paid by the ACD out of its remuneration received each month from the Sub-funds as explained in paragraph 7.1.4 below

and is also entitled to receive commission paid by the ACD in respect of investment in the Sub-funds by its clients.

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

## 6.5 **The Registrar**

### 6.5.1 **General**

On behalf of the Company the ACD acts as registrar to the Company.

### 6.5.2 **Register of Shareholders**

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

## 6.6 **The Auditors**

The auditors of the Company are Deloitte LLP, Four Brindleyplace, Birmingham, B1 2HZ.

## 6.7 **Conflicts of Interest**

The ACD, the Investment Manager and other companies within the T. Bailey and/or the Investment Manager's group may, from time to time, act as investment managers or advisers to other funds or sub-funds which follow similar investment objectives to those of the Sub-funds. It is therefore possible that the ACD and/or the Investment Manager may in the course of their business have potential conflicts of interest with the Company or a particular Sub-fund. Each of the ACD and the Investment Manager will, however, have regard in such event to its obligations under the ACD Agreement and the Investment Management Agreement respectively 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.

Further details of conflicts of interest policies are available on request from the ACD.

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

7. **FEES AND EXPENSES**

7.1 **TB Wise Strategic, TB Wise Income and TB Wise Investment (the "TB Wise Sub-funds").**

7.1.1 **Ongoing**

All costs, charges, fees or expenses, other than the charges made in connection with the subscription and redemption of Shares (see paragraph 3.5) payable by a Shareholder or out of Scheme Property are set out in this section.

The Company or each TB Wise Sub-fund (as the case may be and not including Evenlode Income) may, so far as the Sourcebook allows, also pay out of the Scheme Property all relevant costs, charges, fees and expenses including the following:

- 7.1.1.1 broker's commission, fiscal charges (including stamp duty and/or stamp duty reserve tax) and other disbursements which are necessary to be incurred in effecting transactions for the TB Wise Sub-funds and normally shown in contract notes, confirmation notes and difference accounts as appropriate;
- 7.1.1.2 fees and expenses in respect of establishing and maintaining the Register of Shareholders, including any sub-registers kept for the purpose of the administration Individual Savings Accounts;
- 7.1.1.3 any costs incurred in or about the listing of Shares in the Company on any Stock Exchange, and the creation, conversion and cancellation of Shares;
- 7.1.1.4 any costs incurred by the Company in publishing the price of the Shares in a national or other newspaper or any other form of media;
- 7.1.1.5 any costs incurred in producing and dispatching any payments made by the Company, or the yearly and half-yearly reports of the Company;
- 7.1.1.6 any fees, expenses or disbursements of any legal or other professional adviser of the Company;
- 7.1.1.7 any costs incurred in taking out and maintaining an insurance policy in relation to the Company;
- 7.1.1.8 any costs incurred in respect of meetings of Shareholders convened for any purpose;

- 7.1.1.9 any payment permitted by clause 6.7.15R of the Sourcebook;
- 7.1.1.10 interest on borrowings and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;
- 7.1.1.11 taxation and duties payable in respect of the Scheme Property of the TB Wise Sub-funds or the issue or redemption of Shares;
- 7.1.1.12 the audit fees of the Auditors (including VAT) and any expenses of the Auditors;
- 7.1.1.13 the fees of the FCA, in accordance with the FCA Fee's Manual, together with any corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which Shares in the Company are or may be marketed;
- 7.1.1.14 any expense incurred in relation to company secretarial duties including the cost of maintenance of minute books and other documentation required to be maintained by the Company;
- 7.1.1.15 the total amount of any cost relating to amending the Prospectus where this is permitted by the Sourcebook;
- 7.1.1.16 any payments otherwise due by virtue of the Regulations; and
- 7.1.1.17 any value added or similar tax relating to any charge or expense set out herein.

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

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

Expenses are allocated between capital and income in accordance with the Regulations. However, the approach for a given TB Wise Sub-fund is set out in Appendix I. Where expenses are deducted in the first instance from income if and only if this is insufficient, deductions will be made from capital. If deductions were made from capital, this would result in capital erosion and constrain growth.

#### 7.1.2 **Charges payable to the ACD**

#### 7.1.2.1 *Annual Management Charge*

In payment for carrying out its duties and responsibilities the ACD is entitled to take an annual fee out of each TB Wise Sub-fund as set out in Appendix I. The annual management charge will accrue on a daily basis in arrears by reference to the Net Asset Value of the TB Wise Sub-fund on the immediately preceding Dealing Day and the amount due for each month is payable on the last Dealing Day of each month.

The payment of fees or commissions to third parties from ongoing charges is designed to allow remuneration for intermediaries to enable them to service the underlying investor (e.g. provision of advice, facilitating the investment etc.) along with remuneration for the Investment Manager for making investment decisions and remuneration to the ACD.

Fees or commissions will only be paid to third parties from ongoing charges if this does not impair compliance with the ACD's duty to act in the best interests of the Fund.

The ACD does not offer advice to private individuals and therefore only discloses the maximum full ongoing charge in the Key Investor Information document which must be read by investors prior to any investment being made. It is the obligation of the party giving advice to disclose prior to investment any fees or commissions which they will take from the investment. Post investment the ACD will issue contract note(s) which disclose any fees or commissions payable to the intermediary on the account. For platform business contract notes will be issued to the platform by the ACD and by the platform itself to the end investor.

Further details on fees and commissions payable are available on request from the ACD.

The current annual management charges for the TB Wise Sub-funds (expressed as a percentage per annum of the Net Asset Value of each TB Wise Sub-fund) are set out in Appendix I. Investors should note that the ACD's annual management charge for TB Wise Income will be taken entirely from capital which may constrain capital growth.

#### 7.1.2.2 *Administration and Registration Fees*

The Administrator's fees and expenses (plus VAT thereon) will be paid out of the property of the Company with respect to each of the TB Wise Sub-funds as the case may be (not including Evenlode Income) and will include but are not limited to:

Fund accounting: the Administrator receives for its own account a periodic fee which will accrue and is due monthly on the last business day in each calendar month in respect of that day and the period since



the last business day in the preceding month and is payable as soon as practicable after it has accrued (and in any event within seven days after the day on which it accrues due). The fee is calculated by reference to the value of the Company on the last business day of the preceding month except for the first accrual, which is calculated by reference to the first valuation point of each Fund.

The fund accounting fee is calculated on a sliding scale on the following basis:

0.21% per annum of the first £100 million of the scheme property

0.11% per annum of the of the next £50 million of the scheme property

0.06% per annum of the next £50 million of the scheme property

Thereafter 0.01% per annum of the balance, subject to a minimum of up to £80,000

The ACD is entitled to receive a fee out of the Scheme Property for providing registration services (including establishing and maintaining sub-registers where applicable), out of which the ACD will pay the fees of the Registrar. The ACD is entitled to receive a fee out of the Scheme Property of the Company for providing registration services, (including establishing and maintaining sub-registers where applicable) out of which the ACD will pay the fees of the Registrar. Such fee is payable monthly. The current fees payable to the ACD are as follows: 0 -100 Shareholders: £1,500 per annum per TB Wise Sub-fund: 101-250 Shareholders: £2,900 per annum per TB Wise Sub-fund, greater than 250 Shareholders, £11.50 per annum per Shareholder. All Registrar fees are subject to VAT.

#### 7.1.2.3 *Expenses*

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

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

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

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

#### 7.1.3 **Depositary's fee and expenses**

The Depositary receives for its own account a periodic fee which will accrue daily and is payable monthly on the last business day in each calendar month in respect of that day and the period since the last business day in the preceding month and is payable within seven days after the last business day in each month. The fee is calculated by reference to the value of each TB Wise Sub-fund on the last business day of the preceding month

except for the first accrual which is calculated by reference to the first valuation point of the TB Wise Sub-fund. The rate of the periodic fee is agreed between the ACD and the Depositary and is calculated on a sliding scale for each TB Wise Sub-fund on the following basis:

- 0.04% per annum of the first £70 million of the Scheme Property
- 0.03% per annum of the next £30 million of the Scheme Property
- 0.02% per annum of the next £100 million of the Scheme Property
- 0.01% per annum of the remaining value within the Scheme Property

In addition VAT on the amount of the periodic charge will be paid out of scheme property.

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

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

<b>Item</b>	<b>Range</b>
Transaction Charges	£10 to £175 plus VAT (if any).
Custody Charges	0.0025% to 1.1% per annum of the Scheme Property plus VAT (if any).

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

Where relevant, the Depositary may make a charge for its services in relation to: distributions, the provision of banking services, holding money on deposit, lending money, or engaging in stock lending transactions, in relation to the TB Wise Sub-fund and may sell or deal in the 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 TB Wise Sub-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 value added tax 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.

#### **7.1.4 Investment Manager's fee**

The Investment Manager's fees and expenses (plus VAT thereon) for providing investment management services will be paid by the ACD out of its remuneration under the ACD Agreement.

Further details of this agreement are summarised in paragraph 6.4.2 "Terms of Appointment" above.

## **7.2 Evenlode Income**

### **7.2.1 Charges payable to the ACD**

#### *7.2.1.1 Periodic Charge*

In payment for carrying out its duties and responsibilities the ACD is entitled to a periodic charge as set out in Appendix I. The periodic charge will accrue on a daily basis in arrears by reference to the Net Asset Value on the immediately preceding Dealing Day and the amount due for each month is payable on the last Dealing Day of each month.

The ACD does not offer advice to private individuals and therefore only discloses the maximum full ongoing charge in the Key Investor Information document which must be read by investors prior to any investment being made. It is the obligation of the party giving advice to disclose prior to investment any fees or commissions which they will take from the investment. Post investment the ACD will issue contract note(s) which disclose any fees or commissions payable to the intermediary on the account. For platform business contract notes will be issued to the platform by the ACD and by the platform itself to the end investor.

Further details on fees and commissions payable are available on request from the ACD.

The current periodic charge for Evenlode Income (expressed as a percentage per annum of the Net Asset Value) is set out in Appendix I. Investors should note that the periodic charge will be taken entirely from capital which may constrain capital growth.

#### 7.2.1.2 *Expenses*

Included within the periodic charge will be the following:

- Fees of the ACD;
- Fees of the Investment Manager;
- Fees of the Depositary;
- Fees of the Registrar;
- Fees incurred in producing and dispatching any payments made;
- Fees incurred in producing or dispatching yearly and half-yearly reports of the Company;
- Fees of the Custodian;
- Fees of the FCA, in accordance with the FCA Fee's Manual, together with any corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which Shares are or may be marketed;
- Fees of the Auditor;
- any fees, expenses or disbursements of any legal or other professional adviser; and
- Fees or commissions to third parties from ongoing charges designed to allow remuneration for intermediaries to enable them to service the underlying investor (e.g. provision of advice, facilitating the investment etc.) Fees or commissions will only be paid to third parties from ongoing charges if this does not impair compliance with the ACD's duty to act in the best interests of Evenlode Income.

The ACD's current policy is therefore that fees which contribute towards the ongoing charges figure (as calculated in accordance with the Regulations) are borne by the ACD from the periodic charge such that the ongoing charges figure should always equal the periodic charge. Should this policy change, then the ACD will first give affected shareholders 60 days' notice of that change. The periodic charge does not include the other expenses payable out of Evenlode Income listed at paragraph 7.2.2 below.

#### 7.2.2 **Other expenses**

The following expenses (being the actual amounts incurred) may also be payable at the discretion of the ACD:

- 7.2.2.1 broker's commission, fiscal charges (including stamp duty and/or stamp duty reserve tax) and other disbursements which are necessary to be incurred in effecting transactions and normally shown in contract notes, confirmation notes and difference accounts as appropriate;
- 7.2.2.2 any costs incurred in or about the listing of Shares on any Stock Exchange, and the creation, conversion and cancellation of Shares;
- 7.2.2.3 any costs incurred in publishing the price of the Shares in a national or other newspaper or any other form of media;
- 7.2.2.4 any costs incurred in taking out and maintaining an insurance policy;
- 7.2.2.5 any costs incurred in respect of meetings of Shareholders convened for any purpose;
- 7.2.2.6 any payment permitted by clause 6.7.15R of the Sourcebook;
- 7.2.2.7 interest on borrowings and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;
- 7.2.2.8 taxation and duties payable in respect of the Scheme Property of Evenlode Income or the issue or redemption of Shares;
- 7.2.2.9 any expense incurred in relation to company secretarial duties including the cost of maintenance of minute books and other documentation required to be maintained;
- 7.2.2.10 the total amount of any cost relating to amending the Prospectus where this is permitted by the Sourcebook;
- 7.2.2.11 any payments otherwise due by virtue of the Regulations; and
- 7.2.2.12 any value added or similar tax relating to any charge or expense set out herein.

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

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

Expenses are allocated between capital and income in accordance with the Regulations. However, the approach for Evenlode Income is set out in Appendix I. Where expenses are deducted in the first instance from income if and only if this is insufficient, deductions will be made from capital. If deductions were made from capital, this would result in capital erosion and constrain growth.

### 7.3 **Allocation of fees and expenses between Sub-funds**

All the above fees, duties and charges (other than those borne by the ACD) will be charged to the Sub-fund in respect of which they were incurred.

Subject to paragraph 7.2 above, where an expense is not considered to be attributable to any one Sub-fund, the expense will normally be allocated to all Sub-funds pro rata to the value of the Net Asset Value of the Sub-funds, although the ACD has discretion to allocate these fees and expenses in a manner which it considers fair to Shareholders generally.

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

8. **INSTRUMENT OF INCORPORATION**

The Instrument of Incorporation is available for inspection at the ACD's offices at 64, St. James's Street, Nottingham NG1 6FJ.

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

### 9.1 **Class, Company and Sub-fund Meetings**

Following the giving of 60 days' written notice to Shareholders, the Company dispensed with the requirement to hold annual general meetings from 18 January 2007.

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

### 9.2 **Requisitions of Meetings**

The ACD may requisition a general meeting at any time.

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

### 9.3 **Notice and Quorum**

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

### 9.4 **Voting Rights**

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

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

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

In the case of joint Shareholders, the vote of the most senior Shareholder who votes, whether in person or by proxy, must be accepted to the exclusion of the votes of the other joint



Shareholders. For this purpose seniority must be determined by the order in which the names stand in the Register.

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

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

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

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

#### 9.5 **Variation of Class or Sub-fund rights**

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

## 10. **TAXATION**

### 10.1 **General**

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

### 10.2 **The Company**

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

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

Dividends received by a Sub-fund should fall within one of a number of exemptions from UK taxation. The Sub-funds will each be subject to corporation tax at 20% on most other types of income but after deducting allowable management expenses and the gross amount of any interest distributions. Where a Sub-fund suffers foreign tax on income received, this may normally be deducted from the United Kingdom tax due on that income.

A Sub-fund will make dividend distributions except where over 60% of its property has been invested throughout the distribution period in interest-paying investments, in which case it will make interest distributions.

### 10.3 **Shareholders**

#### 10.3.1 **Income**

The Sub-funds will pay distributions (which will be automatically retained in the Sub-fund in the case of accumulation Shares) with a tax credit. Individuals liable to income tax at the basic rate will have no further liability to tax. Higher and additional rate taxpayers will have to pay an additional amount of income tax on the amount received. Non-taxpayers may reclaim the tax credits on interest distributions paid, and starting rate taxpayers may reclaim part of them, but neither can reclaim tax credits on dividend distributions.

Corporate Shareholders who receive dividend distributions may have to divide them into two (in which case the division will be indicated on the tax voucher). Any part representing dividends received from a United Kingdom company will be treated as dividend income (that is, franked investment income) and no further tax will be due on it. The remainder will be received as an annual payment after deduction of income tax at the lower rate, and corporate Shareholders may, depending on their circumstances, be liable to tax on the grossed up amount, with

the benefit of a 20% income tax credit attached or to reclaim part of the tax credit as shown on the tax voucher. Corporate Shareholders are also subject to corporation tax on the gross amount of interest distributions.

#### 10.3.2 **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. Equalisation will be applied to all of the Sub-funds.

#### 10.3.3 **Gains**

Shareholders may, depending on their personal circumstances, be liable to capital gains tax, or if a corporate Shareholder, corporation tax on gains arising from the redemption, transfer or other disposal of Shares (but not on Switches between Classes within a Sub-fund). Any corporate Shareholder in a Sub-fund which is over 60% invested in interest-paying investments at a material time must treat the holding as a creditor relationship.

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

#### 10.3.4 Reporting of tax information

The Sub-funds and the ACD are subject to obligations which require them to provide certain information to relevant tax authorities about the Sub-fund, investors and payments made to them.

Until 31 December 2015, any person regarded as a "paying agent" for the purposes of the Reporting of Savings Income Information Regulations, SI 2003/3297 (which give effect in the UK to the EC Taxation of Savings Income Directive 2003/48/EC) may be required to disclose to HMRC details of payments of interest and other income (which may include distributions on redemption payments by collective investment funds) to shareholders who are individuals or residual entities, and HMRC will pass such details to the EU member state where the shareholder resides.

From 1 January 2016, similar obligations will apply under the International Tax Compliance Regulations, SI 2015/878 (which give effect in the UK to amendments made to the EU Directive on Administrative Cooperation, Directive 2011/16/EU, which replace the reporting obligations under the Taxation of Savings Income Directive).

The International Tax Compliance (Crown Dependencies and Gibraltar) Regulations 2014 impose a separate reporting regime for investors from several of the UK's overseas territories: Jersey, Guernsey, Isle of Man and Gibraltar.

The International Tax Compliance Regulations 2015 give effect to reporting obligations under the OECD's Common Reporting Standard, which replaces the reporting regime for investors from the UK's overseas territories with effect from 1 January 2016 and extends it to investors from other jurisdictions.

The International Tax Compliance Regulations 2015 also give effect to an intergovernmental agreement between the US and the United Kingdom in relation to the US Foreign Account Tax Compliance Act ("FATCA"). FATCA is designed to help the Internal Revenue Service (the "IRS") combat US tax evasion. It requires financial institutions, such as the Sub-funds, to report on US investors or US holdings, whether or not this is relevant. Failure to comply (or be deemed compliant) with these requirements will subject a Sub-fund to US withholding taxes on certain US-sourced income and gains.

Provided each Sub-fund complies with its obligations under the International Tax Compliance Regulations 2015 to identify and report US taxpayer information directly to HMRC, it should be deemed compliant with FACTA. HMRC will share such information with the IRS.

Shareholders may be asked to provide additional information to the ACD to enable the Sub-funds to satisfy these obligations. Failure to provide requested information may subject a shareholder to liability for any resulting US withholding taxes, US tax information reporting and/or mandatory redemption, transfer or other termination of the shareholder's interest in a Sub-fund.

To the extent a Sub-fund is subject to withholding tax as a result of:

a shareholder failing (or delaying) to provide relevant information to the ACD;

a shareholder failing (or delaying) to enter into a direct agreement with the IRS;

the Sub-fund becoming liable under FATCA or any legislation or regulation to account for tax in any jurisdiction in the event that a unitholder or beneficial owner of a share receives a distribution, payment or redemption, in respect of their shares or disposes (or be deemed to have disposed) of part or all of their shares in any way;

(each a "Chargeable Event"),

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

**Shareholders should consult their own tax advisors regarding the possible implications of these rules on their investments.**

Each investor agrees to indemnify the Sub-fund and/or the ACD and its delegates/agents for any loss caused by such investor arising to the Sub-fund and/or ACD and/or its delegates/agents by reason of them becoming liable to account for tax in any jurisdiction on the happening of a Chargeable Event.

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

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

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

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

- 11.1 if an extraordinary resolution to that effect is passed by Shareholders; or
- 11.2 when the period (if any) fixed for the duration of the Company or a particular Sub-fund by the Instrument of Incorporation expires, or any event occurs on the occurrence of which the Instrument of Incorporation provides that the Company or a particular Sub-fund is to be wound up (for example, if the Share capital of the Company or (in relation to any Sub-fund) the Net Asset Value of the Sub-fund is below £5 million, or if a change in the laws or regulations of any country means that, in the ACD's opinion, it is desirable to terminate the Sub-fund); or
- 11.3 on the date stated in any agreement by the FCA to a request by the ACD for the revocation of the authorisation order in respect of the Company or for the termination of the relevant Sub-fund.

On the occurrence of any of the above:

- 11.4 the parts of the FCA Handbook dealing with Dealing, Valuation and Pricing and Investment and borrowing powers will cease to apply to the Company or the relevant Sub-fund;
- 11.5 the Company will cease to issue and cancel Shares in the Company or the relevant Sub-fund and the ACD shall cease to sell or redeem Shares or arrange for the Company to issue or cancel them for the Company or the relevant Sub-fund;
- 11.6 no transfer of a Share shall be registered and no other change to the Register of Shareholders shall be made without the sanction of the ACD;
- 11.7 where the Company is being wound up, the Company shall cease to carry on its business except in so far as it is beneficial for the winding up of the Company;
- 11.8 the corporate status and powers of the Company and subject to 11.4 to 11.7 above, the powers of the Depositary shall continue until the Company is dissolved.

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

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

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

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

## 12. **GENERAL INFORMATION**

### 12.1 **Accounting Periods**

The annual accounting period of the Company ends each year on 28/29 February (the accounting reference date) with interim accounting periods ending on 31 August in respect of TB Wise Strategic and TB Wise Investment and 31 May, 31 August and 30 November for TB Wise Income and Evenlode Income.

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

## 12.2 **Notice to Shareholders**

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

## 12.3 **Income Allocations**

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

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

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

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

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

## 12.4 **Fewer than two Sub-funds**

If for a period of 24 consecutive months beginning at any time after the first issue of Shares, Shares in only one Sub-fund are in issue, the ACD must take such action as is necessary to change the type of Company or cause Shares in respect of more than one Sub-fund to be in issue. This does not apply if winding up of the Company has begun on or before the expiry of the 24 month period.

## 12.5 **Annual Reports**

Annual reports (both long and short) of the Company will be published within four months of each annual accounting period and half yearly reports (both long and short) will be published



within two months of each interim accounting period. Shareholders will be sent the short report for the company although the long report will be available on request.

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

## 12.6 **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 64, St. James's Street, Nottingham:

- 12.6.1 the most recent annual and half yearly long and short reports of the Company;
- 12.6.2 the Instrument of Incorporation (and any amending documents);
- 12.6.3 the most recent prospectus; and
- 12.6.4 the material contracts referred to below.

Shareholders may obtain copies of the above documents from the ACD. The ACD may make a charge at its discretion for copies of documents (apart from the most recent annual and half yearly long reports of the Company and the most recent prospectus which are available free of charge to anyone who requests).

## 12.7 **Material Contracts**

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

- 12.7.1 the ACD Agreement between the Company and the ACD; and
- 12.7.2 the Depositary Agreement between the Company, the Depositary and the ACD.

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

## 12.8 **Provision of Investment Advice**

All information concerning the Company and about investing in Shares of the Company is available from the ACD at 64, St. James's Street, Nottingham. 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.

## 12.9 **Telephone Recordings**

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

## 12.10 **Complaints**

If you have a complaint you should contact us. If you wish to put your complaint in writing please contact the Compliance Officer at the registered office of the Manager at 64 St. James's Street, Nottingham, NG1 6FJ. If your complaint is not dealt with to your satisfaction you can, depending on the nature of the complaint, also write directly to the Financial Ombudsman Service at Exchange Tower, London E14 9SR. We will inform you of your rights when answering your complaint and a copy of T. Bailey's internal complaints procedure will also be provided to you.

## 12.11 **Risk Management**

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

- 12.11.1 the quantitative limits applying in the risk management of any Sub-fund;
- 12.11.2 the methods used in relation to 12.11.1; and
- 12.11.3 any recent development of the risk and yields of the main categories of investment.

## 12.12 **Indemnity**

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

## 12.13 **Best Execution**

The Investment Manager will be responsible for executing purchases and sales of underlying Fund investments. Such transactions may only be executed by the Investment Manager in accordance with the FCA rules on best execution and the Investment Manager is obliged to comply with these rules. Further details of the Investment Manager's best execution policy are available on request from the ACD.

## 12.14 **Voting Strategy**

The ACD, in partnership with the Investment Manager, has ensured that adequate and effective strategies for determining when and how voting rights attached to the ownership of Fund property are to be exercised. These strategies include monitoring relevant corporate events, ensuring that the exercise of voting rights is in accordance with the investment objectives and policy of the relevant sub-fund and preventing or managing any conflicts of

interest arising from the exercise of voting rights. A summary description of the policies along with records of voting is available on request.

## APPENDIX I

### SUB-FUND DETAILS

<b>Name:</b>	<b>TB WISE STRATEGIC</b>	
<b>Type of Sub-fund:</b>	UCITS scheme	
<b>Investment Objective and Policy:</b>	The investment objective of TB Wise Strategic is to provide capital growth over the medium to long term in excess of deposit account returns and inflation by investing in collective investment schemes although other investments may also be held, including money market instruments and deposits. These will include funds investing in UK and overseas equities, fixed interest securities, and cash.	
<b>Final accounting date:</b>	28/29 February	
<b>Interim accounting date:</b>	31 August	
<b>Income distribution dates:</b>	30 April (final) 31 October (interim)	
<b>Shares Classes and type of Shares:</b>	Accumulation	
<b>Initial charge:</b>	Class A: 4% Class B: Nil	
<b>Redemption charge:</b>	Nil	
<b>Switching charge:</b>	Nil	
<b>Annual Management Charge:</b>	Class A: 1.44% Class B: 0.79%	
<b>Charges taken from Income:</b>	Yes	
<b>Investment minima:*</b>	Class A	Class B
Lump sum	£1,000	£1,000
Holding	£1,000	£1,000
Top-up	N/A	N/A
Regular Savings Plan	£50	N/A
Redemption	N/A provided minimum holding maintained	N/A provided minimum holding maintained
<b>Past performance:</b>	Past performance information is set out in Appendix V	

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

<b>Name:</b>	<b>TB WISE INCOME</b>	
<b>Type of Sub-fund:</b>	UCITS scheme	
<b>Investment Objective and Policy:</b>	The investment objective of TB Wise Income is to provide a starting yield roughly equivalent to a good building society account, with the potential for income growth and capital growth from a diversified portfolio of collective investment schemes, including unit trusts and open-ended investment companies, equities including investment trusts, bonds, Government securities, money market instruments and cash. There will be no restriction on allocations between asset classes or geographic regions.	
<b>Final accounting date:</b>	28/29 February	
<b>Interim accounting date:</b>	31 May 31 August 30 November	
<b>Income distribution dates:</b>	30 April (final) 31 July (interim) 31 October (interim) 31 January (interim)	
<b>Shares Classes and type of Shares:</b>	Income and Accumulation Shares in Class A and B	
<b>Initial charge:</b>	Class A: 4% Class B: Nil	
<b>Redemption charge:</b>	Nil	
<b>Switching charge:</b>	Nil	
<b>Annual Management Charge:</b>	Class A: 1.44% Class B: 0.79%	
<b>Charges taken from Income:</b>	No	
<b>Investment minima:*</b>	Class A	Class B
Lump sum	£1,000	£1,000
Holding	£1,000	£1,000
Top-up	N/A	N/A
Regular Savings Plan	£50	N/A
Redemption	N/A provided minimum holding maintained	N/A provided minimum holding maintained
<b>Past performance:</b>	Past performance information is set out in Appendix V	

<b>Name:</b>	<b>TB WISE INVESTMENT</b>	
<b>Type of Sub-fund:</b>	UCITS scheme	
<b>Investment Objective and Policy:</b>	The investment objective of TB Wise Investment is to provide capital growth over the medium to long term in excess of deposit account returns and inflation. The fund will invest in collective investment schemes, including unit trusts and open-ended investment companies although other investments may also be held, including investment trusts, money market instruments and deposits. The fund will from time to time invest directly in UK-listed shares if the manager feels that value can be added by doing so. The fund will invest in the following assets: UK and overseas equities, fixed interest securities and cash.	
<b>Final accounting date:</b>	28/29 February	
<b>Interim accounting date:</b>	31 August	
<b>Income distribution dates:</b>	30 April (final) 31 October (interim)	
<b>Shares Classes and type of Shares:</b>	Accumulation Shares	
<b>Initial charge:</b>	Class A: 4% Class B: Nil	
<b>Redemption charge:</b>	Nil	
<b>Switching charge:</b>	Nil	
<b>Annual Management Charge:</b>	Class A: 1.44% Class B: 0.79%	
<b>Charges taken from Income:</b>	Yes	
<b>Investment minima:*</b>	Class A	Class B
Lump sum	£1,000	£1,000
Holding	£1,000	£1,000
Top-up	N/A	N/A
Regular Savings Plan	£50	N/A
Redemption	N/A provided minimum holding maintained	N/A provided minimum holding maintained

<b>Name:</b>	<b>EVENLODE INCOME</b>		
<b>Type of Sub-fund:</b>	UCITS retail scheme		
<b>Investment Objective and Policy:</b>	<p>The investment objective of Evenlode Income is to produce attractive long-term total returns, with an emphasis on income.</p> <p>The fund will invest predominantly in the equity securities of companies listed in the United Kingdom, with the balance invested in the equity securities of companies listed internationally and cash (or near cash securities). The fund may also invest in fixed income securities, collective investment schemes and derivatives for the purpose of efficient portfolio management from time to time. The fund manager aims to invest in a focused portfolio of shares offering a combination of high and growing cash-flows (to deliver both capital growth and dividend growth for the fund) and low business risk. The manager will undertake fundamental analysis to identify shares in companies that offer this combination.</p>		
<b>Final accounting date:</b>	28/29 February		
<b>Interim accounting date:</b>	31 August		
<b>Income distribution dates:</b>	30 April (final) 31 July (interim) 31 October (interim) 31 January (interim)		
<b>Shares Classes and type of Shares:</b>	Income and Accumulation Shares in Class A, B and C		
<b>Initial charge:</b>	Class A: 4% Class B: Nil Class C: Nil		
<b>Redemption charge:</b>	Nil		
<b>Switching charge:</b>	Nil		
<b>Periodic Charge:</b>	Class A: 1.45% Class B: 0.95% Class C: 0.85%		
<b>Charges taken from Income:</b>	No		
<b>Investment minima:*</b>	Class A	Class B	Class C
Lump sum	£1,000	£1,000	£10,000,000
Holding	£1,000	£1,000	£10,000,000
Top-up	N/A	N/A	N/A

Regular Savings Plan  
Redemption

£50  
N/A provided minimum  
holding maintained

£50  
N/A provided  
minimum holding  
maintained

N/A  
N/A provided minimum  
holding maintained



## APPENDIX II

### ELIGIBLE SECURITIES MARKETS AND ELIGIBLE DERIVATIVES MARKETS

All the Sub-funds may deal through securities and derivatives markets which are regulated markets (as defined in the glossary to the FCA Handbook) or markets established in an EEA State which are regulated, operate regularly and are open to the public (excluding Cyprus and Slovenia).

Each Sub-fund may also deal through the securities markets and derivatives markets indicated below

#### Eligible Securities Markets

United States of America	The New York Stock Exchange (NYSE)
	The NASDAQ Stock Market (NASDAQ)
	The American Stock Exchange (AMEX)
Australia	The Australian Securities Exchange
Canada	Montreal Stock Exchange
	Toronto Stock Exchange
	TSX Venture Exchange
Hong Kong	Hong Kong Stock Exchange
Japan	Tokyo Stock Exchange
	Osaka Securities Exchange
	Nagoya Stock Exchange
	Sapporo Stock Exchange
Korea	Korea Exchange (KRX)
Mexico	Mexican Stock Exchange
New Zealand	New Zealand Exchange (NZX)
Singapore	Stock Exchange of Singapore (SES)
South Africa	JSE Securities Exchange
Switzerland	The Swiss Exchange (SWX)
Thailand	The Stock Exchange of Thailand (SET)

## Eligible Derivatives Markets

American Stock Exchange	Midwest Stock Exchange
Australian Securities Exchange	Montreal Stock Exchange
Bolsa Mexicana de Valores	New York Futures Exchange
Chicago Board of Trade	New York Mercantile Exchange
Chicago Board Options Exchange	New York Stock Exchange
Chicago Mercantile Exchange	New Zealand Futures Exchange
Copenhagen Stock Exchange (including FUTOP)	OMLX The London Securities and Derivatives Exchange Limited
DTB Deutsche Terminbörse	OM Stockholm AB
European Options Exchange	Osaka Securities Exchange
Financieel Termijnmarkt Amsterdam	Pacific Stock Exchange
Finnish Options Market	Philadelphia Board of Trade
Hong Kong Futures Exchange	Philadelphia Stock Exchange
International Securities Market Association	Singapore Exchange
Irish Futures and Option Exchange (IFOX)	South Africa Futures Exchange (SAFEX)
Kansas City Board of Trade	Swiss Options and Financial Futures Exchange (SOFFEX)
Financial Futures and Options Exchange (Administration & Management)	Sydney Futures Exchange
Marché à Terme des International de France	The National Association of Securities Dealers Automated Quotations System (NASDAQ)
Marché des options Négociables de Paris (MONEP)	Tokyo Stock Exchange
MEFF Rent Fiji	Toronto Futures Exchange
MEFF Renta Variable	

## **APPENDIX III**

### **INVESTMENT AND BORROWING POWERS OF THE COMPANY**

#### **1. General**

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

The Sub-funds will not maintain an interest in immovable property or tangible moveable property.

#### **1.1 Prudent spread of risk**

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

#### **1.2 Cover**

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

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

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

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

#### **1.3 Transferable Securities**

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

- 1.3.2 An investment is not a transferable security if the title to it cannot be transferred, or can be transferred only with the consent of a third party.
- 1.3.3 In applying paragraph 1.3.2 of this Appendix to an investment which is issued by a body corporate, and which is an investment falling within articles 76 (shares, etc) or 77 (instruments creating or acknowledging indebtedness) of the Regulated Activities Order, the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored.
- 1.3.4 An investment is not a transferable security unless 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.

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

- 2.1 Subject to the investment objectives and policy of a Sub-fund and the restrictions set out in this Prospectus, the Scheme Property must, except where otherwise provided in the FCA Handbook only consist of transferable securities collective investment schemes, money market instruments and bonds except that cash or near cash may be held for liquidity purposes of the efficient management of a Sub-fund; from time to time and a Sub-fund may have a higher than usual level of liquidity if the ACD considers that to be in the interests of Shareholders.
- 2.2 Transferable securities held within a Sub-fund must (subject to paragraph 2.3 of this Appendix) be admitted to or dealt on an eligible market as described below.
- 2.3 Not more than 10% in value of the Scheme Property is to consist of transferable securities, which are not approved securities.
- 2.4 The requirements on spread of investments generally and in relation to investment in government and public securities do not apply until the expiry of a period of six months after the date of effect of the authorisation order in respect of the Sub-fund (or on which the initial offer commenced if later) provided that the requirement to maintain prudent spread of risk in paragraph 1.1 of this Appendix is complied with.

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

- 3.1 To protect investors the markets on which investments of a Sub-fund are dealt in or traded on should be of an adequate quality ("eligible") at the time of acquisition of the investment and until it is sold.
- 3.2 Where a market ceases to be eligible, investments on that market cease to be approved securities. The 10% restriction on investing in non approved securities applies and exceeding this limit because a market ceases to be eligible will generally be regarded as an inadvertent breach.
- 3.3 A market is eligible for the purposes of the rules if it is:

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

4.7 The Sourcebook provides that in applying the limits in 4.3 and 4.4, not more than 20% in value of the Scheme Property is to consist of any combination of two or more of the following:

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

a single body.

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

5.1 The following section applies to government and public securities ("such securities").

5.2 Where no more than 35% in value of the Scheme Property 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.

5.3 The Company or any Sub-fund may invest more than 35% in value of the Scheme Property in such securities issued by any one body provided that:

5.3.1 the ACD has before any such investment is made consulted with the Depositary and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objectives of the authorised fund;

5.3.2 no more than 30% in value of the Scheme Property consists of such securities of any one issue;

5.3.3 the Scheme Property includes such securities issued by that or another issuer, of at least six different issues;

5.3.4 the disclosures required by the FCA have been made.

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

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

- 6.1 Up to 100% of the value of the Scheme Property may be invested in units or shares in other collective investment schemes ("Second Scheme") provided that Second Scheme satisfies all of the following conditions and provided that no more than 30% of the value of the UCITS scheme is invested in Second Schemes within 6.1.1.2-6.1.1.4.

However, for Evenlode Income, no more than 10% of the value of the Scheme Property may be invested in units or shares in other collective investment schemes ("Second Scheme") provided that Second Scheme satisfies all of the following conditions.

6.1.1 The Second Scheme must:

- 6.1.1.1 satisfy the conditions necessary for it to enjoy the rights conferred by the UCITS Directive; or
- 6.1.1.2 be recognised under the provisions of s.270 of the Financial Services and Markets Act 2000; or
- 6.1.1.3 be authorised as a non-UCITS retail scheme (provided the requirements of Article 19(1)(e) of the UCITS Directive are met); or
- 6.1.1.4 be authorised in another EEA State provided the requirements of Article 19(1)(e) of the UCITS Directive are met.

6.1.2 The Second Scheme has terms which prohibit more than 10% in value of the scheme property consisting of units in collective investment schemes. Where the Second Scheme is an umbrella, the provisions in this paragraph 6.1.2 and paragraph 6.1.3 apply to each Sub-fund as if it were a separate scheme.

6.1.3 Investment may only be made in other collective investment schemes managed by the ACD or an associate of the ACD if the Sub-fund's Prospectus clearly states that it may enter into such investments and the rules on double charging contained in the Sourcebook are complied with. Sub-funds in the Company are not permitted to invest in other Sub-funds of the Company.

- 6.2 The Sub-funds may, subject to the limit set out in 6.1 above, invest in collective investment schemes managed or operated by, or whose authorised corporate director is, the ACD of the Sub-funds or one of its associates.

- 6.3 If a substantial proportion of a Sub-fund's assets are invested in other collective investment schemes, the maximum level of management fees that may be charged by an investee collective investment scheme to the Sub-fund concerned will be 6%.

- 6.4 In addition, the Schemes may also invest in collective investment schemes which charge a performance fee. An investee collective investment scheme may charge a performance fee for a particular performance period up to 25% of the outperformance of its benchmark during that period.

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

- 7.1 Where a Sub-fund invests in a warrant, the exposure created by the exercise of the right conferred by the warrant must not exceed the limits set out in the Sourcebook in relation to spread Spread: General; and Spread: government and public securities.
- 7.2 A transferable security 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 Sub-fund, at the time when payment is required, without contravening the rules in the Sourcebook.
- 7.3 A warrant which is an investment falling within article 80 of the Regulated Activities Order (certificates representing certain securities) and which is akin to an investment falling within article 79 (instruments giving entitlement to investments) of the Regulated Activities Order may not be included in the Scheme Property unless it is listed on an eligible securities market.
- 7.4 No more than 5% of the value of the Scheme Property may be invested in warrants.

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

- 8.1 A Sub-fund may invest up to 100% in approved money market instruments provided:
- 8.1.1 the money market instrument is issued or guaranteed by a central, regional or local authority, a central bank of an EEA State, the European Central Bank, the European Union or the European Investment Bank, a non-EEA State or, in the case of a federal state, by one of the members making up the federation, or by a public international body to which one or more EEA States belong; or issued or guaranteed by an establishment subject to prudential supervision in accordance with criteria defined by Community law or by an establishment which is subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by Community law; or
  - 8.1.2 issued by a body, any securities of which are dealt in on an eligible market.
- 8.2 Notwithstanding the above, up to 10% of the Scheme Property may be invested in money market instruments which do not meet these criteria.

## **9. Efficient Portfolio Management**

- 9.1 The Company may also utilise the 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.

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

9.2.1 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

9.2.2 Transactions for the generation of additional capital growth or income for the Sub-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:

9.2.2.1 pricing imperfections in the market as regards the property which the Sub-fund holds or may hold; or

9.2.2.2 receiving a premium for the writing of a covered call option or a cash covered put option on property of the Sub-fund which the Company is willing to buy or sell at the exercise price, or

9.2.2.3 stock lending arrangements.

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

9.3 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 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 Sourcebook. A permitted transaction may at any time be closed out.

9.4 Transactions may be effected in which the ACD has, either directly or indirectly, an interest that may potentially involve a conflict of its obligation to the Company. Where a conflict cannot be avoided, the ACD will have regard to its fiduciary responsibility to act in the best interests of the Company and its investors. The ACD will ensure that investors are treated fairly and that such transactions are effected on terms which are not less favourable to the Company than if the potential conflict had not existed.

9.5 Operational costs and fees arising from EPM techniques are paid for by the relevant Sub-fund. The identity of the entities to which operational costs and fees are paid will be disclosed in the annual report.

10. **Risk management: derivatives**

10.1 The ACD uses a risk management process, enabling it to monitor and measure as frequently as appropriate the risk of a Sub-fund's derivatives and forwards positions and their contribution to the overall risk profile of a Sub-fund. Before using the process, the ACD will notify the FCA of the details of the risk management process.

11. **Investments in deposits**

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

12. **Stock lending**

12.1 The entry into stock lending transactions for the account of a Sub-fund is permitted for the generation of additional income for the benefit of a Sub-fund, and hence for its investors.

12.2 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.

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

12.4 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, 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.

12.5 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.

12.6 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 Sourcebook, as an

unconditional agreement for the sale or transfer of property, whether or not the property is part of the property of the Sub-fund.

12.7 There is no limit on the value of the Scheme Property which maybe the subject of stock lending transactions.

### 13. **Significant influence**

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

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

13.1.2 the acquisition gives the Company that power.

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

### 14. **Concentration**

The Company:

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

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

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

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

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

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

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

### 15. **Cover for transactions in derivatives and forward transactions**

- 15.1 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 scheme is or may be committed by another person is covered globally.
- 15.2 Exposure is covered globally if adequate cover from within the Scheme Property is available to meet the scheme'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.
- 15.3 Cash not yet received into the Scheme Property but due to be received within one month is available as cover.
- 15.4 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.
- 15.5 The global exposure relating to derivatives held in a Sub-fund may not exceed the net value of the Scheme Property.

16. **Cover and Borrowing**

- 16.1 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 15 of this Appendix as long as the normal limits on borrowing (see below) are observed.
- 16.2 Where, for the purposes of this paragraph the Company 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, and the normal limits on borrowing under paragraph 20 (Borrowing powers) of this Appendix do not apply to that borrowing.

17. **Cash and near cash**

- 17.1.1 Cash and near cash must not be retained in the Scheme Property except to the extent that, where this may reasonably be regarded as necessary in order to enable:
  - 17.1.2 the redemption of units; or
  - 17.1.3 efficient management of a Sub-fund in accordance with its investment objectives; or
  - 17.1.4 other purposes which may reasonably be regarded as ancillary to the investment objectives of a Sub-fund.

17.2 During the period of the initial offer the Scheme Property may consist of cash and near cash without limitation.

## 18. **General**

18.1 It is not intended that any Sub-fund will have an interest in any immovable property or tangible movable property.

18.2 It is envisaged that a Sub-funds will normally be fully invested but there may be times that it is appropriate not to be fully invested when the ACD reasonably regards this as necessary in order to enable the redemption of units, efficient management of a Sub-fund or any one purpose which may reasonably be regarded as ancillary to the investment objectives of a Sub-fund.

18.3 No Sub-fund may invest in the Shares of another Sub-fund within the Company.

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

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

## 19. **Underwriting**

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

## 20. **Borrowing powers**

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

20.2 Borrowing must be on a temporary basis, must not be persistent, and in any event must not exceed three months without the prior consent of the Depositary, which may be given only on such conditions as appear appropriate to the Depositary to ensure that the borrowing does not cease to be on a temporary basis.

20.3 The ACD must ensure that borrowing does not, on any business day, exceed 10% of the value of each Sub-fund.

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

## **APPENDIX IV**

### **LIST OF OTHER AUTHORISED COLLECTIVE INVESTMENT SCHEMES OPERATED BY THE ACD**

#### **Authorised Unit Trusts**

The ACD is also the Manager of the following ICVCs and unit trust schemes which are available for investment:

#### **Unit Trusts**

- T. Bailey Growth Fund
- T. Bailey Dynamic Fund
- TB Walker Crips Corporate Bond Fund

#### **ICVCs**

- TB Doherty Funds
- The Discovery Fund
- TB Garraway Investment Funds ICVC
- TB Amati Investment Funds
- Aptus Investment Fund
- Heriot Investment Funds
- The Chapel Funds ICVC
- The Sandwood Fund ICVC

## APPENDIX V

### PAST PERFORMANCE AND INVESTOR PROFILE

This performance information is net of tax and charges with the exception of any preliminary charge that may be paid on the purchase of an investment. All data is percentage performance (total return), and is based on Financial Express Analytics data.

#### **TB Wise Strategic (Launch date 31 March 2004)**

	<b>12 months ended 31 December 2014</b>	<b>12 months ended 31 December 2013</b>	<b>12 months ended 31 December 2012</b>	<b>12 months ended 31 December 2011</b>	<b>12 months ended 31 December 2010</b>	<b>12 months ended 31 December 2009</b>
TB Wise Strategic (B Acc Shares)	4.0%	21.1%	10.4%	(7.7%)	17.2%	28.1%

#### **TB Wise Investment (Launch date 31 March 2004)**

	<b>12 months ended 31 December 2014</b>	<b>12 months ended 31 December 2013</b>	<b>12 months ended 31 December 2012</b>	<b>12 months ended 31 December 2011</b>	<b>12 months ended 31 December 2010</b>	<b>12 months ended 31 December 2009</b>
TB Wise Investment (B Acc Shares)	1.1%	22.9%	18.5%	(10.6%)	21.0%	31.9%

#### **TB Wise Income (Launch date 3 October 2005)**

	<b>12 months ended 31 December 2014</b>	<b>12 months ended 31 December 2013</b>	<b>12 months ended 31 December 2012</b>	<b>12 months ended 31 December 2011</b>	<b>12 months ended 31 December 2010</b>	<b>12 months ended 31 December 2009</b>
TB Wise Income (B Acc Shares)	5.4%	25.3%	19.3%	(5.6%)	14.5%	29.0%



### Evenlode Income (Launch date 1 October 2009)

	<b>12 months ended 31 December 2014</b>	<b>12 months ended 31 December 2013</b>	<b>12 months ended 31 December 2012</b>	<b>12 months ended 31 December 2011</b>	<b>12 months ended 31 December 2010</b>	<b>12 months ended 31 December 2009</b>
Evenlode Income (B Acc Shares)	8.2%	26.7%	12.5%	2.7%	20.1%	*

\* performance data does not exist for these periods.

**NOTE: Past performance is not a reliable indicator of future results. Please see Appendix I for the Sub-Funds' objectives and below for an explanation of investor profile.**

#### Investor profiles

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

TB Wise Strategic and TB Wise Investment are suitable for those investors seeking capital growth over the medium to long term in excess of deposit account returns and inflation.

TB Wise Income is suitable for those investors seeking capital and income growth.

Evenlode Income is suitable for those investors seeking long term total returns.

## **APPENDIX VI**

### **DIRECTORY**

**The Company and Head Office:**

TB Wise Investment Funds  
64 St. James's Street  
Nottingham  
NG1 6FJ

**Authorised Corporate Director:**

T. Bailey Fund Services Limited  
64 St. James's Street  
Nottingham  
NG1 6FJ

**Depositary:**

National Westminster Bank Plc  
135 Bishopsgate  
London  
EC2M 3UR

**Investment Manager:**

Wise Investments Limited  
The Long Barn  
Chalford Park Barns  
Oxford Road  
Chipping Norton  
Oxon OX7 5QR

**Registrar:**

T. Bailey Fund Services Limited  
64 St. James's Street  
Nottingham  
NG1 6FJ

**Auditors:**

Deloitte LLP  
Four Brindleyplace  
Birmingham  
B1 2HZ