



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

Octopus Money Direct is the trading name of Octopus Money Unit Trust Managers Limited. Octopus Money Unit Trust Managers Limited, the manager of the Octopus Funds, 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. Octopus Money Unit Trust Managers Limited accepts responsibility accordingly.

PROSPECTUS OF:

Octopus Bond Fund

Octopus UK Index Tracking Fund

Octopus Climate Change Fund

Octopus Global Share Fund

Octopus Growth Fund 1

Octopus Growth Fund 2

Octopus Growth Fund 3

Octopus Defensive Fund

(each an authorised unit trust scheme)

(UCITS schemes)

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

This Prospectus is dated, and is valid as at 10 February 2026.

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

No person has been authorised by the Manager to give any information or to make any representations in connection with the offering of Units 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 Manager. The delivery of this Prospectus (whether or not accompanied by any reports) or the issue of Units shall not, under any circumstances, create any implication that the affairs of the Funds have not changed since the date hereof.

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

The Units 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.

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 Units.

The provisions of the Trust Deeds are binding on each of the Unitholders a summary of which are included in this Prospectus and copies of the Trust Deeds are available on request.

This Prospectus has been issued for the purpose of section 21 of the Financial Services and Markets Act 2000 by Octopus Money Unit Trust Managers 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 Manager cannot be bound by an out-of-date prospectus when it has issued a new prospectus and investors should check with Octopus Money Unit Trust Managers Limited that this is the most recently published prospectus.

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1. **DEFINITIONS**

“AE”	Automatic Enrolment, the requirement for all employers to offer workplace pension schemes and to enrol workers into their scheme, as required under the Pensions Act 2008
“Approved Bank”	(in relation to a bank account opened by the Manager):  (a) if the account is opened at a branch in the United Kingdom:  the Bank of England; or  the central bank of a member state of the OECD; or  a bank; or  a building society; or  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:  a bank in (a); or  a credit institution established in an EEA State other than in the United Kingdom and duly authorised by the relevant Home State Regulator; or  a bank which is regulated in the Isle of Man or the Channel Islands; or  (c) a bank supervised by the South African Reserve Bank
“Auditor”	KPMG LLP or such other entity as is appointed to act as auditor to the Funds from time to time
“Authorised Fund Manager”	See also ‘Manager’. Octopus Money Unit Trust Managers Limited (“OMUTM”), the Authorised Fund Manager, or ‘manager’ of the Funds
“Benchmark Administrator”	a firm who has permission to carry on the regulated activity of administering a benchmark
“Benchmark Regulation”	The European Parliament and the Council Regulation of 30 June 2016 (Regulation (EU) 2016/1011) requiring further transparency on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds

“business day”	any day which is not a Saturday or Sunday, Christmas Day, Good Friday or a bank holiday in England. However, on Christmas Eve and New Year’s Eve the Manager may be open for business at its discretion for either a whole day (9.00 a.m. - 5.00 p.m.) or a half day (9.00 a.m. - 12.30 p.m.)
“Class” or “Classes”	in relation to Units, means (according to the context) a particular class or classes of Unit
“COLL”	refers to the appropriate chapter or rule in the COLL Sourcebook
“the COLL Sourcebook”	the Collective Investment Schemes Sourcebook issued by the FCA as amended from time to time. References to rules or guidance in the COLL Sourcebook are prefaced by “COLL”
“Counterparty risk”	the risk of loss for a UCITS scheme resulting from the fact that the counterparty to a transaction may default on its obligations prior to the final settlement of the transaction’s cash flow
“Custodian”	refers, as appropriate, to:  State Street Bank and Trust Company Limited appointed by the Trustee as custodian in relation to all of the funds except Octopus Climate Change Fund, where the Bank of New York Mellon, London Branch, appointed by the Trustee as custodian in relation to the Octopus Climate Change Fund
“Depositary”	the person to whom the safekeeping of all of the scheme property is entrusted
“Dealing Day”	a business day on which Units of a Class may be issued, cancelled, bought or redeemed
“EEA”	European Economic Area
“EEA State”	a member state of the European Union and any other state which is within the EEA

“Efficient Portfolio Management” or “EPM”	techniques and instruments which relate to transferable securities and approved money-market instruments and which fulfil the following criteria: (a) they are economically appropriate in that they are realised in a cost effective way; (b) they are entered into for one or more of the following specific aims (i) reduction of risk; (ii) reduction of cost; (iii) generation of additional capital or income for the Scheme with a risk level which is consistent with the risk profile of the Fund and the risk diversification rules laid down in COLL.
“Electronic Communication”	has the meaning given in section 15(1) of the Electronic Communications Act 2000
“Eligible Institution”	one of certain eligible institutions as defined in the glossary of definitions to the FCA Handbook
“Emerging Market Equities”	shares (equities) issued by companies incorporated or registered in countries which are included within the MSCI Emerging Markets Index
“ESMA”	European Securities and Markets Authority
“the FCA”	the Financial Conduct Authority or any other regulatory body which may assume its regulatory responsibilities from time to time
“the FCA Handbook”	the FCA Handbook of Rules and Guidance, as amended from time to time
“the Funds” and each a “Fund”	<p>Octopus Bond Fund</p> <p>Octopus UK Index Tracking Fund</p> <p>Octopus Climate Change Fund</p> <p>Octopus Global Share Fund</p> <p>Octopus Growth Fund 1</p> <p>Octopus Growth Fund 2</p> <p>Octopus Growth Fund 3</p> <p>Octopus Defensive Fund</p>
"Initial offer period"	the period during which an offer for sale of Units in a Fund (otherwise than in accordance with arrangements of the type described in COLL 5.5.9R(3)(b)(iii) (Guarantees and indemnities), where all or part of the consideration paid for the account of the Fund for the Units is to be used to acquire the initial Scheme Property of the Fund or the initial

	Scheme Property attributable to the Fund if it is a sub-fund
“Investment Adviser”	refers to aberdeen Investments Limited, the investment adviser to the Manager in respect of the Funds
“Manager”	Octopus Money Unit Trust Managers Limited (“OMUTM”), the manager of the Funds
“NAV” or “value”	the value of the Scheme Property of each Fund less the liability of the relevant Fund as calculated in accordance with the Trust Deed
“Overseas Equities”	shares (equities) issued by companies not incorporated or registered in the UK
“Plan Register”	a sub-register to the Register, which records persons who subscribe to a group plan and for whom units in the Funds are held for the purposes of the plan by the plan manager or a nominee – the Plan Register is held by FNZ
“Register”	the register of Unitholders of the relevant Fund and any associated plan register
“Registrar”	Octopus Money Unit Trust Managers Limited
“Regulated Activities Order”	the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544)
“Responsibly Invested”	A Fund 70% or more of the Fund’s value is invested in funds/securities which are classified as responsibly invested (as determined by the Manager) by demonstrating an investment policy including environmental and social characteristics.  Those Funds deemed by the Manager to be responsibly invested will make additional sustainability disclosures related to the sustainability-related characteristics. Funds not deemed to be responsibly invested will not make these disclosures.
“Scheme Property”	the Scheme Property of each of the Funds required under the COLL Sourcebook to be given for safekeeping to the Trustee
“Securities Financing Transaction Regulation”	Regulation (EU) 2015/2365 of the European Parliament and of the Council on transparency of securities financing transactions and of re-use
“SDRT”	stamp duty reserve tax

“Stock lending”	the loan of a designated investment subject to an obligation to return the same or a similar designated investment from the same counterparty.
“Trust Deed”	the trust deed constituting each of the Funds, as amended from time to time in accordance with the COLL Sourcebook
“Trustee”	Citibank UK Limited
“UCITS Directive”	the European Parliament and Council Directive of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (No.2009/65/EC), as amended by Directive No.2014/91/EU of the European Parliament and of the council of 23 July 2014 as may be amended or replaced
“UCITS scheme”	a UK UCITS
“UK UCITS”	has the meaning set out in full in the FCA Glossary but which can be summarised as an Authorised Unit Trust: <ul style="list-style-type: none"> <li>(a) with the sole object of collective investment of capital raised from the public in transferable securities or other liquid financial assets... and operating on the principle of risk-spreading;</li> <li>(b) with units which are, at the request of holders, repurchased or redeemed, directly or indirectly, out of those undertakings’ assets...; and</li> <li>(c) which (in accordance with the rules in COLL 4.2) has identified itself as a UCITS in its prospectus and has been authorised accordingly by the FCA.</li> </ul>
“Unit” or “Units”	a unit or units in the Funds
“Unitholder”	a holder of registered Units in the Funds
“Valuation Point”	the point, on a Dealing Day whether on a periodic basis or for a particular valuation, at which the Manager carries out a valuation of the Scheme Property for each of the Funds for the purpose of determining the price at which Units of a Class may be issued, cancelled, bought or redeemed. The current Valuation Point is 5.00 p.m. on each Dealing Day
“VAT”	value added tax

## 2. DETAILS OF THE FUNDS

### 2.1 General information

#### 2.1.1 General

The Funds are unit trusts authorised by the FCA with effect from the dates shown below. The Funds have an unlimited duration.

<b>Fund</b>	<b>Date of Authorisation</b>	<b>Product Reference Number</b>
Octopus Bond Fund	27 September 1995	173228
Octopus UK Index Tracking Fund	24 February 1995	171309
Octopus Climate Change Fund	7 December 2007	473046
Octopus Global Share Fund	11 February 2015	628028
Octopus Growth Fund 1	11 February 2015	628023
Octopus Growth Fund 2	11 February 2015	628030
Octopus Growth Fund 3	17 August 2020	932151
Octopus Defensive Fund	17 August 2020	932152

Note, that the Funds changed name from 'Virgin / Virgin Money XYZ Fund' to 'Octopus XYZ Fund' on the 1<sup>st</sup> December 2025, coinciding with the change in name of the Unit Trust Manager on this date.

Unitholders are not liable for the debts of the Funds.

The Funds are not listed on any investment exchange.

#### 2.1.2 Base Currency

The base currency of the Funds is Pounds Sterling.

#### 2.1.3 Market Timing

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

### 2.2 The structure of the Funds

#### 2.2.1 The Funds

The Funds are UCITS schemes. Each Fund is an authorised unit trust scheme.

Investment of the assets of the Funds must comply with the COLL Sourcebook and the investment objective and policy of each of the Funds. Details of the Funds, including their investment objectives and policies, are set out in Appendix I.

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

## **2.3 Units**

### *2.3.1 Classes of Units within the Funds*

The rights represented by Units are those of a beneficial interest under a trust.

Units do not carry preferential or pre-emptive rights to acquire further Units.

Further Classes of Unit may be established from time to time by the Manager with the agreement of the Trustee and in accordance with the Trust Deeds. On the introduction of any new Class, either a revised prospectus or a supplemental prospectus will be prepared, setting out the details of each Class.

The currency in which each new Class of Units 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 Units. At the date of this Prospectus, Units will not be sold or issued in any other currency other than Pounds Sterling.

The Funds may issue income and accumulation Units, although not necessarily both income and accumulation Units are currently in issue for each Fund. Further details of the Units presently available, including details of their criteria for subscription and fee structure, are set out in Appendix I.

A Regular Savings Plan is available for each Fund. Please see 'Regular Savings Plan' below.

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

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

The Trust Deeds allow gross income and gross accumulation Units to be issued, as well as net income and net accumulation Units. Net Units are Units in respect of which income allocated to them is distributed periodically to the relevant Unitholders (in the case of income Units) or credited periodically to capital (in the case of accumulation Units), in either case in accordance with relevant tax law, net of any tax deducted or accounted for by the Funds. Gross Units are income or accumulation Units where, in accordance with relevant tax law, distribution or allocation of income is made without any tax being deducted or accounted for by the Funds. All references in this Prospectus are to net Units unless otherwise stated.

Where the Funds have 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 will be adjusted accordingly.

### **3. BUYING AND REDEEMING UNITS**

The dealing office of the Manager is normally open from 9.00 a.m. to 5.00 p.m. on each business day to receive postal requests for the purchase and sale of Units. However, on Christmas Eve, New Year's Eve, or nearest relevant business day, the Manager may be open for business at its discretion for either a whole day (9.00 - 5.00 p.m.) or a half day (9.00 a.m. - 12.30 p.m.). The Manager may at any time during a business day carry out an additional valuation of the Funds if the Manager considers it desirable to do so. The initial purchase must, at the discretion of the Manager, be accompanied by an application form.

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

In its dealings in Units the Manager is dealing as principal. The Manager does not actively seek to make a profit from dealing in Units as principal. In the ordinary course of business, the Manager does not take any position on dealings in Units and aims to run a flat box at all times. It is permitted by the FCA to have aggregate exposures to its own managed funds of up to £500,000. The Manager is not accountable to Unitholders for any profit it makes from dealing in Units as principal.

#### **3.1 Money laundering**

As a result of legislation in force in the UK to prevent money laundering, the Manager 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 Units. Until satisfactory proof of identity is provided, the Manager reserves the right to refuse to issue Units, pay the proceeds of a redemption of Units, or pay income on Units to the investor. In the case of a purchase of Units where the applicant is not willing or is unable to provide the information requested within a reasonable period, the Manager also reserves the right to sell the Units 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 Units**

##### *3.2.1 Procedure*

Units may be bought by sending a completed application form to the Manager. For details of dealing charges see paragraph 3.4 below. Application forms may be obtained from the Manager.

Although it has in the past, the Manager does not currently accept applications from customers classified as Professional Clients under FCA COBS rules or any type of Body Corporate.

Valid applications to purchase Units in the Funds will be processed at the Unit price calculated, in accordance with the FCA Handbook, at the next Valuation Point following receipt of the application, except in the case where dealing in the Funds has been suspended as set out in paragraph 3.9. For customers with accounts opened from 1 January 2023, where a Unitholder is switching an entire holding in one Fund to reinvest in one or more other Funds, the sale will take place as set out in paragraph 3.3.1, and the subsequent purchase will take place on the day following the day of sale at the Unit price calculated at the next Valuation Point.

The Manager, 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 Manager's discretion, payment for large purchases of Units may be made by telegraphic transfer.

A purchase of Units in writing 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 FCA Handbook, the Manager has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for Units in whole or part, and in this event the Manager will return any money sent, or the balance of such monies, at the risk of the applicant.

### 3.2.2 *Documents the buyer will receive*

Investors (other than regular savings plan investors) will receive a confirmation giving details of the number and price of Units bought which 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.

Except for any initial lump sum investment or top up investment, Regular Savings Plan investors will only receive details of Units bought in the form of their six-monthly statements.

Registration of Units can only be completed by the Manager upon receipt of any required registration details.

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

The Manager's and Trustee's current practice is not to issue certificates in respect of Units. Ownership of Units will be evidenced by an entry on the Register or sub-register, as applicable. Tax vouchers in respect of periodic distributions on Units will show the number of Units held by the recipient.

### 3.2.3 *Regular Savings Plan*

The Manager may make available certain Classes of Units through a Regular Savings Plan (details of current Classes of Units which are available are shown in Appendix I). Further information on how to invest through the Regular Savings Plan is available from the Manager.

### 3.2.4 *Minimum subscriptions and holdings*

The minimum initial subscriptions, subsequent subscriptions and holdings levels for each Class of Unit are set out in Appendix I.

The Manager reserves the right to close any unitholding in the Funds which has a total value of less than £50 and to which no subscriptions have been made in the preceding 24 months.

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

## 3.3 **Redeeming Units**

### 3.3.1 *Procedure*

Every Unitholder is entitled on any Dealing Day to redeem its Units, which shall be purchased by the Manager dealing as principal.

Valid instructions to the Manager to redeem Units will be processed at the Unit price calculated in accordance with the FCA Handbook at the next Valuation Point following receipt of the instruction, except in the case where dealing in the Funds have been suspended as set out in paragraph 3.14.

For joint holdings of Units in the name of more than one person, a redemption instruction in respect of Units must be made to the Manager by sending clear written instructions signed by the Unitholders.

ISA Unitholders (and Unitholders of unit trusts held in a single name) who have registered to use the Manager's secure online service facility may issue an electronic redemption instruction in respect of Units. This facility can be accessed by logging in at:

[octopusmoneydirect.com/sign-in](https://octopusmoneydirect.com/sign-in)

A redemption instruction in respect of Units in writing or as an electronic communication is a legally binding contract. However, an instruction to the Manager to redeem Units, although irrevocable, may not be settled by the Manager if the redemption represents Units where the money due on the earlier purchase of those Units has not yet been received or if insufficient documentation or anti-money laundering information has been received by the Manager.

Unless otherwise indicated, a redemption request will be taken to apply to the entire holding.

For details of dealing charges see paragraph 3.6 below.

### **3.4 Documents a redeeming Unitholder will receive**

A confirmation giving details of the number and price of Units redeemed will be sent to the redeeming Unitholder (or the first named Unitholder, in the case of joint Unitholders) no later than the end of the business day following the Valuation Point by reference to which the redemption request price is determined.

Payment of redemption proceeds will be made by cheque or BACS to the first named Unitholder on the next business day following the Valuation Point by reference to which the redemption request price is determined.

### **3.5 Minimum redemption**

The Manager will redeem Units unless the value of the Units held is less than £50 and is a holding to which no subscriptions have been made in the preceding 24 months; in such cases the Manager reserves the right to redeem the whole holding as appropriate. Redemption requests for more than 90% of the value of the investment in any Fund will be treated as a total redemption from that Fund.

### **3.6 Dealing Charges**

The price per Unit at which Units are bought or redeemed is calculated in accordance with the FCA Handbook. Any initial charge or redemption charge is payable in addition to the price or deducted from the proceeds and is taken from the gross subscription or redemption monies.

### **3.7 Initial charge**

The Trust Deeds permit the Manager to impose a charge on the purchase of Units in each Class. This fee is currently waived for Unitholders.

In the event that an initial charge were to be made, it would be deducted from subscription monies and would be payable by the Unitholder to the Manager.

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

### **3.8 Redemption Charge**

No redemption charge is currently levied in respect of any of the Funds.

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

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

Octopus UK Index Tracking Fund, Octopus Climate Change Fund, Octopus Global Share Fund, Octopus Growth Fund 1, Octopus Growth Fund 2, and Octopus Growth Fund 3

Per the Finance Act 2014, SDRT is generally no longer chargeable on the surrender of Units to the Manager or the Trustee. As such SDRT will no longer be paid out of the Funds’ Scheme Property and charged to capital. Instead, SDRT will now be chargeable in the following limited circumstances.

Units are surrendered to the Manager or Trustee in exchange for a non pro rata in specie distribution from the Funds. In this circumstance SDRT will be due at the rate of 0.5% on the value of any chargeable interests (as defined for the purpose of SDRT) received and will be the liability of the Unitholders receiving the distribution.

Certain dealings in Units in the Funds not requiring re-registration. In this circumstance, SDRT will be due at the rate of 0.5% and will be the liability of the purchaser of the Units.

### **3.10 Transfers**

Unitholders are entitled to transfer their Units to another person or body. All transfer requests must be in writing in the form of an instrument of transfer approved by the Manager for this purpose.

Completed instruments of transfer must be returned to the Manager in order for the transfer to be registered by the Manager.

Except for redemptions of Units made by ISA Unitholders as described in paragraph 3.3.1, the Manager does not accept, and Unitholders may not effect, transfer of title to Units on the authority of an electronic communication.

### **3.11 Restrictions and Compulsory Transfer and Redemption**

The Manager may from time to time impose such restrictions as it may think necessary for the purpose of ensuring that no Units 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 any of the Funds incurring any liability to taxation which the relevant Fund is not able to recoup itself or suffering any other adverse consequence. In this connection, the Manager may, inter alia, reject in its discretion any application for the purchase, redemption or transfer of Units.

If it comes to the notice of the Manager that any Units (“affected Units”):

- 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

- would result in a Fund incurring any liability to taxation which that Fund 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
- are held in any manner by virtue of which the Unitholder or Unitholders in question is/are not qualified to hold such Units or if it reasonably believes this to be the case;

the Manager may give notice to the Unitholder(s) of the affected Units requiring the transfer of such Units to a person who is qualified or entitled to own them or that a request in writing be given for the redemption of such Units in accordance with the COLL Sourcebook. If any Unitholder upon whom such a notice is served does not within 30 days after the date of such notice transfer his affected Units to a person qualified to own them or submit a written request for their redemption to the Manager or establish to the satisfaction of the Manager (whose judgement is final and binding) that he or the beneficial owner is qualified and entitled to own the affected Units, 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 Manager) of all the affected Units.

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

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

### **3.12 Issue of Units in exchange for in specie assets**

The Manager may arrange for the Funds to issue Units in exchange for assets other than cash but will only do so where the Trustee has taken reasonable care to determine that the Funds' acquisition of those assets in exchange for the Units concerned is not likely to result in any material prejudice to the interests of Unitholders.

The Manager will ensure that the beneficial interest in the assets is transferred to the Funds with effect from the issue of the Units.

The Manager will not issue Units in exchange for assets the holding of which would be inconsistent with the investment objective or policy of each of the Funds.

If the exchange of Units for in specie assets triggers an SDRT charge (at 0.5% on the value of any assets that constitute chargeable securities for SDRT purposes), this charge will be deducted along with any dealing charges as outlined in paragraph 3.4.

### **3.13 In specie redemptions**

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

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

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

### **3.14 Suspension of dealings in a Fund**

The Manager may, with the prior agreement of the Trustee, or must without delay if the Trustee so requires, temporarily suspend, the issue, cancellation, sales and redemption of Units, if the Manager (or the Trustee in the case of any requirement by it) is of the opinion that due to exceptional circumstances there is good and sufficient reason to do so having regard to the interests of Unitholders or potential Unitholders (for example, but without limitation, on the closure or suspension of dealing on a relevant stock exchange, or the inability of the Manager to ascertain properly the value of any or all of the assets or realise any material part of the assets of a Fund).

The Manager and the Trustee will ensure that the suspension is only allowed to continue for as long as it is justified having regard to the interests of the Unitholders.

The Manager will ensure that a notification of the suspension is made to the Unitholders as soon as practicable after suspension commences.

In making the notification, the Manager will ensure that it:

- draws Unitholders' attention to the exceptional circumstances which resulted in the suspension;
- is clear, fair and not misleading;
- informs Unitholders how to obtain further information about the suspension.

The Manager will ensure it publishes (on its website or by other general means) sufficient details to keep Unitholders appropriately informed about the suspension including, if known, its likely duration.

Although during a suspension none of the obligations set out in COLL 6.2 (Dealing) apply, the Manager will comply with as much of COLL 6.3 (Valuation and pricing) as is practicable in the light of the suspension.

The suspension of dealing in Units will cease as soon as practicable after the exceptional circumstances of the suspension have ceased.

The Manager and the Trustee will formally review the suspension at least every 28 days and update the information provided to Unitholders as detailed above.

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

During any suspension, in the exercise of its discretion, the Manager will permit a Unitholder to withdraw their redemption notice provided that this withdrawal is in writing and is received before the period of suspension ends. Any notice not withdrawn will be dealt with on the next Dealing Day following the end of the suspension.

### **3.15 Large Deals**

Any purchase or redemption of Units with a value equal to or in excess of £500,000 or £1,000,000 (depending on the Fund concerned as set out in section 4.3 below) will amount to a “large deal”. For large deals (subject to the FCA Handbook) the Manager may charge a dilution levy in accordance with section 4.3 below. For large deals (subject to the FCA Handbook) the Manager may sell Units at more than, or redeem Units at less than, the published price.

### **3.16 Governing law**

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

## **4. VALUATION OF THE FUNDS**

### **4.1 General**

The price of a Unit is calculated in accordance with the FCA Handbook. The value per Unit in the each of the Funds is currently calculated at 5.00 p.m. (London time) (this being the Valuation Point) on each Dealing Day. However, for customers with accounts opened from 1 January 2023, the dealing cut-off will be 4.00 p.m. (London time) on each Dealing Day.

### **4.2 Calculation of the value**

Units in the Funds will be issued and redeemed at a single price determined in relation to the Valuation Point for each Dealing Day. The price of Units and, as applicable, Unit Classes, is based on the NAV of a Fund calculated in accordance with Chapter 6 of the COLL Sourcebook as set out in the Trust Deed of that Fund and this Prospectus.

The Manager will, upon completion of each valuation, notify the Trustee of the price and any dilution levy made in respect of any purchase or redemption of Units.

The Manager may at any time during a business day carry out an additional valuation if it considers it desirable to do so. The Manager shall inform the Trustee 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 FCA Handbook, the Manager 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.

Further provision as to the valuation and pricing of the Funds is set out in Appendix IV.

A request for dealing in Units must be received by the Valuation Point (by 4.00 p.m. for customers with accounts opened from 1 January 2023) on a particular Dealing Day in order to be processed on that Dealing Day. A dealing request received after this time will be held over and processed on the next Dealing Day, using the value per Unit calculated as at the Valuation Point on that next Dealing Day. For customers with accounts opened from 1 January 2023, where a Unitholder is switching an entire holding in one Fund to reinvest in one or more other Funds, the sale will take place as set out above, but the subsequent purchase will take place on the day following the day of sale at the Unit price calculated at the next Valuation Point.

### **4.3 Price per Unit in each Class**

The price per Unit at which Units are issued or cancelled is calculated by taking the proportion, attributable to the Units of the class in question of the NAV of the relevant Fund.

The price of a Unit is calculated by reference to the NAV of the Fund. The Scheme Property is valued on a mid-market basis in accordance with the FCA Handbook and the Trust Deed.

### **4.4 Dilution levy**

The actual cost of purchasing or selling investments may deviate from the mid-market value used in calculating the price of Units, due to dealing costs such as broking charges, taxes, and any spread between the buying and selling prices of the underlying investments.

These dealing costs can have an adverse effect on the value of the Funds, known as “dilution”.

The FCA Handbook allows the cost of dilution to be met directly from a Fund's assets or to be recovered from investors on the purchase or redemption of Units in a Fund inter alia by means of charging a dilution levy on the sale and/or redemption of Units. The dilution levy is calculated by reference to the costs of dealing in the underlying investments of the Fund, including any dealing spreads, commission and transfer taxes. The Manager may decide to charge a dilution levy in the circumstances set out below.

When deciding whether to charge a dilution levy, the Manager will take into account the volume of purchases or redemptions of Units on any given day.

In particular, the dilution levy may be imposed on 'large deals' (for these purposes, a large deal is defined as a purchase or a redemption of £500,000 or £1,000,000 or more (depending on the Fund, as set out in the table below) of the value of the Fund) except for 'large deals' which involve a purchase or redemption of Units in the Fund arising from the purchase or redemption of Units in an associated Octopus Money Direct Stakeholder Pension Scheme fund.

For deals other than 'large deals', the Manager will not generally charge a dilution levy on the purchase and redemption of Units, but it will do so if, in its opinion, the existing Unitholders (for purchases) or remaining Unitholders (for redemptions) might otherwise be adversely affected. It may be imposed in the following circumstances: where the Scheme Property is in continual decline; on a Fund experiencing large levels of net sales relative to its size; in any case where the Manager is of the opinion that the interests of remaining Unitholders require the imposition of a dilution levy. It is not possible to predict accurately whether dilution would occur at any point in time. If a dilution levy is required then, based on future projections, the estimated rate or amount of such levy is set out in the table below.

The Manager's decision on whether or not to charge a dilution levy, and at what level this levy might be made in particular circumstances or generally, will not prevent it from making a different decision in similar circumstances in the future.

As dilution is directly related to the inflows and outflows of monies from a Fund, it is not possible to predict accurately whether dilution will occur at any future point in time. Consequently it is also not possible to predict accurately how frequently the Manager will need to charge such a dilution levy. However, the policy of charging dilution levies to large transactions, rather than be absorbed by the funds themselves, should mean that there is little / no impact on the future growth / returns of the funds themselves, in relation to remaining unitholders.

Estimates, based on projection, of the dilution levy and of their likelihood based on future projections are set out below:

Fund	Threshold beyond which dilution may be applied to sales and redemptions	Estimated Dilution Levy applicable to sales	Levy deducted from an investment at the threshold shown	Estimated Dilution Levy applicable to redemptions	Levy deducted from a redemption at the threshold shown	Likely number of dealing days on which dilution levy would be applied in a 6-month period
Octopus UK Index Tracking Fund	£1,000,000	0.48%	£4,800	0.07%	£700	0 – 1
Octopus Bond Fund	£500,000	0.16%	£800	0.16%	£800	0 – 1
Octopus Climate Change Fund	£500,000	0.45%	£2,250	0.15%	£750	0 – 1
Octopus Global Share Fund	£1,000,000	0.19%	£1,900	0.10%	£1,000	0 – 1
Octopus Growth Fund 1, Octopus Growth Fund 2, Octopus Growth Fund 3	£1,000,000	0.17%	£1,700	0.13%	£1,300	0 – 1
Octopus Defensive Fund	£1,000,000	0.12%	£1,200	0.11%	£1,100	0 - 1

Any initial charge or redemption charge, (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.

The policy regarding the dilution levy will be subject to regular review and may change. Any change made to the policy will be considered with regard to COLL 4.3.

#### 4.5 Pricing basis

The Manager 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 Manager.

#### 4.6 Publication of Prices

Unit prices are available on the Manager's website: [Octopusmoneydirect.com](http://Octopusmoneydirect.com).

The prices of all Units are also published on the Financial Times website.

As the Manager 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.

## 5. RISK FACTORS

Potential investors should consider the following risk factors before investing in the Funds.

### 5.1 General risks

There are some general risks of investing (described below), and also a number of specific risks relevant to individual Funds, listed under each Fund name.

The value of investments and the income from them may fall and investors may get back less than they put in.

Governments can change the tax relief available to individuals and funds.

The value of your investment may be eroded over time by increases in the general level of prices, i.e. inflation.

Past performance is no guide to the future.

#### 5.1.1 *Octopus UK Index Tracking Fund*

Company/Sector risk	The Fund's objective is to track the performance of the FTSE All-Share Index. Whilst this involves investing in hundreds of companies across different industry sectors, some of those companies and or sectors can represent a relatively large part of the index, which could concentrate investment risk in those areas.
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#### 5.1.2 *Octopus Bond Fund*

Credit risk	The issuer of a bond (debt security) may not be able to keep up interest payments or return the full par value of the loan / bond at maturity. Regardless of whether a bond actually fails to make a payment (known as a 'default'), if markets perceive there is an increased likelihood of a default in the future, the value of the bond(s) may fall in value. Bonds issued by developed economy governments such as the UK usually entail very low or no credit risk, whilst bonds issued by companies have varying degrees of credit risk in keeping with the credit worthiness of the company, as rated by the leading credit rating agencies. The Fund seeks to limit credit risk by investing mainly in UK Government Bonds ("Gilts") and bonds issued by companies (and other bodies) with relatively high credit ratings.
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Interest rate risk	Many bonds pay a fixed rate of income and when interest rates rise, or when markets perceive there to be increased likelihood of future interest rate rises, the value of the bonds may fall as the fixed rate of income becomes less attractive.
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#### 5.1.3 *Octopus Climate Change Fund*

Concentration risk	The Fund invests in a relatively concentrated portfolios of shares in keeping with active selection based on an environmentally themed investment policy. This can mean that the Fund experiences greater volatility (ups and downs in value) compared to a fund investing in a greater number of shares and across more industry sectors.
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Currency risk	As some of the shares will be in currencies other than GBP, changes in currency exchange rates will impact the value of your investment regardless of any measures the Fund takes to limit the impact of exchange rate movements via hedging techniques.
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#### 5.1.4 *Octopus Global Share Fund*

Currency risk	As some of the investments held by the underlying funds will be in currencies other than GBP, changes in currency exchange rates will impact the value of your investment.
Emerging Markets risk	Investing in the shares of companies domiciled in countries outside of the major developed markets involves greater risk. Less developed or emerging markets typically have lower standards of governance, less robust market frameworks and may be prone to suffer from political changes which can adversely impact valuations.

#### 5.1.5 *Octopus Growth Fund 1*

Interest rate risk	Many bonds pay a fixed rate of income and when interest rates rise, or when markets perceive there to be increased likelihood of future interest rate rises, the value of the bonds may fall as the fixed rate of income becomes less attractive.
Credit risk	The issuer of a bond (debt security) may not be able to keep up interest payments or return the full par value of the loan / bond at maturity. This risk is most relevant to the corporate bonds within the Fund, notably higher yielding bonds (where credit ratings are lower and the risk of non-payment is greater). Regardless of whether a bond actually fails to make a payment (known as a 'default'), if markets perceive there is an increased likelihood of a default in the future, the value of the bond(s) may fall in value. Bonds issued by developed economy governments such as the UK usually entail very low or no credit risk, whilst bonds issued by companies have varying degrees of credit risk in keeping with the credit worthiness of the company, as rated by the leading credit rating agencies.
Currency risk	As some of the investments held by the underlying funds will be in currencies other than GBP, changes in currency exchange rates will impact the value of your investment.

#### 5.1.6 *Octopus Growth Fund 2*

Credit risk	The issuer of a bond (debt security) may not be able to keep up interest payments or return the full par value of the loan / bond at maturity. This risk is most relevant to the corporate bonds within the Fund, notably higher yielding bonds (where credit ratings are lower and the risk of non-payment is greater). Regardless of whether a bond actually fails to make a payment (known as a 'default'), if markets perceive there is an increased likelihood of a default in the future, the value of the bond(s) may fall in value. Bonds issued by developed economy governments such as the UK usually entail very low or no credit risk, whilst bonds issued by companies have varying degrees of credit risk in keeping with the credit worthiness of the company, as rated by the leading credit rating agencies.
Currency risk	As some of the investments held by the underlying funds will be in currencies other than GBP, changes in currency exchange rates will impact the value of your investment.
Emerging Markets risk	Investing in the shares of companies domiciled in countries outside of the major developed markets involves greater risk. Less developed or emerging markets typically have lower standards of governance, less robust market frameworks and may be prone to suffer from political changes which can adversely impact valuations.
Liquidity risk	When markets are experiencing difficulties, the Fund may need to sell assets at a price lower than their "market value". This is often caused by a lack of buyers – notably for bonds with lower credit ratings – which could result in the Fund losing value.

### 5.1.7 *Octopus Growth Fund 3*

Currency risk	As some of the investments held by the underlying funds will be in currencies other than GBP, changes in currency exchange rates will impact the value of your investment.
Emerging Markets risk	Investing in the shares of companies domiciled in countries outside of the major developed markets involves greater risk. Less developed or emerging markets typically have lower standards of governance, less robust market frameworks and may be prone to suffer from political changes which can adversely impact valuations.
Liquidity risk	When markets are experiencing difficulties, the Fund may need to sell assets at a price lower than their “market value”. This is often caused by a lack of buyers – notably for bonds with lower credit ratings – which could result in the Fund losing value.

### 5.1.8 *Octopus Defensive Fund*

Interest rate risk	Many bonds pay a fixed rate of income and when interest rates rise, or when markets perceive there to be increased likelihood of future interest rate rises, the value of the bonds may fall as the fixed rate of income becomes less attractive.
Credit risk	The issuer of a bond (debt security) may not be able to keep up interest payments or return the full par value of the loan / bond at maturity. This risk is most relevant to the corporate bonds within the Fund, notably higher yielding bonds (where credit ratings are lower and the risk of non-payment is greater). Regardless of whether a bond actually fails to make a payment (known as a ‘default’), if markets perceive there is an increased likelihood of a default in the future, the value of the bond(s) may fall in value. Bonds issued by developed economy governments such as the UK usually entail very low or no credit risk, whilst bonds issued by companies have varying degrees of credit risk in keeping with the credit worthiness of the company, as rated by the leading credit rating agencies.

## 6. MANAGEMENT AND ADMINISTRATION

### 6.1 Regulatory Status

The Manager and the Investment Adviser are authorised and regulated by the FCA of 12 Endeavour Square, London, E20 1JN. The Trustee is authorised by the Prudential Regulation Authority and regulated by the FCA and the Prudential Regulation Authority.

### 6.2 Manager

#### 6.2.1 General

The Authorised Fund Manager (or “Manager”) is Octopus Money Unit Trust Managers Limited (“OMUTM”) which is a private company limited by shares incorporated in England and Wales on 12 December 1994. The Manager is wholly owned by Octopus Money Limited.

Prior to 1<sup>st</sup> December 2025, the Manager was called Virgin Money Unit Trust Managers, and previously wholly owned by Clydesdale Bank PLC.

Registered Office and Head Office: 33 Holborn, London EC1N 2HT

Share Capital: It has a share capital of £38,000,001 issued and paid up.

The executive directors of the Manager are: Richard Milne  
Dan Marsh  
Paul Titterton

The non-executive directors are: Simon Hynes  
Paula Moore

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

It has therefore delegated to the Investment Adviser the function of managing and acting as the investment adviser for the investment and reinvestment of the assets of the Funds (as further explained in paragraph 6.12 below). Other aspects of administration are outsourced to State Street Bank and Trust Company in respect of the Octopus Bond Fund, the Octopus UK Index Tracking Fund, the Octopus Global Share Fund, the Octopus Growth Fund 1, the Octopus Growth Fund 2, the Octopus Growth Fund 3 and the Octopus Defensive Fund, and to Bank of New York Mellon, London Branch in respect of the Octopus Climate Change Fund, and to SS&C Financial Services Europe Limited and FNZ (UK) Limited.

The Manager is also under no obligation to account to the Trustee, the Funds or the Unitholders for any profit it makes on the issue or re-issue or cancellation of Units which it has redeemed.

### 6.3 The Manager’s Remuneration Policy

In accordance with the FCA’s UCITS Remuneration Code, OMUTM is required to establish and apply a remuneration policy for staff whose activities have a material impact on the risk profile of OMUTM or the UK UCITS funds (“UCITS”) that it manages (UCITS Remuneration Code Staff or “Code Staff”).

OMUTM's remuneration policy is to ensure that remuneration for its Code Staff:

- is consistent with and promote sound and effective risk management;
- does not encourage risk taking that exceeds the level of tolerated risk of OMUTM or that is inconsistent with the risk profiles of the funds it manages;
- encourages behaviours that are aligned with the business strategy, objectives, values and interests of the Manager, the Funds, and the investors in the Funds, and seeks to avoid conflicts of interest;
- does not impair OMUTM's ability to comply with its duty to act in the best interest of its customers and the funds it manages;
- recognises that remuneration should be competitive and reflect both the financial performance of company and personal performance. Accordingly, remuneration for Code Staff is made up of fixed pay (salary and benefits, including pension) and variable (performance-related) pay<sup>1</sup>;
- recognises that fixed and variable components should be appropriately balanced and that the variable component should be flexible enough so that in some circumstances no variable component may be paid at all. Variable pay may also have an element paid in shares and be subject to deferral and clawback requirements and can be made up of both short term and long-term awards (reflecting performance over shorter and longer periods);
- ensures that the remuneration of the senior officers in the risk management and compliance functions is based on the achievement of objectives linked to their functions, independent of the performance of the business areas that are within their remit;
- ensures that payments for early termination reflect performance achieved over time and are designed not to reward failure;
- will not include guaranteed variable remuneration other than in exceptional circumstances and only then in the context of hiring new staff and limited to the first year of engagement;
- does not allow personal investment strategies to be used by individuals to undermine the risk alignment effects embedded in their remuneration arrangements;
- is not paid through vehicles or methods that facilitate avoidance of the UCITS remuneration code;
- is aligned with relevant regulatory obligations, remuneration principles and proportionality provisions of the FCA guidance; and
- is governed by a policy that is subject to annual independent review by the Compliance function and the OMUTM Board.

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<sup>1</sup> Note that the external independent directors receive fixed fees and no variable remuneration

## 6.4 The Trustee

### 6.5 Introduction and key duties

Under the terms of a Depositary Services Agreement, Citibank UK Limited has been appointed as Trustee of the Funds' assets and the assets of the Funds have been entrusted to the Trustee for safekeeping.

The key duties of the Trustee consist of:

- (i) cash monitoring and verifying the Funds' cash flows;
- (ii) safekeeping of the Scheme Property;
- (iii) ensuring that the sale, issue, re-purchase, redemption, cancellation and valuation of Units are carried out in accordance with the Trust Deed(s) constituting the Funds, the Prospectus, and applicable law, rules and regulations;
- (iv) ensuring that in transactions involving Scheme Property any consideration is remitted to the Funds within the usual time limits;
- (v) ensuring that the Funds' income is applied in accordance with Trust Deed(s) constituting the Funds, the Prospectus, applicable law, rules and regulations; and
- (vi) carrying out instructions from the Manager unless they conflict with the Trust Deed(s), the Prospectus, or applicable law, rules and regulations.

### 6.6 Information about the Trustee

The Trustee is Citibank UK Limited. The registered office of the Trustee is Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB. The Trustee is a private limited company with registered number 11283101. The Trustee is authorised by the Prudential Regulation Authority and regulated by the FCA and the Prudential Regulation Authority.

### 6.7 Liability of the Trustee

- 1) As a general rule the Trustee is liable for any losses suffered as a result of the Trustee's negligent or intentional failure to properly fulfil its obligations except that it will not be liable for any loss where:
  - (i) the event which has led to the loss is not the result of any act or omission of the Trustee or of such third party;
  - (ii) the Trustee could not have reasonably prevented the occurrence of the event which led to the loss despite adopting all precautions incumbent on a diligent Trustee as reflected in common industry practice; and
  - (iii) despite rigorous and comprehensive due diligence, the Trustee could not have prevented the loss.
- 2) However, in the case of loss of a financial instrument by the Trustee, or by a third party, the Trustee is under an obligation to return a financial instrument of identical type or corresponding amount without undue delay unless it can prove that the loss arose as a result of an external event beyond

the Trustee's reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

#### **6.8 Delegation of safekeeping function**

- 1) Under the terms of the Depositary Services Agreement, the Trustee has the power to delegate its safekeeping functions.
- 2) As a general rule, whenever the Trustee delegates any of its custody functions to a delegate, the Trustee will remain liable for any losses suffered as a result of an act or omission of the delegate as if such loss had arisen as a result of an act or omission of the Trustee. The use of securities settlement systems does not constitute a delegation by the Trustee of its functions.
- 3) As at the date of this Prospectus, the Trustee has entered into written agreements delegating the performance of its safekeeping function in respect of certain of the funds' assets to the following delegates: State Street Bank and Trust and Bank of New York Mellon, London Branch. The sub-delegates that have been appointed at the date of the Prospectus are set out in Appendix VII.

#### **6.9 Conflicts of interest**

From time-to-time conflicts may arise from the appointment by the Trustee of any of its delegates out of which may arise a conflict of interest with the Funds. For example, State Street Bank and Trust Company, which has been appointed by the Trustee to act as custodian in relation to the Octopus Bond Fund, the Octopus UK Index Tracking Fund, the Octopus Global Share Fund, the Octopus Growth Fund 1, the Octopus Growth Fund 2, the Octopus Growth Fund 3 and the Octopus Defensive Fund, and The Bank of New York Mellon, London Branch which has been appointed by the Trustee as custodian in relation to the Octopus Climate Change Fund, also perform certain investment operations and functions and derivatives collateral management functions delegated to it by the Manager. It is therefore possible that a conflict of interest could arise. State Street Bank and Trust Company, The Bank of New York Mellon, London Branch and any other delegate are required to manage any such conflict having regard to the FCA Handbook and its duties to the Trustee and the Manager.

The Manager, Octopus Unit Trust Managers Limited (OMUTM), is owned by Octopus Money Limited, which provides staff and certain facilities and support to OMUTM, including office and IT infrastructure.

There may also be conflicts arising between the Trustee, the Funds, Unitholders and the Manager. The Trustee is prohibited from carrying out any activities with regard to the Funds unless:

The Trustee has properly identified any such potential conflicts of interest;

The Trustee has functionally and hierarchically separated the performance of its trustee tasks from its other potentially conflicting tasks; and

The potential conflicts of interest are properly managed, monitored and disclosed to the investors of the Funds.

#### **6.10 Re-use of Scheme Property by the Trustee**

Under the Depositary Services Agreement the Trustee has agreed that it, and any person to whom it delegates custody functions, may not re-use any of the Funds' assets with which it has been entrusted.

Re-use will be permitted in respect of the Funds' assets where:

The re-use is carried out for the account of the Funds;

The Trustee acts on the instructions of the Manager on behalf of the Funds;

The re-use of Scheme Property is for the benefit of the Funds and the Unitholders;

The transaction is covered by high quality and liquid collateral received by the Funds under a title transfer arrangement, the market value of which shall, at all times, amount to at least the market value of the re-used assets plus a premium.

#### **6.11 Terms of the Depositary Services Agreement**

The appointment of the Trustee as Depositary has been made under a Depositary Services Agreement between the Funds, the Manager and the Trustee dated 18 March 2016 as novated on 25 September 2021.

The Depositary Services Agreement may be terminated by not less than 90 days' written notice provided that no such notice shall take effect until the appointment of a successor to the Trustee.

To the extent permitted by the FCA Handbook and applicable law, rules and regulations, the Manager will indemnify the Trustee (or its agents or delegates) against costs, charges, losses and liabilities incurred by it (or its agents or delegates) in the proper execution or exercise (reasonably and in good faith) of the Trustee's duties, powers, authorities, discretions and responsibilities in respect of the Funds, except in the failure of the Trustee (or its agents or delegates) to exercise due care and diligence in the discharge of its functions in respect of the Funds or arising out of the event of its negligence, fraud or wilful default.

The Trustee is entitled to receive remuneration out of the Scheme Property for its services, as explained in paragraph 7.3 "Trustee's fees and expenses" below.

Unitholders may request an up-to-date statement regarding any of the information set out above from the Manager.

#### **6.12 The Investment Adviser**

The Manager has appointed the Investment Adviser, Aberdeen Investments Limited, to provide investment management services and investment advice to the Manager. The Investment Adviser is authorised and regulated by the FCA.

The principal activity of the Investment Adviser is the provision of investment management services for external clients.

The terms of the Investment Management Agreement between the Manager and the Investment Adviser provide that the Investment Adviser will have complete discretion (subject to the FCA Handbook and the investment objectives of the Funds) to make or effect purchases, sales and other transactions in relation to the assets of the Funds and to place on or withdraw cash from deposits with third parties.

The Investment Adviser will receive a fee for its services and is not paid commission on any deals carried out. The Agreement can be terminated by the Manager giving notice or by the Investment Adviser on six months' notice.

### **6.13 The Registrar**

The Manager acts as registrar to the Funds. The Manager has delegated certain registrar functions with respect to the Funds to SS&C Financial Services Europe Limited (“SS&C”) and FNZ (UK) Limited (“FNZ”) as set out below.

If you are a retail customer of the Manager investing in an Octopus Money Direct Stocks and Shares ISA or an Octopus Money Direct Investment Account wrapper or an Octopus Money Direct Personal Pension wrapper, your unitholdings in any of the Funds are included in the ‘Plan Register’.

The Plan Register can be inspected at the offices of FNZ at 1 Tanfield, Edinburgh, Midlothian, EH3 5DA between 9.00 a.m. and 5.00 p.m. on any normal working day.

The unitholdings of all other customers investing in the Funds are included in the ‘Main Register’.

The Main Register of Unitholders can be inspected at the offices of SS&C at St. Nicholas Lane, Basildon, Essex SS15 5FS between 9.00 a.m. and 5.00 p.m. on any normal working day.

### **6.14 The Auditors**

The auditor of the Funds is KPMG LLP, whose address is 319 St Vincent Street Glasgow G2 5AS.

### **6.15 Conflicts of Interest**

The Manager, the Investment Adviser and other companies within the Manager and/or the Investment Adviser’s group may, from time to time, act as investment advisers to other funds which follow similar investment objectives to those of the Funds. It is therefore possible that the Manager and/or the Investment Adviser may in the course of their business have potential conflicts of interest with the Funds. Each of the Manager and the Investment Adviser will, however, have regard in such event to its general obligations to act in the best interests of the Funds so far as practicable, having regard to its obligations to other clients, when undertaking any investment business where potential conflicts of interest may arise.

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

## 7. FEES AND EXPENSES

### 7.1 Ongoing

All costs, charges, fees or expenses, other than the charges made in connection with the subscription and redemption of Units (see paragraph 3.7 and 3.8) payable by a Unitholder or out of Scheme Property are set out in this section.

The Manager may, so far as the COLL Sourcebook allows, also pay out of the Scheme Property all relevant costs, charges, fees and expenses including the following:

7.1.1 *Broker's commission, fiscal charges and other disbursements (including VAT) which are:*

- (i) necessary to be incurred in effecting transactions for the Funds; and
- (ii) normally shown in contract notes, confirmation notes and difference accounts as appropriate; and

7.1.2 *interest on borrowings permitted under the COLL Sourcebook and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings; and*

7.1.3 *taxation and duties payable in respect of the Scheme Property, the Trust Deeds or the issue of Units; and*

7.1.4 *any costs incurred in modifying the Trust Deeds, including costs incurred in respect of meetings of Unitholders convened for purposes which include the purpose of modifying the Trust Deeds where the modification is:*

- (i) necessary to implement or necessary as a direct consequence of any change in the law (including changes in the COLL Sourcebook); or
- (ii) expedient having regard to any change in the law made by or under any fiscal enactment and which the Manager and the Trustee agree is in the interest of Unitholders; or
- (iii) to remove from the Trust Deeds obsolete provisions; and

7.1.5 *any costs incurred in respect of meetings of Unitholders convened on a requisition by Unitholders not including the Manager or an associate of the Manager; and*

7.1.6 *the audit fee properly payable to the Auditor and VAT thereon and any proper expenses of the Auditor; and*

7.1.7 *the fees of the FCA under the Financial Services and Markets Act 2000 or the corresponding fees of any regulatory authority in a country or territory outside the United Kingdom in which Units in the Funds are or may lawfully be marketed;*

7.1.8 *any payment permitted by section 6.7.15R (Payment of liabilities on transfer of assets) of the COLL Sourcebook;*

For all Funds contained within this Prospectus, the amounts in paragraphs 7.1.4 to 7.1.7 and any VAT thereon are borne by the Manager and are not charged to the Funds.

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

Expenses are allocated between capital and income in accordance with the FCA Handbook. However, the approach for each of the Funds 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.

The (i) Octopus Global Share Fund, (ii) Octopus Growth Fund 1, (iii) Octopus Growth Fund 2, (iv) Octopus Growth Fund 3 and (v) Octopus Defensive Fund all invest predominantly in collective investment schemes. Management fees for the collective investment schemes in which each of these Funds invests are met by the Manager out of the Annual Management Charges set out in Appendix I.

## **7.2 Charges payable to the Manager**

### *7.2.1 Annual Management Charge*

In payment for carrying out its duties and responsibilities the Manager is entitled to take an annual fee out of the Funds as set out in Appendix I. The annual management charge will accrue on a daily basis in arrears by reference to the value of the Scheme Property on the immediately preceding Dealing Day in accordance with COLL 6 and the amount due for each month is payable no later than 5 dealing days after each month end. For the purpose of calculating the Manager's annual management charge, the value of the Scheme Property is calculated on a mid-market basis. The current annual management charge for the Funds (expressed as a percentage per annum of the value of the Funds) is set out in Appendix I.

### *7.2.2 Registration Fees*

The fees and expenses (plus VAT thereon) of SS&C and FNZ for maintaining the registers and sub-registers, as applicable, of the relevant Funds will be paid by the Manager out of its remuneration.

### *7.2.3 Expenses*

The Manager 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 Manager may take that excess from the capital property attributable to that Class.

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

### *7.2.4 Trustee's fee and expenses*

Although the Trustee is entitled to receive fees and expenses, these amounts are being paid for by the Manager in relation to all Funds contained within this Prospectus. The Manager also pays all custodian and transaction charges.

### *7.2.5 Investment Advisers' fee*

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

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

### **8.1 Class and Fund Meetings**

The provisions below, unless the context otherwise requires, apply to Class meetings as they apply to general meetings of the Funds, but by reference to Units of the Class concerned and the Unitholders and value and prices of such Units.

### **8.2 Requisitions of Meetings**

The Manager may requisition a general meeting at any time.

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

### **8.3 Notice and Quorum**

Unitholders 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 Unitholders, 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 Unitholders at their registered addresses.

### **8.4 Voting Rights**

At a general meeting, on a show of hands every Unitholder 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 Unitholder may vote either in person or by proxy. The voting rights attaching to each Unit are such proportion of the voting rights attached to all the Units in issue that the price of the Unit bears to the aggregate price of all the Units in issue at a reasonable date before the notice of meeting is sent out such date to be decided by the Manager.

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

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

The Manager may not be counted in the quorum for a meeting and neither the Manager nor any associate (as defined in the COLL Sourcebook) of the Manager is entitled to vote at any meeting of the Funds except in respect of Units which the Manager or associate holds on behalf of or jointly with a

person who, if the registered Unitholder, would be entitled to vote and from whom the Manager or associate has received voting instructions.

Where all the Units in the Funds are registered to, or held by, the Manager 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 Trustee, instead be passed with the written consent of Unitholders representing 50% or more, or for an extraordinary resolution 75% or more, of the Units in issue.

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

### **8.5 Variation of Class Rights**

The rights attached to a Class may not be varied without the sanction of an extraordinary resolution passed at a meeting of Unitholders of that Class.

## 9. TAXATION

### 9.1 Octopus Bond Fund and Octopus Defensive Fund

#### 9.1.1 *General*

The Funds are liable to corporation tax. However, as the Funds are authorised unit trust schemes, capital gains made on the disposal of investments held within the Funds are not liable to taxation.

The Funds intend to make interest distributions on a gross basis, except in those cases where HM Revenue & Customs regulations require payments to be made with income tax deducted at the lower rate of tax. Interest distributions are deductible from the income of the Funds for tax purposes; corporation tax is unlikely to be paid by it.

#### 9.1.2 *Taxation of Unitholders*

A Unitholder will have two potential areas of taxation to consider; the taxation of income and the taxation of capital gains.

A Unitholder will normally receive an interest distribution on a gross basis.

For UK tax purposes, income available for distribution or re-investment will be treated as distributed, whether or not any actual distribution is made so investors holding accumulation Units will be subject to taxation on their share of the Funds' income even though no part of that income is distributed to them.

In the case of the first interest distribution made in respect of Units issued during that accounting period, the amount representing the income equalisation is a return of capital. It is not taxable as income and the amount must be deducted from the cost of Units in computing any capital gain made on the disposal of Units.

#### 9.1.3 *UK Resident Individual Holders*

##### 9.1.3.1 *Income*

Under the Personal Savings Allowance, basic rate taxpayers can earn up to £1,000 in savings income tax-free. Higher rate taxpayers can earn up to £500. Additional rate taxpayers will not receive a Personal Savings Allowance.

Savings income includes interest distributions (but not dividend distributions) from deposit accounts, bonds, authorised unit trusts, open-ended investment companies and investment trusts.

For 2024/25, there is a 0% starting rate for savings income only with a limit of £5,000. If an individual's taxable non-savings income is above this limit then the 0% starting rate will not apply.

##### 9.1.3.2 *Scottish Taxpayers*

The rates of income tax paid by individual Scottish taxpayers on their non-savings income vary from the prevailing rates in force in the rest of the UK. As interest payments from the Funds are savings income for tax purposes, individual Scottish taxpayers will continue to be taxed at the prevailing UK rates on these payments.

### 9.1.3.3 Capital Gains

Unitholders (other than ISA Unitholders) disposing of Units in the Funds may be liable to capital gains tax if their capital gains from all sources in the tax year exceed the annual exempt amount. Capital gains in excess of the annual exempt amount are taxable at the lower (2024/25: 10%) or the higher rate (2024/25: 20%) depending on your individual tax position. Gains are added to total income and taxed as the top slice at the appropriate rate.

### 9.1.4 *UK Resident Corporate Unitholders*

#### 9.1.4.1 Income

Corporate Unitholders liable to corporation tax are required to treat an interest distribution as the receipt of an annual payment. No tax is deducted on payment of interest distributions to a company resident in the UK, or to non-UK resident companies which are subject to UK corporation tax. The gross distribution is liable to corporation tax.

#### 9.1.4.2 Capital Gains

Corporate Unitholders disposing of Units will be liable to corporation tax on capital gains. The Unitholding will be treated as a “creditor” relationship under the loan relationship provisions in the 1996 Finance Act. The fair value basis applies, but distributions are not brought into account.

In addition to the above, life insurance companies holding Units in a unit trust as part of their life policyholders funds are deemed to dispose of such Units at market value for capital gains tax purposes at the end of each accounting period. The deemed capital gain is calculated by reference to the market value of the Units as at the date of the previous deemed disposal. The deemed capital gain arising is spread forward over the year in question and the next six years.

#### 9.1.5 *Non-UK Resident Unitholders*

Non-UK resident Unitholders may be entitled to a payment of the tax credit or a proportion thereof from HM Revenue & Customs. This will depend on the personal circumstances of the Unitholder and the terms of any double tax agreement which exists between their country of residence and the UK.

## **9.2 Octopus UK Index Tracking Fund, Octopus Climate Change Fund, Octopus Global Share Fund, Octopus Growth Funds 1 to 3**

### 9.2.1 *General*

Each of the Funds is liable to corporation tax, payable at the lower rate of income tax. However, as the Funds are authorised unit trust schemes, capital gains made on the disposal of investments held within the Funds are not liable to taxation.

### 9.2.2 *Taxation of Unitholders*

A Unitholder will have two potential areas of taxation to consider; the taxation of income and the taxation of capital gains.

A Unitholder will normally receive a dividend distribution, from the above noted Funds, on a gross basis.

In the case of the first distribution made in respect of Units issued during that accounting period, the amount representing the income equalisation is a return of capital. It is not taxable as income and the

amount must be deducted from the cost of Units in computing any capital gain made on the disposal of Units.

### 9.2.3 *UK Resident Individual Holders*

#### 9.2.3.1 Income

The Dividend Tax Credit was replaced in April 2016 by a tax-free Dividend Allowance.

The Dividend Allowance means that an individual will not have to pay tax on the first £500 of dividend income, no matter what non-dividend income they have. The allowance is available to anyone who has dividend income.

Individuals will pay tax on any dividends they receive over £500 at the following rates:

- 8.75% on dividend income within the basic rate band
- 33.75% on dividend income within the higher rate band
- 39.35% on dividend income within the additional rate band

Investors holding Units through an ISA have no tax to pay on distributions.

#### 9.2.3.2 Scottish Taxpayers

The rates of income tax paid by individual Scottish taxpayers on their non-savings income vary from the prevailing rates in force in the rest of the UK. As dividend payments from the Funds are savings income for tax purposes, individual Scottish taxpayers will continue to be taxed at the prevailing UK rates on these payments.

#### 9.2.3.3 Capital Gains

Unitholders (other than ISA Unitholders) disposing of Units in the Funds may be liable to capital gains tax if their capital gains from all sources in the tax year exceed the annual exempt amount. Capital gains in excess of the annual exempt amount are taxable at the lower (2024/25: 10%) or the higher rate (2024/25: 20%) depending on the investor's individual tax position. Gains are added to total income and taxed as the top slice at the appropriate rate.

### 9.2.4 *UK Resident Corporate Unitholders*

#### 9.2.4.1 Income

Corporate Unitholders liable to corporation tax are required to treat a dividend distribution as franked investment income to the extent that it is paid out of franked investment income received by the Fund.

The elements not so paid out are treated as a receipt of an annual payment. Income tax at the lower rate is deemed to have been withheld from those elements. Such tax is available for off-set against corporation tax or repayment. However, repayment (but not set off) is limited to the corporate Unitholder's portion of the Fund's net tax liability.

This does not apply to unit trust management companies, holding Units in the ordinary course of their business.

#### 9.2.4.2 UK Resident Corporate Unitholders: Capital Gains

Corporate Unitholders disposing of Units may be liable to corporation tax on capital gains.

In addition to the above, life insurance companies holding Units in a unit trust as part of their life policyholders funds are deemed to dispose of such Units at market value for capital gains tax purposes at the end of each accounting period. The deemed capital gain is calculated by reference to the market value of the Units as at the date of the previous deemed disposal. The deemed capital gain arising is spread forward over the year in question and the next six years.

#### *9.2.5 Non-UK Resident Unitholders*

The tax position for non-UK resident Unitholders will depend on their domestic tax law and the provisions of any double tax agreement between their country and the UK. However, such investors are unlikely to be able to reclaim tax credits.

### **9.3 UK Law and HM Revenue & Customs Practice**

The above statements are based on the Manager's understanding of UK law and HM Revenue & Customs practice as at the date of this prospectus. The future basis and rates of taxation may vary. Although every effort has been made to ensure its accuracy, no responsibility can be taken for the Manager's interpretation. Unitholders are recommended to consult their professional adviser if they are in any doubt as to their individual tax position.

## 10. **UCITS Mergers**

The Funds will not be merged with another UCITS scheme except in accordance with the COLL Sourcebook provisions set out in 7.7 UCITS Mergers.

A merger is an operation where one or more merging UCITS which continue to exist until the liabilities have been discharged, transfer their net assets to another sub-fund of the same UCITS, to a UCITS which they form for the purpose or to another existing UCITS or to any of its sub-funds (the receiving UCITS).

A merger refers to a domestic UCITS merger.

Any merger will be carried out in accordance with Part 2 of the Undertakings for Collective Investment in Transferable Securities Regulations 2011. Under this regime, the FCA must give prior approval to the proposed merger, a draft terms of merger must be drawn up between the managers of the merging schemes, specified merger information must be provided to Unitholders of the merging and receiving UCITS and 75% of Unitholders need to approve the proposed merger by way of the passing of an extraordinary resolution at a meeting of Unitholders.

The effective date of any merger will be the date specified by the FCA in its order authorising the proposed merger and the date for calculating the exchange ratio of units of the merging UCITS into units of the receiving UCITS and where applicable, for determining the relevant NAV for cash will be the date specified in the merger document for that purpose.

The Manager will ensure that any legal, advisory, administrative or any other costs associated with the preparation and completion of the UCITS merger are not charged to either scheme or to any of its Unitholders.

## **11. WINDING UP OF THE FUNDS**

### **11.1 Application**

The Funds will not be wound up except in accordance with the COLL Sourcebook.

### **11.2 Triggers**

The Trustee shall proceed to wind-up a Fund:

- 11.2.1 if the order declaring a particular Fund to be an authorised unit trust scheme is revoked; or
- 11.2.2 if the Manager or the Trustee requests the FCA to revoke the order declaring a particular Fund to be an authorised unit trust scheme and the FCA has agreed (provided no material change in any relevant factor occurs) that on the winding-up of the Fund, the FCA will accede to that request; or
- 11.2.3 the expiration of any period specified in the Trust Deeds as the period at the end of which a Fund is to terminate; or
- 11.2.4 on the effective date of a duly approved scheme of arrangement which is to result in the relevant Fund being left with no property.

### **11.3 Process**

- 11.3.1 If any of the events set out above occurs the rules in the COLL Sourcebook concerning Dealing (COLL 6.2), Valuation and Pricing (COLL 6.3) and Investment and Borrowing Powers (COLL 5), will cease to apply. The Trustee shall cease to issue and cancel Units and the Manager will stop redeeming and selling Units.
- 11.3.2 In the case of a scheme of arrangement referred to in paragraph 11.2.3 above, the Trustee shall wind up the relevant Fund in accordance with the approved scheme of arrangement.
- 11.3.3 In any other case, the Trustee shall, as soon as practicable after the relevant Fund falls to be wound-up, realise the assets of the Funds and, after paying, or retaining adequate provision for, all liabilities properly payable and retaining provision for the costs of the winding-up, distribute the proceeds to the Unitholders and the Manager proportionately to their respective interest in that Fund.
- 11.3.4 Any unclaimed net proceeds or other cash (including unclaimed distribution payments) held by the Trustee after twelve months from the date the proceeds became payable, shall be paid by the Trustee into Court, although the Trustee will have the right to retain any expenses incurred in making that payment. On completion of the winding-up, the Trustee shall notify the FCA in writing of that fact and the Trustee or the Manager shall request the FCA to revoke the order of authorisation.

## 12. **Stock lending**

### 12.1 **Introduction**

The Securities Financing Transactions (SFTs) Regulation was introduced to provide greater transparency to unitholders regarding a fund's dealings in stock lending and total return swap transactions. The Regulation sets out additional information that Managers who engage in SFTs must disclose.

Please note, only the Octopus Bond Fund and the Octopus UK Index Tracking Fund undertake stock lending activities. Neither Fund employs total return swaps.

### 12.2 **Overview**

The Manager is permitted to generate additional income for the benefit of the Funds, and for Unitholders, by entering into stock lending transactions, only where there is an acceptable degree of risk.

Income is earned from a stock lending programme, administered on the Funds' behalf by State Street Bank and Trust Limited (SSBT), which lends a proportion of assets from the Funds to counterparties who pay a fee to take those assets on loan for a period. In return for the loan, the counterparty also provides collateral of at least 100% of the value of the assets on loan, which is assessed and adjusted on a daily basis by SSBT. At the end of the loan period, the counterparty borrower returns the assets on loan.

The Manager has approved (through SSBT) certain brokers who have been designated as acceptable counterparties. In addition, limits are set to the exposure to any individual broker that may exist at any time, and changes in brokers' financial ratings are reviewed by SSBT. Any stock lending activities undertaken are fully underwritten by SSBT who will reimburse the Funds on any losses incurred on non-delivery.

### 12.3 **Available assets**

All assets under management within the Funds are available to be included in stock lending activities. There is no minimum or maximum transaction level set and there no expected proportion of assets that are to be used for stock lending transactions.

SSBT has full discretionary authority on behalf of the Trustees and the Manager to undertake any such stock lending transactions it deems to be beneficial to the Funds within risk appetite.

SSBT has the authority to terminate any stock lending transaction at its discretion.

### 12.4 **Criteria for counterparties**

All counterparties to stock lending transactions are engaged by SSBT. Counterparties are subject to strict due diligence and credit assessments before they are added to the SSBT approved list. Both parties sign a counterparty agreement.

The Manager has not placed any restrictions on which counterparties can be transacted with.

### 12.5 **Collateral and safekeeping**

The Manager has agreed to accept cash and securities as collateral for stock lending transactions. The value of the collateral should be at least 100% of the value of the assets taken on loan.

Collateral is valued daily via standard mark to market practice. Where the value of the collateral falls below 100%, additional collateral must be given by the counterparty.

SSBT entrusts the safekeeping of collateral assets to an approved list of third-party custodian banks. These banks are subject to strict credit rating criteria and record keeping requirements.

Collateral is returned to the counterparty following conclusion of the stock lending transaction.

Should a counterparty default on the stock lending transaction, SSBT will take such action as appropriate to use the proceeds from sale of the collateral to acquire equivalent securities for the Fund.

SSBT does not seek to re-use cash or securities given as collateral in further stock lending transactions. However, where cash is received, this is invested on behalf of the Manager in the SSgA Cash Management Fund.

### **12.6 Risk management**

The Manager has no appetite for undertaking stock lending transactions which bring an unacceptable degree of additional risk to the Funds.

SSBT monitoring ensures that stock lending activities does not affect the liquidity of the Funds, in that transactions in the normal course of business are not compromised.

### **12.7 Income and fees**

Income from stock lending activities is allocated as follows:

- 60% payable to the Funds
- 40% payable to SSBT

The Manager does not receive any share of the income from these transactions.

## 13. GENERAL INFORMATION

### 13.1 Accounting Periods

The annual and interim accounting periods of the Funds are set out in Appendix I.

The Manager 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.

### 13.2 Notice to Unitholders

All notices or other documents sent by the Manager to, or required to be served on, a Unitholder will be sent by normal post to the last address notified in writing to the Manager by the Unitholder. All documents and remittances are sent at the risk of the Unitholder. Customers with access to Online Service will be able to see notices and documents in their online library.

### 13.3 Income Allocations

The Funds have interim and final income allocations. Income is allocated in respect of the income available at each accounting date.

In relation to income Units, distributions of income for the Funds are paid by cheque or BACS on or before the relevant income allocation date in each year as set out in Appendix I.

Where accumulation Units are issued, income will become part of the capital property of the Funds and will be reflected in the price of each such accumulation Unit as at the end of the relevant accounting period.

If a distribution made in relation to any income Units remains unclaimed for a period of six years after it has become due, it will be forfeited and will revert to the relevant Fund.

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 Fund in respect of that period and deducting the charges and expenses of the Fund paid or payable out of income in respect of that accounting period. The Manager then makes such other adjustments as it considers appropriate (and after consulting the Fund'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.

### 13.4 Income Equalisation

An allocation of income (whether annual or interim) to be made in respect of each Unit to which this paragraph applies issued by the Trustee or sold by the Manager during the accounting period in respect of which that income allocation is made shall:

in the case of net paying Units, be of the same amount as the allocation to be made in respect of the other Units of the same Class in the Fund but shall include a capital sum ("income equalisation") representing the Manager's best estimate of the amount of net income included in the price of that Unit and calculated in accordance with this paragraph 13.4; or

In the case of gross paying Units, may be of a higher amount than that allocated in respect of the other Units of the same Class in the Fund as the proportion of the allocation attributable to income equalisation will have no associated tax amount that may be included in the allocation.

The amount of income equalisation may be either the actual amount of income in question or an amount arrived at by taking the aggregate of the amounts of income included in the issue price in respect of Units of the Class in question issued or re-issued in the relevant grouping period and dividing that aggregate by the number of those Units and applying the resultant average to each of the Units in question; for this purpose the grouping periods shall be consecutive periods within each accounting period, being the interim accounting period or periods determined on by the Manager pursuant to the COLL Sourcebook and the period from the last interim accounting period in an accounting period to the last day of the accounting period. If there is no interim accounting period in an annual accounting period, the grouping period may be such annual accounting period.

### **13.5 Annual Reports**

The annual reports of the Funds will normally be published within four months from the end of each annual accounting period and the half yearly report will be published within two months of each interim accounting period.

These reports are available to any person free of charge on request or via customers with access to Online Service will be able to see notices and documents in their online library.

### **13.6 Documents of the Funds**

The following documents may be inspected free of charge during normal business hours on any business day at the offices of SS&C at St. Nicholas Lane, Basildon, Essex, SS15 5FS or at the offices of FNZ at 1 Tanfield, Edinburgh, Midlothian, EH3 5DA, as relevant:

- the most recent annual and half yearly reports of each of the Funds; and
- the Trust Deeds (and any amending documents).

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

### **13.7 Provision of Investment Advice**

All information concerning the Funds and about investing in Units of the Funds is available from the Manager at PO Box 24204, Edinburgh, EH3 1JP or on the Octopus Money Direct website. Customers with access to Online Service will be able to see that information there. The Manager is not authorised to give investment advice and persons requiring such advice should consult a professional financial adviser. All applications for Units are made solely on the basis of the current prospectus of the Funds, and investors should ensure that they have the most up to date version.

### **13.8 Complaints**

Complaints concerning the operation or marketing of the Funds may be referred to the Manager at PO Box 24204, Edinburgh, EH3 1JP or by telephone. Customers with access to Online Service will be able

to submit a complaint there. If you subsequently wish to take your complaint further, that should be sent direct to the Financial Ombudsman Service at Exchange Tower, London E14 9SR.

### 13.9 Risk Management

The Manager will provide upon the request of a Unitholder further information relating to:

- the quantitative limits applying in the risk management of the Funds;
- the methods used in relation to [7](#); and
- any recent development of the risk and yields of the main categories of investment.

### 13.10 Benchmark indices and performance comparators

A benchmark index, in relation to a Fund, is an index against which the Fund's investment choice is constrained, or which provides a target for the Fund to match or outperform.

Some of the Funds do not have a benchmark index guiding their investments or providing a target for their performance. However, for such Funds an index can still provide a measure against which investors can compare the Fund's performance. In this case, we refer to the index as being a 'performance comparator' rather than a 'benchmark index'.

The table below and Appendix 1 set out the indices which are used by the Funds, either as benchmark indices or performance comparators.

In some cases, a Fund in effect uses a composite of several individual indices as its benchmark index or performance comparator. In these cases, the table below shows the proportions (as percentages) in which each individual index contributes to the composite. The table also identifies the purpose for which the index is used, by classifying them as:

"Target Benchmark" – a formal target that the Fund aims to match or beat, which may also influence selection of investments; or

"Performance Comparator" – does not influence the selection of investments but, in the absence of either a Constraining Benchmark or Target Benchmark, provides a measure that investors can compare performance against.

Each index is operated by a Benchmark Administrator as set out in the table below. Licence information for each administrator can be found in Appendix VIII.

Administrator/ Index	Octopus UK Index Tracking Fund	Octopus Bond Fund	Octopus Climate Change Fund	Octopus Global Share Fund	Octopus Growth Fund 1	Octopus Growth Fund 2	Octopus Growth Fund 3	Octopus Defensive Fund
FTSE International Limited								
FTSE All-Share Index	100%	-	-	-	-	-	-	-
FTSE 5-15 Year Gilt Index	-	50%	-	-	-	-	-	-
ICE Benchmark Administration Limited								
ICE Bank of America Merrill Lynch 5-15 Year Non-Gilt Index	-	50%	-	-	-	-	-	-
MSCI Limited								
MSCI All Countries World Index GBP	-	-	100%	100%	30%	60%	80%	15%
Bloomberg Index Services Limited								
Bloomberg Global Aggregate Bond Index GBP Hedged	-	-	-	-	70%	40%	20%	85%
Type of benchmark or performance comparator	Target Benchmark	Target Benchmark	Target Benchmark	Target Benchmark	Performance Comparator	Performance Comparator	Performance Comparator	Performance Comparator
Single index or composite of indices	Single	Composite	Single	Single	Composite	Composite	Composite	Composite

For those Funds which have an objective to track or match the performance of a specified stock market index or indices (Benchmark Index), the holdings (shares or bonds) within those Funds will be determined in relation to data (based on the market capitalisation of the securities) provided by the Benchmark Administrator.

The constituents of a Fund's Benchmark Index or Performance Comparator changes over time. For all Funds, the top ten holdings are published on the Octopus Money Direct website. For those Funds which invest directly in bonds or shares (the UK Index Tracking Trust, the Climate Change Fund and the Bond Fund), a full list of securities can be found within the latest Report & Accounts on the Octopus Money Direct website. For those Funds which invest in other funds (known as fund-of-funds), investors may refer to the latest Report & Accounts to see the underlying funds held, and then refer to the Report & Accounts of those underlying funds.

The list of Benchmark Administrators that are included in the Benchmarks Regulation Register is available on ESMA's website at [www.esma.europa.eu](http://www.esma.europa.eu). As at the date of this Prospectus, the following benchmark administrators of the Benchmark Indices are included in the Benchmarks Regulation Register:

- FTSE International Limited (in respect of the FTSE indices);
- MSCI Limited (in respect of the MSCI indices); and

- ICE Data Services (in respect of the ICE indices).

As at the date of this Prospectus, the following Benchmark Administrator of the Benchmark Indices are not included in the Benchmarks Regulation Register:

- Bloomberg Index Services Limited (in respect of the Bloomberg indices);

Bloomberg provide Benchmark Indices on the basis of the additional transition period provided under the Benchmarks Regulation, which expires 31 December 2023.

The Manager is required to produce and maintain robust written plans setting out the actions the Manager will take in the event that a Benchmark Index used by the Manager in relation to a Fund materially changes or ceases to exist. Further information on the Manager's plans are available from the Manager on request.

If a Benchmark Index used by any of our Funds ceases to exist or materially changes, the Manager will consult with the Investment Adviser of the Fund(s) impacted in order to consider whether a change in Benchmark Index is necessary in relation to the objective of each Fund impacted. There may also be occasions when the Manager is required to replace a Benchmark Index in one of the Funds at short-notice and without prior Unitholder notice. The Manager will only take such steps if it believes this is in the best interests of Unitholders. Otherwise, the Manager will ordinarily take steps to provide advance notice of any change in Benchmark Index which changes the investment objective of a Fund, or is a material change to the investment policy of a Fund. The Manager may, having followed the procedures required by rules in COLL, if it considers it in the interest of the Fund, substitute another index for the Benchmark Index including, but not limited to, where:

- it becomes difficult to invest in securities comprised within the particular Benchmark Index;
- the Benchmark Index provider increases its charges to a level which the Manager considers too high;
- the quality (including accuracy and availability of data) of a particular Benchmark Index has, in the opinion of the Manager, deteriorated;
- a liquid futures market in which a particular Fund is investing ceases to be available;
- an index becomes available which more accurately represents the likely tax treatment of the investing Fund in relation to the component securities in that index; or
- if the Benchmark Administrator becomes insolvent or loses its licence to administer the Benchmark Index.

Where such a change would result in a material difference between the constituent securities of the Benchmark Index and the proposed Benchmark Index, Unitholder approval will be sought in advance. In circumstances where immediate action is required and it is not possible to obtain Unitholder approval in advance of a change in a Fund's Benchmark Index, Unitholder approval will be sought for either the change in the Benchmark Index or, if not so approved, the winding up of the Fund as soon as practicable and reasonable.

Any change of a Benchmark Index will be cleared in advance with the FCA, reflected in revised Prospectus documentation and will be noted in the annual and interim reports of the relevant Fund issued after any such change takes place. In addition, any material change in the description of a Benchmark Index will be noted in the annual and interim reports of the relevant Fund.

The Manager may change the name of a Fund, particularly if its Benchmark Index, or the name of its Benchmark Index, is changed. Any change to the name of a Fund will be approved in advance by the FCA and the relevant documentation pertaining to the relevant Fund will be updated to reflect the new name.

Any of the above changes may have an impact on the tax status of a Fund in a jurisdiction. Therefore, it is recommended that investors should consult their professional tax adviser to understand any tax implications of the change in their holdings in the jurisdiction in which they are resident.

### **13.11 Tracking errors**

#### *13.11.1 Octopus UK Index Tracking Fund*

This Fund aims to track the performance of an index or benchmark as part of its objective, but the performance of the Fund will differ from the performance of the index/benchmark for reasons (but not limited to) set out below:

- transaction costs (from index turnover and dividend re-investment);
- share weightings not being exactly the same as the index;
- differences in valuation points between the Fund and the index; and
- small amounts of cash not being invested in components of the index.

The differences in returns between a Fund and the index or benchmark it tracks can be measured by a calculation known as the tracking error. The tracking error expresses the difference between a Fund and an index returns over time as a percentage. This gives a better idea of how the Fund has performed compared to the benchmark over time. A low percentage means the Fund has tracked its benchmark fairly closely. A higher percentage means the Fund has not tracked its benchmark as well.

#### *13.11.2 Octopus Bond Fund and the Octopus Global Share Fund*

These Funds' objective is to match or beat the returns of the benchmark. The Funds will invest differently from the benchmark but in a relatively tightly controlled way, with expected tracking error in the region of 0-2% for the Bond Fund and 2-4% for the Global Share Fund. This means high, but not perfect correlation with returns from the benchmark.

#### *13.11.3 Octopus Climate Change Fund*

This Fund's objective is not to track the performance of a particular index, but rather it aims to beat the returns of an index whilst investing in environmental solution providers and leaders. In line with this objective, the Fund will invest quite differently from the index and will therefore also perform quite differently from the index. The expected tracking error of this Fund is between 4-10%.

#### *13.11.4 Octopus Growth Funds 1 to 3, Octopus Defensive Fund*

The objective of each of these Funds is not to track the performance of a particular index or to beat its returns but rather to provide growth whilst being managed to a specified level of risk. Each Fund may invest differently from the index or indices against which performance may be compared and will therefore perform differently from such index or indices.

Please see Appendix I for details of each Fund's tracking error tolerance.

## APPENDIX I: DETAILS OF THE FUNDS

Name: Octopus Bond Fund

Type of Scheme: UCITS scheme

Investment Objective and Policy: Objective

The Fund aims to provide a total return (income and capital growth) over the longer term (5 years or more) by investing mainly in sterling denominated bonds. The Fund aims to match or beat the performance of its benchmark (50% the FTSE 5-15 Year Gilt Index and 50% the ICE Bank of America Merrill Lynch 5-15 Year Non-Gilt Index), after charges, measured over periods of three years or more.

### Policy

The Fund will invest in:

corporate bonds

bonds issued by governments and government agencies

bonds issued by supranational organisations, such as the European Investment Bank.

At least 80% of the Fund's assets will be denominated in sterling or hedged back to sterling. Investment will mainly be directly in individual bonds, but the Fund can also invest up to 20% in other investment funds, which themselves invest in bonds.

Whilst the benchmark (see Objective) provides a starting point, the Investment Adviser has discretion over which bonds to invest in. The Fund can also invest in bonds which aren't part of the benchmark, including non-investment grade bonds (as rated by the leading credit rating agencies). Non-investment grade bonds, often called 'high-yield' bonds, won't exceed 10% of the value of the Fund.

The amount a Fund's returns differ from its benchmark is known as tracking error. It's calculated as the standard deviation of the difference in annual returns. This is low (0% to 0.5%) for index-tracking funds and higher (4%+) for active stock-picking funds. The Fund is expected to have relatively low tracking error of 0-2%, meaning returns will differ from the benchmark, but not by a large amount.

Name:

Octopus Bond Fund

One way in which the Fund will differ from its benchmark is due to some exclusions and Environmental, Social and Governance (ESG) considerations.

The Fund won't invest in bonds issued by companies that make more than 5% of their earnings from the manufacture or sale of tobacco products, extraction or processing of thermal coal or unconventional fossil fuels (such as oil sands), and the manufacture of controversial weapons. It also excludes bonds issued by companies that violate the UN Global Compact principles on human rights, labour, the environment and anti-corruption.

Using third party data and in-house research, the Fund will compare companies, against others in their industry and/or with similar credit rating / maturity profiles, on a range of ESG measures. Based on this analysis, the Fund will either not invest in companies within the benchmark or increase / decrease the amount it does invest. In this way, we expect the Fund to have a better ESG rating and lower carbon footprint than the benchmark itself.

The Fund will engage with companies to encourage better ESG practices and as part of the transition to a low carbon economy. You can read about our 'investor engagement policy' on [octopusmoneydirect.com](http://octopusmoneydirect.com)

The Fund seeks to be fully invested at all times but may hold cash (up to 5%) for cash flow and transactional purposes as deemed appropriate to manage costs.

The Fund may use derivatives to reduce trading costs and generally for the efficient management of the Fund, for example managing money coming in and out of the Fund. The Fund will not use derivatives for speculative purposes or to increase the risk profile of the Fund.

Choice of benchmark

The Manager uses a benchmark as a target for the performance of the Fund as set out in the investment objective and policy.

The Manager has selected market-leading indices that align to the investment objective and policy of the Fund. Further information on these indices can be found at:

Name: Octopus Bond Fund  
[www.ftse.com/products/indices](http://www.ftse.com/products/indices)  
[www.theice.com/market-data/indices](http://www.theice.com/market-data/indices)

Final accounting date: 1 October

Interim accounting date: 1 April

Income distribution dates: On or before 1 December (final)  
On or before 1 June (interim)

Units Classes and type of Units: Gross Income

Initial charge: Nil

Redemption charge: Nil

Annual Management Charge: 0.30%

Charges taken from Income: Yes

Investment minima:

Initial payment: by debit card/direct debit £100 / £25

Top-up £1

Holding £50

Withdrawal (or full balance if less) £50

Where an investor's holding is less than £50 and no subscriptions have been made in the preceding 24 months, the Manager reserves the right to redeem the whole holding as appropriate.

Past performance: Past performance information is set out in Appendix V

Name:	Octopus UK Index Tracking Fund *
Type of Scheme:	Index-tracking UCITS scheme
Investment Objective and Policy:	<p>The investment objective of the Fund is to provide a total return (income and capital growth) from UK Shares. The Fund aims to achieve this by tracking the performance of the FTSE All-Share Index, measured annually, less charges.</p> <p>The Fund aims to achieve the objective by holding the 500+ stocks that comprise the benchmark index, in similar proportions to the index.</p> <p>To manage costs, some company shares, which make up a very small part of the index, may not always be held, whilst stock index futures are used to manage money coming in and out of the Fund.</p>
Choice of benchmark	<p>The Manager uses a benchmark as a target for the performance of the Fund as set out in the investment objective and policy.</p> <p>The Manager has selected a market-leading index that aligns to the investment objective and policy of the Fund. Further information on this index can be found at:</p> <p><a href="http://www.ftse.com/products/indices">www.ftse.com/products/indices</a></p>
Tracking error	<p>Tracking error is the volatility of the differences in returns between the Fund and the index it tracks. This is measured by the standard deviation (variability) of these returns.</p> <p>The Fund seeks to keep the tracking error within 0.20% in any 12-month period, measured on a total return basis, gross of fees.</p> <p>The tracking error actually achieved by the Fund is typically in the range of 6-20 basis points.</p>
Final accounting date:	15 March
Interim accounting date:	15 September
Income distribution dates:	15 May (final) 15 November (interim)
Units Classes and type of Units:	Income
Initial charge:	Nil
Redemption charge:	Nil
Annual Management Charge:	0.22%

Name: Octopus UK Index Tracking Fund \*  
Charges taken from Income: Yes

Investment minima:

Initial payment: by debit card/direct debit £100 / £25  
Top-up £1  
Holding £50  
Withdrawal (or full balance if less) £50

Where an investor's holding is less than £50 and no subscriptions have been made in the preceding 24 months, the Manager reserves the right to redeem the whole holding as appropriate.

Past performance: Past performance information is set out in Appendix V

\* The Octopus UK Index Tracking Fund (the "Fund") has been developed solely by Octopus Money Unit Trust Managers Limited. The Fund is not in any way connected to or sponsored, endorsed, sold or promoted by the London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). FTSE Russell is a trading name of certain of the LSE Group companies. All rights in the FTSE All-Share Index (the "Index") vest in the relevant LSE Group company which owns the Index. "FTSE®" is a trade mark of the relevant LSE Group company and is used by any other LSE Group company under license. The Index is calculated by or on behalf of FTSE International Limited or its affiliate, agent or partner. The LSE Group does not accept any liability whatsoever to any person arising out of (a) the use of, reliance on or any error in the Index or (b) investment in or operation of the Fund. The LSE Group makes no claim, prediction, warranty or representation either as to the results to be obtained from the Fund or the suitability of the Index for the purpose to which it is being put by Octopus Money Unit Trust Managers Limited.

Name:	<b>Octopus Climate Change Fund</b>
Type of Scheme:	UCITS scheme
Investment Objective and Policy:	<p>The Fund aims to grow your money over the longer term (5 years or more) by investing in the listed shares of companies from around the world that develop or use products and services designed to maximise resource efficiency, support the transition to a low carbon economy and address wider environmental challenges. The Fund aims to provide a total return (income and capital growth) which is benchmarked against the MSCI All Countries World Index GBP. This index represents the performance of hundreds of shares from around the world. By actively selecting which shares to invest in, the Fund aims to beat the returns of this index, after charges, measured over periods of three years or more.</p> <p>The Fund will typically invest in a concentrated portfolio of the shares of 35-45 companies from around the world selected by the Investment Adviser in keeping with the Investment Objective of the Fund described above. The Fund seeks to be fully invested at all times but may hold cash (up to 5%) for cash flow and transactional purposes as deemed appropriate to manage costs.</p> <p>The Fund invests in companies providing products and services which enable businesses and society to transition to a low carbon economy or reduce their environmental impact in other ways (we refer to these companies as ‘solution providers’), and also companies who are leaders within their respective industries in terms of reducing emissions, waste or resource usage (we refer to these companies as ‘leaders’). The Fund will actively engage with the companies invested in to ensure that their products and services deliver on stated environmental and positive change or impact aims.</p> <p>The Fund seeks to hold the shares of companies based on a medium to long term view (typically no less than 3-5 years); however, aside from changes in conviction around the financial case for investment, the Investment Adviser will sell shares in the event that a company falls outside of the criteria of companies the Fund can invest in as detailed in this policy.</p> <p>The Fund will not invest in companies with material revenues (&gt;10%) from tobacco manufacturing, or who</p>

Name:

### **Octopus Climate Change Fund**

are involved in the extraction or processing of fossil fuels (coal, oil and gas), controversial weapons, or companies who violate the UN Global Compact principles on human rights, labour, the environment and anti-corruption.

As the Fund is actively managed, the Investment Adviser retains freedom of what companies to invest in, and also the geographical allocation across the Fund, as long as this is in keeping with the Investment Objective and Policy of the Fund. The Investment Adviser will use third party data on emissions and wider environmental impact, combining this data with proprietary research to form a view on which companies to invest in. The Fund will at all times seek to maintain a diversified portfolio of companies across different countries and markets in order to manage risk.

The Fund may use derivatives to reduce trading costs and generally for the efficient management of the Fund, for example managing money coming in and out of the Fund. The Fund will not use derivatives for speculative purposes or to increase the risk profile of the Fund.

Choice of benchmark

The Manager uses a benchmark as a target for the performance of the Fund as set out in the investment objective and policy.

The Manager has selected a market-leading index that aligns to the investment objective and policy of the Fund. Further information on this index can be found at:

[www.msci.com/constituents](http://www.msci.com/constituents)

Tracking error

The benchmark is used as a reference point for portfolio construction; however, the Fund may deviate significantly from the benchmark and may also invest in companies which are not included in the benchmark. A measure of how much a fund differs from its benchmark is known as tracking error (the standard deviation of the difference in returns), which is very low for a fund seeking to replicate the performance of a benchmark, and higher for actively managed funds. The Fund is expected to have a tracking error in the range of 4-10% measured over annual periods.

Name:

### **Octopus Climate Change Fund**

Sustainability Label

The FCA introduced sustainability investment labels to help investors find products that have a specific sustainability goal. This fund doesn't have a UK sustainable investment label because it does not currently meet the label requirements, which include having a measurable sustainability objective using a robust evidenced based standard.

Sustainability Characteristics

The Fund doesn't currently meet the specific requirements for a sustainability label, but the Fund does have material sustainability characteristics. These are as a result of the Fund's investment objective and policy which requires investment in companies aiming to provide solutions to address climate/environmental issues and those demonstrating environmental leadership in their industries.

The sustainability characteristics of the Fund reflect investing to meet the objective and policy. The Fund invests mostly in companies referred in the policy as solution providers, these are identified as providing products and services with the ability to assist in either reducing carbon emissions, improve resource efficiency, cut waste and pollution or addressing wider environmental pressures. These companies are assessed to consider the governance in place to limit negative environmental impacts over the lifecycle of products and services offered. The Fund can also invest in companies referred to in the policy as leaders progressing towards positive change in their industry, whilst also having high standards of governance on environmental and social considerations.

The Fund expected to have lower carbon emissions than its benchmark, flexibility exists to exceed where necessary to achieve the Fund's investment objective. Carbon emissions are measured by the Investment Adviser using a third-party carbon footprint tool provided by Trucost, which considers company level carbon intensity data (carbon emissions are measured across scope 1 – operations, scope 2 – power usage and where possible scope 3 – indirect emissions).

The Fund excludes investing in companies which do not support the achievement of the Fund's objective and policy such as those involved in activities considered harmful for the environment/society or not aligned to international standard of business practices, this

Name:

### **Octopus Climate Change Fund**

includes; companies who are involved in the extraction or processing of fossil fuels (coal, oil and gas), companies with material revenue (more than 10%) from tobacco manufacture or distribution, companies involved in the manufacture or distribution of controversial weapons and companies not complying with the UN Global Compact principles on human rights, labour, the environment, and anti-corruption.

The policy enables the Investment Adviser to continue to assess companies against their environmental characteristics by engaging with them on the achievement of their aims to address climate/environmental issues through their products and services. Engagement activities will follow a lifecycle process to agree and provide a timescale for outcomes discussed and enable progress to be measured. The Investment Adviser is also able to use investor voting rights (these are rights of shareholders to vote on important company matters) either to vote in favour of the proposals of the management of a company or against including in relation to votes on sustainability-related issues.

The Investment Adviser can sell shares in companies if they do not retain their sustainability characteristics as a solution provider or leader or if engagement/voting does not resolve concerns in the achievement of aims on environmental issues. Following this decision, shares will be sold as soon as soon possible (generally within three months).

The Manager monitors the Fund's sustainability-related characteristics using data from varying sources including MSCI ESG Manager (an independent ESG data provider), the Manager's Investment Adviser, third-party fund managers or index providers.

The Fund level sustainability-related metrics are included in the Sustainability-Related Information Disclosure (to be found on the Manager's Fund information pages -

[octopusmoneydirect.com/investments/funds](https://octopusmoneydirect.com/investments/funds)

The sustainability-related metrics measure: solution providers (percentage of the Fund value), leaders (percentage of the Fund value), reductions in carbon emissions (measured as weighted average carbon

Name:	<b>Octopus Climate Change Fund</b>
	intensity tonnes of scope 1 and 2 carbon emissions per \$m revenue, scope 3 may also be reported as a separate metric), investments categorised by MSCI (an independent ESG data provider) as sustainable investments (as a percentage of the Fund value), exclusion of investment in harmful companies (criteria as detailed in the policy), engagement and voting activities (engagement examples and voting records).
Final accounting date:	30 September
Interim accounting date:	31 March
Income distribution dates:	30 November (final); 31 May (interim)
Units Classes and type of Units:	Net Accumulation
Initial charge:	3.0% (not currently applied)
Redemption charge:	Nil
Annual Management Charge:	0.70%
Charges taken from Income:	Yes
Investment minima:	
Initial payment: by debit card/direct debit	£100 / £50
Top-up	£1
Holding	£50
Withdrawal (or full balance if less)	£50
	Where an investor's holding is less than £50 and no subscriptions have been made in the preceding 24 months, the Manager reserves the right to redeem the whole holding as appropriate.
Past performance:	Past performance information is set out in Appendix V

Name:	<b>Octopus Global Share Fund</b>
Type of Scheme:	UCITS scheme
Investment Objective and Policy:	<p>The aim of the Fund is to provide a total return (income and capital growth) over the longer term (5 years or more) from a portfolio of shares from around the world. The Fund aims to beat the performance of its benchmark (MSCI All Countries World GBP - a measure of global share market returns), after charges, measured over any three-year period.</p> <p>The Fund aims to achieve the objective by investing in other funds rather than investing directly in individual shares. This means that the Fund is what's often known as a 'fund-of-funds'. The funds which it invests in may be managed by us, our Investment Adviser, or any other authorised fund manager.</p> <p>Normally at least 80% of the funds that the Fund invests in will be passively managed. This means that they aim to track the performance of a share index. The rest will be actively managed funds – this is where the fund manager chooses individual shares and, as a result returns may be higher (or lower) than the market.</p> <p>The Fund's mix of investments (across different regions) will typically be reviewed at least every six months and may change based on the research and insights of the Investment Adviser, usually based on their medium term (3 year) view of share markets. Whilst the Investment Adviser has flexibility over where to invest, the Fund will seek to adhere to the following geographical limits:</p> <ul style="list-style-type: none"> <li>• Maintain investment across the following six regions: North America, Europe ex-UK, UK, Japan, Asia ex-Japan and Global Emerging Markets.</li> <li>• Limit how differently the Fund invests from the benchmark by +/- 10% for North America and +/- 5% for each of the other five regions. So, for example, if the benchmark weight at the time of portfolio review is 20% for Europe ex-UK, the Fund would allocate between 15-25% to this region at that time.</li> </ul> <p>There may be times when the Fund invests outside of these tolerances, namely (i) in between portfolio reviews due to market movement and (ii) in seeking to adhere to the following ESG considerations.</p>

Name:

### **Octopus Global Share Fund**

One way in which the Fund seeks to manage risks and opportunities is via Environmental, Social and Governance (ESG) considerations. Where the Investment Adviser feels it is beneficial from a risk or return perspective, and suitable investment options are available, underlying investment funds will be chosen because of their:

- integration of ESG considerations into stock selection (increasing / decreasing allocation to individual companies based on the ESG scoring process of the index provider / fund manager)
- adoption of sustainable investing objectives or policies
- positive shareholder engagement policies, and / or
- investment in companies providing products and services that support the transition to a low carbon economy.

The Fund will limit (to no more than 0.5% of the value of the Fund's assets) indirect exposure to companies which:

- make more than 5% of their earnings from tobacco products, thermal coal or unconventional oil and gas (such as oil sands or shale gas),
- are involved in the manufacture of controversial weapons such as cluster munitions or anti-personnel landmines, or
- who violate the UN Global Compact principles on human rights, labour, the environment and anti-corruption.

If the Investment Adviser determines that the allocation to the above type of companies is above 0.5% of the value of the Fund's assets, they will reduce exposure to below 0.5%. They will do this by selling the underlying funds identified as contributing to the over-exposure, usually within two months.

We expect the Fund to have a better ESG rating (based on the analysis and scoring system of one or more market leading data providers) and lower carbon emissions compared to investing in the same mix of assets using a standard indexing approach without ESG consideration. This will be reported in the annual value statement when reviewing the non-financial performance of the Fund.

The Fund seeks to be fully invested at all times but may also hold cash, or funds investing in cash and money-market investments (up to 5%) for cash flow and

Name:	<p><b>Octopus Global Share Fund</b></p> <p>transactional purposes as deemed appropriate to manage costs.</p>
Choice of benchmark	<p>The Manager uses a benchmark as a target for the performance of the Fund as set out in the investment objective and policy.</p> <p>The Manager has selected a market-leading index that aligns to the investment objective and policy of the Fund. Further information on this index can be found at:</p> <p><a href="http://www.msci.com/constituents">www.msci.com/constituents</a></p>
Tracking error	<p>The amount a Fund's returns differ from its benchmark is known as tracking error. It's calculated as the standard deviation of the difference in annual returns.</p> <p>This is low (0% to 0.5%) for index-tracking funds and higher (typically &gt;4%) for active stock-picking funds. The Fund is expected to have modest tracking error of 1-4%, meaning returns will differ from the benchmark, but not by a large amount.</p>
Sustainability Label	<p>The FCA introduced sustainability investment labels to help investors find products that have a specific sustainability goal. This fund doesn't have a UK sustainable investment label because it doesn't have a specific sustainability goal or meet the standards for having a label.</p>
Sustainability Characteristics	<p>The Fund doesn't include within its investment objective and policy a sustainability goal or meet the specific criteria required for a sustainability label. The Fund does however have sustainability characteristics driven by the inclusion of the Manager's responsible investing approach established as a method of incorporating environmental and social considerations into the investment policy. This approach is included in investment decision making (where it is considered to either be beneficial or not detrimental to long-term returns) by considering a broader view of financial risks and opportunities including those relating to the environment or society. This enables funds to invest in companies including choosing those which are assessed to be managing the most important environmental and social issues relevant to their industry sector. This approach is considered material to the Fund. The Investment Adviser invests mostly in funds classified as being Responsibly Invested (see section 1: definitions).</p>

Name:

### **Octopus Global Share Fund**

The policy enables the Investment Adviser to invest in funds aligned to the Manager's responsible investing approach resulting in the following sustainability characteristics of the Fund: higher ESG scores tilting towards companies better managing risks and opportunities including those related to the environment and society (using the scoring process of the fund manager or index provider for funds tracking an index), lower carbon emissions tilting towards companies with lower emissions in their industry (measured as the weighted average carbon intensity to enable comparison across investments using emissions data covering scope 1 – operations, scope 2 – purchased energy and where possible scope 3 – indirect), investing more in sustainable companies with positive aims for the environment or society (using the categorisation of the fund manager or index provider for funds tracking an index), excluding companies engaged in harmful activities or not aligned to international standards of business practices (the Fund limits indirect exposures to no more than 0.5% of the value of the Fund's assets to companies with material revenues more than 5% from tobacco manufacturing or distribution, thermal coal or unconventional oil and gas such as oil sands or shale gas, companies involved in the manufacture or distribution of controversial weapons or that are not compliant with the UN Global Compact principles on human rights, labour, the environment, and anti-corruption as detail in the policy) and the use of active ownership (investment manager influence using the voting rights provided by the ownership of company shares and engagement with companies on important issues including those relating the environment or society).

The Manager monitors the Fund's sustainability-related characteristics using data from varying sources including MSCI ESG Manager (an independent ESG data provider), the Manager's Investment Adviser, third-party fund managers or index providers.

The Fund level sustainability-related metrics are included in the Sustainability Related Information (to be found on the Manager's Fund information pages –

[octopusmoneydirect.com/investments/funds](http://octopusmoneydirect.com/investments/funds)

The sustainability-related metrics measure: ESG scores categorised by MSCI (an independent ESG data provider)

Name:	<b>Octopus Global Share Fund</b>
	as a measure of resilience to risks and opportunities including those related to the environment and society (measured on a rating scale), reductions in carbon emissions (measured as weighted average carbon intensity tonnes of scope 1 and 2 carbon emissions per \$m revenue, scope 3 may be reported as a separate metric), investments categorised by MSCI (an independent ESG data provider) as sustainable investments (as a percentage of the Fund value), exclusion of investment in harmful companies (criteria as detailed in the policy), fund manager stewardship policies (using influence of engagement and voting as an active owner).
Annual accounting date:	31 July
Interim accounting date:	31 January
Income distribution dates:	On or before 30 September (final) On or before 31 March (interim)
Units Classes and type of Units:	Income
Initial charge:	Nil
Redemption charge:	Nil
Annual Management Charge:	0.45%
Charges taken from Income:	Yes
Investment minima:	
Initial payment: by debit card/direct debit	£100 / £25
Top-up	£1
Holding	£50
Withdrawal (or full balance if less)	£50
	Where an investor's holding is less than £50 and no subscriptions have been made in the preceding 24 months, the Manager reserves the right to redeem the whole holding as appropriate.
Past performance:	Past performance information is set out in Appendix V

Name:	<b>Octopus Growth Fund 1</b>
Type of Scheme:	UCITS scheme
Investment Objective and Policy:	<p>The aim of the Fund is to generate a total return (income and capital growth) over the longer term (5 years or more) from a multi-asset portfolio of shares and bonds from around the world (i.e. globally invested). The Fund is the lowest risk fund in the Octopus Growth Fund range, which offers three funds with different levels of risk and potential return.</p> <p>The Fund aims to achieve the objective by investing in other funds, rather than investing directly in individual shares and bonds. This means that the Fund is what's often known as a 'fund-of-funds'. The funds which it invests in may be managed by us, our Investment Adviser, or any other authorised fund manager.</p> <p>The Fund invests:</p> <ul style="list-style-type: none"> <li>• at least 30% in funds that have a higher return potential (compared to other investments in the Fund) – but which carry a higher level of risk, such as shares (from both developed and emerging countries) and higher yielding bonds. This includes company shares, property shares, and higher yielding bonds such as corporate bonds rated by the leading credit agencies as below investment grade (BB or lower); and</li> <li>• the rest in funds that have a lower return potential (compared to other investments in the Fund) – but which carry a lower level of risk. This includes government bonds (loans to a government) from developed countries, investment grade corporate bonds (loans to a company) with relatively strong credit ratings (BBB or higher), and cash.</li> </ul> <p>The split between higher and lower risk investments, and the types of investment (for example, geography and types of bonds) are chosen so that risk (measured by how much the Fund's value fluctuates, known as 'volatility') is expected to remain within the range 30% to 50% of the risk of world stock markets over 10-year periods. The Fund uses the MSCI All Countries World Index GBP to represent world stock markets.</p> <p>The underlying funds are chosen to implement the desired mix of assets as per the bullet points above. Normally at least 80% of the funds that the Fund invests in will be passively managed. This means that they aim</p>

Name:

### **Octopus Growth Fund 1**

to track the performance of a particular share index or bond index. The rest will be actively managed funds – this is where the fund manager chooses individual shares / bonds and as a result returns may be higher (or lower) than the market.

One way in which the Fund seeks to manage risks and opportunities is via Environmental, Social and Governance (ESG) considerations. Where the Investment Adviser feels it is beneficial from a risk or return perspective, and suitable investment options are available, investments will be chosen because of their integration of ESG considerations into stock selection (increasing / decreasing allocation to individual companies based on the ESG scoring process of the index provider / fund manager), adoption of sustainable investing objectives or policies, positive shareholder engagement policies, and / or investment in companies providing products and services that support the transition to a low carbon economy. In addition, the Fund will limit (to no more than 0.5% of the value of the Fund's assets) indirect exposure to companies which:

- make more than 5% of their earnings from tobacco products, thermal coal or unconventional oil and gas (such as oil sands or shale gas),
- are involved in the manufacture of controversial weapons such as cluster munitions or anti-personnel landmines; or
- who violate the UN Global Compact principles on human rights, labour, the environment and anti-corruption.

If the Investment Adviser determines that the allocation to the above type of companies does exceed 0.5% of the value of the Fund's assets, the Investment Adviser will take action to reduce exposure to below 0.5% (by selling underlying funds identified as contributing to the over-exposure) within a reasonable timeframe, ordinarily within two months.

We expect the Fund to have a better ESG rating (based on the analysis and scoring system of one or more market leading data providers) and lower carbon emissions compared to investing in the same mix of assets using a standard indexing approach without ESG consideration. This will be reported in the annual value

Name:

### **Octopus Growth Fund 1**

statement when reviewing the non-financial performance of the Fund.

As well as investing in bond and share funds, the Fund may also hold cash or funds investing in cash and money-market investments.

The Fund's mix of investments will be reviewed at least annually and may change in consideration of the outlook for each investment type, but it will always include at least 30% in funds with higher risk/return potential.

Choice of benchmark

The Fund doesn't use a benchmark as a guide for investing or as a target to beat. But we do use a performance comparator, which investors may want to compare the Fund's performance against. This comprises 30% world shares and 70% bonds. World shares are represented by the MSCI All Countries World Index GBP, whilst bonds are represented by the Bloomberg Global Aggregate Bond Index GBP Hedged.

[www.msci.com/acwi](http://www.msci.com/acwi)

[www.bloombergindices.com/bloomberg-indices/](http://www.bloombergindices.com/bloomberg-indices/)

Sustainability Label

The FCA introduced sustainability investment labels to help investors find products that have a specific sustainability goal. This fund doesn't have a UK sustainable investment label because it doesn't have a specific sustainability goal or meet the standards for having a label.

Sustainability Characteristics

The Fund doesn't include within its investment objective and policy a sustainability goal or meet the specific criteria required for a sustainability label. The Fund does however have sustainability characteristics driven by the inclusion of the Manager's responsible investing approach established as a method of incorporating environmental and social considerations into the investment policy. This approach is included in investment decision making (where it is considered to either be beneficial or not detrimental to long-term returns) by considering a broader view of financial risks and opportunities including those relating to the environment or society. This enables funds to invest in companies including choosing those which are assessed to be managing the most important environmental and social issues relevant to their industry sector. This

Name:

### **Octopus Growth Fund 1**

approach is considered material to the Fund. The Investment Adviser invests mostly in funds classified as being Responsibly Invested (see section 1: definitions).

The policy enables the Investment Adviser to invest in funds aligned to the Manager's responsible investing approach resulting in the following sustainability characteristics of the Fund: higher ESG scores tilting towards companies better managing risks and opportunities including those related to the environment and society (using the scoring process of the fund manager or index provider for funds tracking an index), lower carbon emissions tilting towards companies with lower emissions in their industry (measured as the weighted average carbon intensity to enable comparison across investments using emissions data covering scope 1 – operations, scope 2 – purchased energy and where possible scope 3 – indirect), investing more in sustainable companies with positive aims for the environment or society (using the categorisation of the fund manager or index provider for funds tracking an index), excluding companies engaged in harmful activities or not aligned to international standards of business practices (the Fund limits indirect exposures to no more than 0.5% of the value of the Fund's assets to companies with material revenues more than 5% from tobacco manufacturing or distribution, thermal coal or unconventional oil and gas such as oil sands or shale gas, companies involved in the manufacture or distribution of controversial weapons or that are not compliant with the UN Global Compact principles on human rights, labour, the environment, and anti-corruption as detail in the policy) and the use of active ownership (investment manager influence using the voting rights provided by the ownership of company shares and engagement with companies on important issues including those relating to the environment or society).

The Manager monitors the Fund's sustainability-related characteristics using data from varying sources including MSCI ESG Manager (an independent ESG data provider), the Manager's Investment Adviser, third-party fund managers or index providers.

The Fund level sustainability-related metrics are included in the Sustainability Related Information (to be found on the Manager's Fund information pages -

Name:

**Octopus Growth Fund 1**

octopusmoneydirect.com/investments/funds The sustainability-related metrics measure: ESG scores categorised by MSCI (an independent ESG data provider) as a measure of resilience to risks and opportunities including those related to the environment and society (measured on a rating scale), reductions in carbon emissions (measured as weighted average carbon intensity tonnes of scope 1 and 2 carbon emissions per \$m revenue, scope 3 may be reported as a separate), investments categorised by MSCI (an independent ESG data provider) as sustainable investments (as a percentage of the Fund value), exclusion of investment in harmful companies (criteria as detailed in the policy), fund manager stewardship policies (using influence of engagement and voting as an active owner).

Annual accounting date:	31 July
Interim accounting date:	31 January
Income distribution dates:	On or before 30 September (final) On or before 31 March (interim)
Units Classes and type of Units:	Income Accumulation
Initial charge:	Nil
Redemption charge:	Nil
Annual Management Charge:	Income – 0.45% Accumulation - 0.45%
Charges taken from Income:	Yes
Investment minima:	
Initial payment: by debit card/direct debit	£100 / £25
Top-up	£1
Holding	£50
Withdrawal (or full balance if less)	£50

Where an investor's holding is less than £50 and no subscriptions have been made in the preceding 24 months, the Manager reserves the right to redeem the whole holding as appropriate.

Past performance: Past performance information is set out in Appendix V

Name:	<b>Octopus Growth Fund 2</b>
Type of Scheme:	UCITS scheme
Investment Objective and Policy:	<p>The aim of the Fund is to generate a total return (income and capital growth) over the longer term (5 years or more) from a multi-asset portfolio of shares and bonds from around the world (i.e. globally invested). The Fund is the middle risk fund in the Octopus Growth Fund range, which offers three funds with different levels of risk and potential return.</p> <p>The Fund aims to achieve the objective by investing in other funds, rather than investing directly in individual shares and bonds. This means that the Fund is what's often known as a 'fund-of-funds'. The funds which it invests in may be managed by us, our Investment Adviser, or any other authorised fund manager.</p> <p>The Fund invests:</p> <ul style="list-style-type: none"> <li>• at least 60% in funds that have a higher return potential (compared to other investments in the Fund) – but which carry a higher level of risk, such as shares (from both developed and emerging countries) and higher yielding bonds. This includes company shares, property shares, and higher yielding bonds such as corporate bonds rated by the leading credit agencies as below investment grade (BB or lower); and</li> <li>• the rest in funds that have a lower return potential (compared to other investments in the Fund) – but which carry a lower level of risk. This includes government bonds (loans to a government) from developed countries, investment grade corporate bonds (loans to a company) with relatively strong credit ratings (BBB or higher), and cash.</li> </ul> <p>The split between higher and lower risk investments, and the types of investment (for example, geography and types of bonds) are chosen so that risk (measured by how much the Fund's value fluctuates, known as 'volatility') is expected to remain within the range 60% to 80% of the risk of world stock markets over 10-year periods. The Fund uses the MSCI All Countries World Index GBP to represent world stock markets.</p> <p>The underlying funds are chosen to implement the desired mix of assets as per the bullet points above. Normally at least 80% of the funds that the Fund invests in will be passively managed. This means that they aim</p>

Name:

## **Octopus Growth Fund 2**

to track the performance of a particular share index or bond index. The rest will be actively managed funds – this is where the fund manager chooses individual shares / bonds and as a result returns may be higher (or lower) than the market.

One way in which the Fund seeks to manage risks and opportunities is via Environmental, Social and Governance (ESG) considerations. Where the Investment Adviser feels it is beneficial from a risk or return perspective, and suitable investment options are available, investments will be chosen because of their integration of ESG considerations into stock selection (increasing / decreasing allocation to individual companies based on the ESG scoring process of the index provider / fund manager), adoption of sustainable investing objectives or policies, positive shareholder engagement policies, and / or investment in companies providing products and services that support the transition to a low carbon economy. In addition, the Fund will limit (to no more than 0.5% of the value of the Fund's assets) indirect exposure to companies which:

- make more than 5% of their earnings from tobacco products, thermal coal or unconventional oil and gas (such as oil sands or shale gas),
- are involved in the manufacture of controversial weapons such as cluster munitions or anti-personnel landmines; or
- who violate the UN Global Compact principles on human rights, labour, the environment and anti-corruption.

If the Investment Adviser determines that the allocation to the above type of companies does exceed 0.5% of the value of the Fund's assets, the Investment Adviser will take action to reduce exposure to below 0.5% (by selling underlying funds identified as contributing to the over-exposure) within a reasonable timeframe, ordinarily within two months.

We expect the Fund to have a better ESG rating (based on the analysis and scoring system of one or more market leading data providers) and lower carbon emissions compared to investing in the same mix of assets using a standard indexing approach without ESG consideration. This will be reported in the annual value

Name:

## **Octopus Growth Fund 2**

statement when reviewing the non-financial performance of the Fund.

As well as investing in bond and share funds, the Fund may also hold cash or funds investing in cash and money-market investments.

The Fund's mix of investments will be reviewed at least annually and may change in consideration of the outlook for each investment type, but it will always include at least 60% in funds with higher risk/return potential.

Choice of benchmark

The Fund doesn't use a benchmark as a guide for investing or as a target to beat. But we do use a performance comparator, which investors may want to compare the Fund's performance against. This comprises 60% world shares and 40% bonds. World shares are represented by the MSCI All Countries World Index GBP, whilst bonds are represented by the Bloomberg Global Aggregate Bond Index GBP Hedged.

[www.msci.com/acwi](http://www.msci.com/acwi)

[www.bloombergindices.com/bloomberg-indices/](http://www.bloombergindices.com/bloomberg-indices/)

Sustainability Label

The FCA introduced sustainability investment labels to help investors find products that have a specific sustainability goal. This fund doesn't have a UK sustainable investment label because it doesn't have a specific sustainability goal or meet the standards for having a label.

Sustainability Characteristics

The Fund doesn't include within its investment objective and policy a sustainability goal or meet the specific criteria required for a sustainability label. The Fund does however have sustainability characteristics driven by the inclusion of the Manager's responsible investing approach established as a method of incorporating environmental and social considerations into the investment policy. This approach is included in investment decision making (where it is considered to either be beneficial or not detrimental to long-term returns) by considering a broader view of financial risks and opportunities including those relating to the environment or society. This enables funds to invest in companies including choosing those which are assessed to be managing the most important environmental and social issues relevant to their industry sector. This approach is considered material to the Fund. The

Name:

## **Octopus Growth Fund 2**

Investment Adviser invests mostly in funds classified as being Responsibly Invested (see section 1: definitions).

The policy enables the Investment Adviser to invest in funds aligned to the Manager's responsible investing approach resulting in the following sustainability characteristics of the Fund: higher ESG scores tilting towards companies better managing risks and opportunities including those related to the environment and society (using the scoring process of the fund manager or index provider for funds tracking an index), lower carbon emissions tilting towards companies with lower emissions in their industry (measured as the weighted average carbon intensity to enable comparison across investments using emissions data covering scope 1 – operations, scope 2 – purchased energy and where possible scope 3 – indirect), investing more in sustainable companies with positive aims for the environment or society (using the categorisation of the fund manager or index provider for funds tracking an index), excluding companies engaged in harmful activities or not aligned to international standards of business practices (the Fund limits indirect exposures to no more than 0.5% of the value of the Fund's assets to companies with material revenues more than 5% from tobacco manufacturing or distribution, thermal coal or unconventional oil and gas such as oil sands or shale gas, companies involved in the manufacture or distribution of controversial weapons or that are not compliant with the UN Global Compact principles on human rights, labour, the environment, and anti-corruption as detail in the policy) and the use of active ownership (investment manager influence using the voting rights provided by the ownership of company shares and engagement with companies on important issues including those relating to the environment or society).

The Manager monitors the Fund's sustainability-related characteristics using data from varying sources including MSCI ESG Manager (an independent ESG data provider), the Manager's Investment Adviser, third-party fund managers or index providers.

The Fund level sustainability-related metrics are included in the Sustainability Related Information (to be found on the Manager's Fund information pages -

Name:

**Octopus Growth Fund 2**

[octopusmoneydirect.com/investments/funds](http://octopusmoneydirect.com/investments/funds)

The sustainability-related metrics measure: ESG scores categorised by MSCI (an independent ESG data provider) as a measure of resilience to risks and opportunities including those related to the environment and society (measured on a rating scale), reductions in carbon emissions (measured as weighted average carbon intensity tonnes of scope 1 and 2 carbon emissions per \$m revenue, scope 3 may be reported as a separate metric), investments categorised by MSCI (an independent ESG data provider) as sustainable investments (as a percentage of the Fund value), exclusion of investment in harmful companies (criteria as detailed in the policy), fund manager stewardship policies (using influence of engagement and voting as an active owner).

Annual accounting date:	31 July
Interim accounting date:	31 January
Income distribution dates (allocated to accumulation units):	On or before 30 September (final) On or before 31 March (interim)
Units Classes and type of Units:	Income Accumulation
Initial charge:	Nil
Redemption charge:	Nil
Annual Management Charge:	Income – 0.45% Accumulation - 0.45%
Charges taken from Income:	Yes
Investment minima:	
Initial payment: by debit card/direct debit	£100 / £25
Top-up	£1
Holding	£50
Withdrawal (or full balance if less)	£50

Where an investor's holding is less than £50 and no subscriptions have been made in the preceding 24 months, the Manager reserves the right to redeem the whole holding as appropriate.

Name: **Octopus Growth Fund 2**  
Past performance: Past performance information is set out in Appendix V

Name: **Octopus Growth Fund 3**

Type of Scheme: UCITS scheme

Investment Objective and Policy: The aim of the Fund is to generate capital growth over the longer term (5 years or more) from a multi-asset portfolio of shares and bonds from around the world (i.e. globally invested). The Fund is the highest risk fund in the Octopus Growth Fund range, which offers three funds with different levels of risk and potential return.

The Fund aims to achieve the objective by investing in other funds, rather than investing directly in individual shares and bonds. This means that the Fund is what's often known as a 'fund-of-funds'. The funds which it invests in may be managed by us, our Investment Adviser, or any other authorised fund manager.

The Fund invests:

- at least 80% in funds that have a higher return potential (compared to other investments in the Fund) – but which carry a higher level of risk, such as shares (from both developed and emerging countries) and higher yielding bonds. This includes company shares, property shares, and higher yielding bonds such as corporate bonds rated by the leading credit agencies as below investment grade (BB or lower); and
- the rest in funds that have a lower return potential (compared to other investments in the Fund) – but which carry a lower level of risk. This includes government bonds (loans to a government) from developed countries, investment grade corporate bonds (loans to a company) with relatively strong credit ratings (BBB or higher), and cash.

The split between higher and lower risk investments, and the types of investment (for example, geography and types of bonds) are chosen so that risk (measured by how much the Fund's value fluctuates, known as 'volatility') is expected to remain within the range 80% to 100% of the risk of world stock markets over 10-year periods. The Fund uses the MSCI All Countries World Index GBP to represent world stock markets.

The underlying funds are chosen to implement the desired mix of assets as per the bullet points above.

Name:

### **Octopus Growth Fund 3**

Normally at least 80% of the funds that the Fund invests in will be passively managed. This means that they aim to track the performance of a particular share index or bond index. The rest will be actively managed funds – this is where the fund manager chooses individual shares / bonds and as a result returns may be higher (or lower) than the market.

One way in which the Fund seeks to manage risks and opportunities is via Environmental, Social and Governance (ESG) considerations. Where the Investment Adviser feels it is beneficial from a risk or return perspective, and suitable investment options are available, investments will be chosen because of their integration of ESG considerations into stock selection (increasing / decreasing allocation to individual companies based on the ESG scoring process of the index provider / fund manager), adoption of sustainable investing objectives or policies, positive shareholder engagement policies, and / or investment in companies providing products and services that support the transition to a low carbon economy. In addition, the Fund will limit (to no more than 0.5% of the value of the Fund's assets) indirect exposure to companies which:

- make more than 5% of their earnings from tobacco products, thermal coal or unconventional oil and gas (such as oil sands or shale gas),
- are involved in the manufacture of controversial weapons such as cluster munitions or anti-personnel landmines; or
- who violate the UN Global Compact principles on human rights, labour, the environment and anti-corruption.

If the Investment Adviser determines that the allocation to the above type of companies does exceed 0.5% of the value of the Fund's assets, the Investment Adviser will take action to reduce exposure to below 0.5% (by selling underlying funds identified as contributing to the over-exposure) within a reasonable timeframe, ordinarily within two months.

We expect the Fund to have a better ESG rating (based on the analysis and scoring system of one or more market leading data providers) and lower carbon emissions compared to investing in the same mix of

Name:

### **Octopus Growth Fund 3**

assets using a standard indexing approach without ESG consideration. This will be reported in the annual value statement when reviewing the non-financial performance of the Fund.

As well as investing in bond and share funds, the Fund may also hold cash or funds investing in cash and money-market investments.

The Fund's mix of investments will be reviewed at least annually and may change in consideration of the outlook for each investment type, but it will always include at least 80% in funds with higher risk/return potential.

Choice of benchmark

The Fund doesn't use a benchmark as a guide for investing or as a target to beat. But we do use a performance comparator, which investors may want to compare the Fund's performance against. This comprises 80% world shares and 20% bonds. World shares are represented by the MSCI All Countries World Index GBP, whilst bonds are represented by the Bloomberg Global Aggregate Bond Index GBP Hedged.

[www.msci.com/acwi](http://www.msci.com/acwi)

[www.bloombergindices.com/bloomberg-indices/](http://www.bloombergindices.com/bloomberg-indices/)

Sustainability Label

The FCA introduced sustainability investment labels to help investors find products that have a specific sustainability goal. This fund doesn't have a UK sustainable investment label because it doesn't have a specific sustainability goal or meet the standards for having a label.

Sustainability Characteristics

The Fund doesn't include within its investment objective and policy a sustainability goal or meet the specific criteria required for a sustainability label. The Fund does however have sustainability characteristics driven by the inclusion of the Manager's responsible investing approach established as a method of incorporating environmental and social considerations into the investment policy. This approach is included in investment decision making (where it is considered to either be beneficial or not detrimental to long-term returns) by considering a broader view of financial risks and opportunities including those relating to the environment or society. This enables funds to invest in companies including choosing those which are assessed

Name:

### **Octopus Growth Fund 3**

to be managing the most important environmental and social issues relevant to their industry sector. This approach is considered material to the Fund. The Investment Adviser invests mostly in funds classified as being Responsibly Invested (see section 1: definitions).

The policy enables the Investment Adviser to invest in funds aligned to the Manager's responsible investing approach resulting in the following sustainability characteristics of the Fund: higher ESG scores tilting towards companies better managing risks and opportunities including those related to the environment and society (using the scoring process of the fund manager or index provider for funds tracking an index), lower carbon emissions tilting towards companies with lower emissions in their industry (measured as the weighted average carbon intensity to enable comparison across investments using emissions data covering scope 1 – operations, scope 2 – purchased energy and where possible scope 3 – indirect), investing more in sustainable companies with positive aims for the environment or society (using the categorisation of the fund manager or index provider for funds tracking an index), excluding companies engaged in harmful activities or not aligned to international standards of business practices (the Fund limits indirect exposures to no more than 0.5% of the value of the Fund's assets to companies with material revenues more than 5% from tobacco manufacturing or distribution, thermal coal or unconventional oil and gas such as oil sands or shale gas, companies involved in the manufacture or distribution of controversial weapons or that are not compliant with the UN Global Compact principles on human rights, labour, the environment, and anti-corruption as detail in the policy) and the use of active ownership (investment manager influence using the voting rights provided by the ownership of company shares and engagement with companies on important issues including those relating the environment or society).

The Manager monitors the Fund's sustainability-related characteristics using data from varying sources including MSCI ESG Manager (an independent ESG data provider), the Manager's Investment Adviser, third-party fund managers or index providers.

Name:

### **Octopus Growth Fund 3**

The Fund level sustainability-related metrics are included in the Sustainability Related Information (to be found on the Manager's Fund information pages - [octopusmoneydirect.com/investments/funds](http://octopusmoneydirect.com/investments/funds))

The sustainability-related metrics measure: ESG scores categorised by MSCI (an independent ESG data provider) as a measure of resilience to risks and opportunities including those related to the environment and society (measured on a rating scale), reductions in carbon emissions (measured as weighted average carbon intensity tonnes of scope 1 and 2 carbon emissions per \$m revenue, scope 3 may be reported as a separate metric), investments categorised by MSCI (an independent ESG data provider) as sustainable investments (as a percentage of the Fund value), exclusion of investment in harmful companies (criteria as detailed in the policy), fund manager stewardship policies (using influence of engagement and voting as an active owner).

Annual accounting date:	31 July
Interim accounting date:	31 January
Income distribution dates (allocated to accumulation units):	On or before 30 September (final) On or before 31 March (interim)
Units Classes and type of Units:	Accumulation
Initial charge:	Nil
Redemption charge:	Nil
Annual Management Charge:	Accumulation - 0.45%
Charges taken from Income:	Yes
Investment minima:	
Initial payment: by debit card/direct debit	£100 / £25
Top-up	£1
Holding	£50
Withdrawal (or full balance if less)	£50

Name: **Octopus Growth Fund 3**

Where an investor's holding is less than £50 and no subscriptions have been made in the preceding 24 months, the Manager reserves the right to redeem the whole holding as appropriate.

Past performance: Past performance information is set out in Appendix V

Name: **Octopus Defensive Fund**

Type of Scheme: UCITS scheme

Investment Objective and Policy: The Fund aims to grow investors' money over the medium term (3 years or more) whilst limiting ups and downs in value by investing mainly in assets considered to be lower risk or 'defensive' in nature.

The Fund aims to achieve the objective by investing in other funds, rather than investing directly in individual bonds or shares. This means that the Fund is what's often known as a 'fund-of-funds'. The funds which it invests in may be managed by us, our Investment Adviser, or any other authorised fund manager.

The Fund invests:

- at least 75% in funds that have a lower risk and return potential compared to other investments in the Fund. This includes government bonds (loans to a government) from developed countries, investment grade corporate bonds (loans to a company) with relatively strong credit ratings (BBB or higher), and cash;
- the rest in funds that have a higher return potential compared to other investments in the Fund – but which carry a higher level of risk, such as shares (from both developed and emerging countries) and higher yielding bonds. This includes company shares, property shares, and higher yielding bonds such as corporate bonds rated by the leading credit agencies as below investment grade (BB or lower).

The split between higher and lower risk investments, and the types of investment (for example, geography and types of bonds) are chosen so that risk (measured by how much the Fund's value fluctuates, known as 'volatility') is expected to remain within the range 2% to 5% per year, measured over five-year periods.

The underlying funds are chosen to implement the desired mix of assets as per the bullet points above. Normally at least 80% of the funds (excluding cash or

Name:

### **Octopus Defensive Fund**

money market funds) that the Fund invests in will be passively managed. This means that they aim to track the performance of a particular share index or bond index. The rest will be actively managed funds – this is where the fund manager chooses individual shares / bonds and as a result returns may be higher (or lower) than the market.

One way in which the Fund seeks to manage risks and opportunities is via Environmental, Social and Governance (ESG) considerations. Where the Investment Adviser feels it is beneficial from a risk or return perspective, and suitable investment options are available, underlying investment funds will be chosen because of their:

- integration of ESG considerations into stock selection (increasing / decreasing allocation to individual companies based on the ESG scoring process of the index provider / fund manager)
- adoption of sustainable investing objectives or policies
- positive shareholder engagement policies, and / or
- investment in companies providing products and services that support the transition to a low carbon economy.

The Fund will limit (to no more than 0.5% of the value of the Fund's assets) indirect exposure to companies which:

- make more than 5% of their earnings from tobacco products, thermal coal or unconventional oil and gas (such as oil sands or shale gas),
- are involved in the manufacture of controversial weapons such as cluster munitions or anti-personnel landmines; or
- who violate the UN Global Compact principles on human rights, labour, the environment and anti-corruption.

If the Investment Adviser determines that the allocation to the above type of companies is above 0.5% of the value of the Fund's assets, they will reduce exposure to below 0.5%. They will do this by selling the underlying

Name:	<p><b>Octopus Defensive Fund</b></p> <p>funds identified as contributing to the over-exposure, usually within two months.</p> <p>We expect the Fund to have a better ESG rating (based on the analysis and scoring system of one or more market leading data providers) and lower carbon emissions compared to investing in the same mix of assets using a standard indexing approach without ESG consideration. This will be reported in the annual value statement when reviewing the non-financial performance of the Fund.</p> <p>As well as investing in bond and share funds, the Fund may also hold cash or funds investing in cash and money-market investments.</p> <p>The Fund’s mix of investments will be reviewed at least annually and may change in consideration of the outlook for each investment type, but it will always include at least 75% in funds with lower risk/return potential.</p>
Choice of benchmark	<p>The Fund doesn’t use a benchmark as a guide to what to invest in, or as a target to beat. But we do use a performance comparator which investors may want to compare the Fund’s performance against. This comprises 85% bonds and 15% shares. Bonds are represented by the Bloomberg Global Aggregate Bond Index GBP Hedged whilst shares are represented by the MSCI All Countries World Index GBP.</p> <p><a href="http://www.msci.com/acwi">www.msci.com/acwi</a></p> <p><a href="http://www.bloombergindices.com/bloomberg-indices/">www.bloombergindices.com/bloomberg- indices/</a></p>
Annual accounting date:	31 July
Interim accounting date:	31 January
Income distribution dates (allocated to accumulation units):	On or before 30 September (final) On or before 31 March (interim)
Units Classes and type of Units:	Accumulation Gross
Initial charge:	Nil
Redemption charge:	Nil
Annual Management Charge:	Accumulation Gross – 0.40%
Charges taken from Income:	Yes

Name: **Octopus Defensive Fund**

Investment minima:

Initial payment: by debit card/direct debit £100 / £25

Top-up £1

Holding £50

Withdrawal (or full balance if less) £50

Where an investor's holding is less than £50 and no subscriptions have been made in the preceding 24 months, the Manager reserves the right to redeem the whole holding as appropriate.

Past performance: Past performance information is set out in Appendix V

## APPENDIX II: ELIGIBLE SECURITIES MARKETS AND ELIGIBLE DERIVATIVES MARKETS

The 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 the UK or an EEA State which are regulated, operate regularly and are open to the public (excluding Cyprus and Slovenia).

The Funds may also deal in securities over-the-counter (OTC) with different counterparties in any country as long as it is in keeping with the Investment Objective of the Fund and permitted by the investment policy of the Fund. Any OTC market utilised will be regulated by the relevant national body.

Certain funds may also deal through non-EEA securities markets and derivatives exchanges indicated below.

### Octopus Bond Fund

Australia	Australian Securities Exchange
Canada	Montreal Exchange
United States of America	New York Stock Exchange Chicago Board of Trade
Japan	Tokyo Stock Exchange

### Octopus Climate Change Fund

- (i) Any stock exchange or market in any EU Member State or in any of the following member countries of the OECD: Australia, Canada, Japan, New Zealand, Norway, Switzerland and the United States of America;
- (ii) Plus any of the following exchanges or markets:

Argentina	Buenos Aires Stock Exchange
Brazil	Brasil Bolsa Balcao Stock Exchange ('B3')
China	Shanghai Stock Exchange Shenzhen Stock Exchange
Egypt	Egyptian Exchange
Hong Kong	Hong Kong Stock Exchange
India	Bombay Stock Exchange National Stock Exchange of India (NSE)
Indonesia	Indonesia Stock Exchange
Israel	Tel Aviv Stock Exchange
Malaysia	Bursa Malaysia

Mexico	Bolsa Mexicana de Valores
Philippine	Philippine Stock Exchange
Singapore	Singapore Exchange
South Africa	Johannesburg Stock Exchange
South Korea	Korea Exchange
Taiwan	Taiwan Stock Exchange
Thailand	Stock Exchange of Thailand
Turkey	Borsa Istanbul
United Arab Emirates	Abu Dhabi Securities Exchange Dubai Financial Market

## **APPENDIX III: INVESTMENT AND BORROWING POWERS OF THE FUNDS**

### **1. Treatment of obligations**

- 1.1. Where the COLL Sourcebook allows a transaction to be entered into or an investment to be retained only (for example, investment in warrants and nil and partly paid securities and the general power to accept or underwrite) if possible obligations arising out of the investment transactions or out of the retention would not cause any breach of any limits in COLL 5, it must be assumed that the maximum possible liability of a Fund under any other of those rules has also to be provided for.
- 1.2. Where a rule in the COLL Sourcebook permits an investment transaction to be entered into or an investment to be retained only if that investment transaction, or the retention, or other similar transactions, are covered:
  - 1.2.1. it must be assumed that in applying any of those rules, a Fund must also simultaneously satisfy any other obligation relating to cover; and
  - 1.2.2. no element of cover must be used more than once.

### **2. Prudent spread of risk**

- 2.1. The Manager must ensure that, taking account of the investment objectives and policy of each Fund, the Scheme Property aims to provide a prudent spread of risk.
- 2.2. COLL limits relating to spread of investments do not apply until the expiry of a period of six months after the date of which the authorisation order of the relevant Fund being a UCITS scheme takes effect or on which the initial offer period commenced, if later provided that 2.1 is complied with during such period.

### **3. Investment powers: general**

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

### **4. Valuation**

- 4.1. In this Appendix, the value of the Scheme Property of a Fund being a UCITS scheme means the net value determined in accordance with COLL 6.3 (Valuation and pricing), after deducting any outstanding borrowings, whether immediately due to be repaid or not
- 4.2. When valuing the Scheme Property for the purposes of this Appendix:
  - 4.2.1. the time as at which the valuation is being carried out ("the relevant time") is treated as if it were a valuation point, but the valuation and the relevant time do not count as a valuation or a valuation point for the purposes of COLL 6.3 (Valuation and pricing);
  - 4.2.2. initial outlay is to be regarded as remaining part of the Scheme Property; and
  - 4.2.3. if the Manager, having taken reasonable care, determines that the Fund being a UCITS scheme will become entitled to any unrealised profit which has been made on account of a transaction in derivatives, that prospective entitlement is to be regarded as part of the Scheme Property.

4.3. When valuing the Scheme Property of a dual-priced authorised fund, the cancellation basis of valuation referred to in COLL 6.3.3 R (2) (Valuation) is to be applied.

## **5. UCITS schemes – permitted types of Scheme Property**

5.1. Subject to the investment objectives and policy of a Fund being a UCITS scheme and the restrictions set out in this Prospectus, the Scheme Property must, except where otherwise provided in COLL 5, consist solely of any or all of:

- 5.1.1. transferable securities;
- 5.1.2. approved money-market instruments;
- 5.1.3. derivatives and forward transactions;
- 5.1.4. deposits, and
- 5.1.5. units in collective investment schemes

in accordance with the rules in COLL 5.2.

## **6. Transferable Securities**

6.1. A transferable security is an investment which is any of the following:

- 6.1.1. a share;
- 6.1.2. a debenture;
- 6.1.3. a government & public security
- 6.1.4. a warrant: or
- 6.1.5. a certificate representing certain securities.

6.2. 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.

6.3. In applying paragraph 6.2 of this Appendix to an investment which is issued by a body corporate, and which is a share or a debenture, the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored.

6.4. 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.

## **7. Investment in transferable securities**

7.1. A Fund being a UCITS scheme may invest in a transferable security only to the extent that the transferable security fulfils the following criteria:

- 7.1.1. the potential loss which the Fund scheme may incur with respect to holding the transferable security is limited to the amount paid for it;
- 7.1.2. its liquidity does not compromise the ability of the Manager to comply with its obligation to redeem Units at the request of any qualifying Unitholder
- 7.1.3. reliable valuation is available for it as follows:
  - 7.1.3.1. in the case of a transferable security admitted to or dealt with on an eligible market, where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers;

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

7.1.4. appropriate information is available for it as follows;

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

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

7.1.5. it is negotiable; and

7.1.6. its risks are adequately captured by the risk management process of the Manager.

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

7.2.1. not to compromise the ability of the Manager to comply with its obligation to redeem Units at the request of any qualifying Unitholder; and

7.2.2. to be negotiable.

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

8.1. A unit in a closed end fund shall be taken to be a transferable security for the purposes of investment by a Fund being a UCITS scheme, provided it fulfils the criteria for transferable securities set out in COLL 5, and either:

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

8.1.1.1. it is subject to corporate governance mechanisms applied to companies; and

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

where the closed end fund is constituted under the law of contract:

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

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

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

9.1. A Fund being a UCITS scheme may invest in any other investment which shall be taken to be a transferable security for the purposes of investment by a Fund provided the investment:

9.1.1. fulfils the criteria for transferable securities set out in COLL 5.2.7A R; and

9.1.2. is backed by or linked to the performance of other assets, which may differ from those in which a UCITS scheme can invest.

9.2. Where an investment above contains an embedded derivative component as defined in COLL 5, the requirements of this Appendix with respect to derivatives and forwards will apply to that component.

## **10. Approved money-market instruments**

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

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

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

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

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

10.2.4. has a risk profile, including credit and interest rate risks, corresponding to that of an instrument which has a maturity as set out in 10.2.1 or 10.2.2 or is subject to yield adjustments as set out in 10.2.3.

10.3. A money-market instrument shall be regarded as liquid if it can be sold at limited cost in an adequately short time frame, taking into account the obligation of the Manager to redeem Units at the request of any qualifying Unitholder as set out in COLL 6.

10.4. A money-market instrument shall be regarded as having a value which can be accurately determined at any time if accurate and reliable valuations systems, which fulfil the following criteria, are available:

10.4.1. enabling the Manager to calculate a NAV in accordance with the value at which the instrument held in the portfolio could be exchanged between knowledgeable willing parties in an arm's length transaction; and

10.4.2. based either on market data or on valuation models including systems based on amortised costs.

10.5. A money-market instrument that is normally dealt in on the money market and is admitted to or dealt in on an eligible market shall be presumed to be liquid and have a value which can be accurately determined at any time unless there is information available to the Manager that would lead to a different determination.

## **11. Transferable securities and money-market instruments generally to be admitted to or dealt in on an eligible market**

11.1. Transferable securities and approved money-market instruments held within a Fund being a UCITS scheme must be

11.1.1. admitted to or dealt in on an eligible market within COLL 5.2.10 R (1)(a) (Eligible markets: requirements); or

11.1.2. dealt in on an eligible market within COLL 5.2.10 R (1)(b); or

11.1.3. admitted to or dealt in on an eligible market within COLL 5.2.10 R (2); or

- 11.1.4. for an approved money-market instrument not admitted to or dealt in on an eligible market, within COLL 5.2.10AR (1); or
- 11.1.5. recently issued transferable securities, provided that:
  - 11.1.5.1. the terms of issue include an undertaking that application will be made to be admitted to an eligible market; and
  - 11.1.5.2. such admission is secured within a year of issue.

11.2. However, a Fund being a UCITS scheme may invest no more than 10% of the Scheme Property in transferable securities and approved money-market instruments other than those referred to above.

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

12.1. This section specifies criteria based on those in article 50 of the UCITS Directive as to the nature of the markets in which the property of a UCITS scheme may be invested.

12.2. 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 a breach beyond the control of the Manager (an 'inadvertent' breach).

## **13. Eligible markets: requirements**

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

- 13.1.1. a regulated market as defined in the FCA Handbook; or
- 13.1.2. a market in the United Kingdom or an EEA State which is regulated, operates regularly and is open to the public.

13.2. A market not falling within paragraph 13 of this Appendix is eligible for the purposes of COLL 5 if:

- 13.2.1. the Manager, after consultation and notification with the Trustee, decides that market is appropriate for investment of, or dealing in, the Scheme Property;
- 13.2.2. the market is included in a list in the Prospectus; and
- 13.2.3. the Trustee has taken reasonable care to determine that:
  - 13.2.3.1. adequate custody arrangements can be provided for the investment dealt in on that market; and
  - 13.2.3.2. all reasonable steps have been taken by the Manager in deciding whether that market is eligible.

13.3. In paragraph 13.2, 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.

## **14. Money-market instruments with a regulated issuer**

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

- 14.1.1. the issue or the issuer is regulated for the purpose of protecting investors and savings; and
- 14.1.2. the instrument is issued or guaranteed in accordance with COLL 5.2.10B R.

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

- 14.2.1. the instrument is an approved money-market instrument;
- 14.2.2. appropriate information is available for the instrument (including information which allows an appropriate assessment of the credit risks related to investment in it), in accordance with COLL 5.2.10C R; and
- 14.2.3. the instrument is freely transferable.

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

15.1. A Fund being a UCITS scheme may invest in an approved money-market instrument if it is:

- 15.1.1. issued or guaranteed by any one of the following:
  - 15.1.1.1. a central authority of the United Kingdom or an EEA State or, if the EEA State is a federal state, one of the members making up the federation;
  - 15.1.1.2. a regional or local authority of the United Kingdom or an EEA State;
  - 15.1.1.3. the Bank of England, the European Central Bank or a central bank of an EEA State;
  - 15.1.1.4. the European Union or the European Investment Bank;
  - 15.1.1.5. a non-EEA State or, in the case of a federal state, one of the members making up the federation;
  - 15.1.1.6. a public international body to which the United Kingdom or one or more EEA States belong; or
- 15.1.2. issued by a body, any securities of which are dealt in on an eligible market; or
- 15.1.3. issued or guaranteed by an establishment which is:
  - 15.1.3.1. subject to prudential supervision in accordance with criteria defined by UK or EU law; or
  - 15.1.3.2. subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by UK or EU law.

15.2. An establishment shall be considered to satisfy the requirement in 15.1.3.2 if it is subject to and complies with prudential rules, and fulfils one or more of the following criteria:

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

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

16.1. In the case of an approved money-market instrument within COLL 5.2.10BR (1)(b) or issued by a body of the type referred to in COLL 5.2.10E G; or which is issued by an authority within COLL 5.2.10BR (1)(a)(ii) or a public international body within COLL 5.2.10BR (1)(a)(vi) but is not

guaranteed by a central authority within COLL 5.2.10BR (1)(a)(i), the following information must be available:

- 16.1.1. information on both the issue or the issuance programme, and the legal and financial situation of the issuer prior to the issue of the instrument, verified by appropriately qualified third parties not subject to instructions from the issuer;
- 16.1.2. updates of that information on a regular basis and whenever a significant event occurs; and
- 16.1.3. available and reliable statistics on the issue or the issuance programme.

16.2. In the case of an approved money-market instrument issued or guaranteed by an establishment within COLL 5.2.10BR (1)(c), the following information must be available:

- 16.2.1. information on the issue or the issuance programme or on the legal and financial situation of the issuer prior to the issue of the instrument;
- 16.2.2. updates of that information on a regular basis and whenever a significant event occurs; and
- 16.2.3. available and reliable statistics on the issue or the issuance programme, or other data enabling an appropriate assessment of the credit risks related to investment in those instruments.

16.3. In the case of an approved money-market instrument:

- 16.3.1. within COLL 5.2.10BR (1)(a)(i), (iv) or (v); or
- 16.3.2. which is issued by an authority within COLL 5.2.10BR (1)(a)(ii) or a public international body within COLL 5.2.10BR (1)(a)(vi) and is guaranteed by a central authority within COLL 5.2.10BR (1)(a)(i);

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

## **17. Spread: general**

17.1. This rule on spread does not apply to government and public securities.

17.2. For the purposes of this requirement companies included in the same group for the purposes of consolidated accounts as defined in accordance with section 399 of Companies Act 2006. Directive 2013/34/EU or in the same group in accordance with international accounting standards are regarded as a single body.

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

17.4. With the exception of those instruments specified below, not more than 5% in value of the Scheme Property is to consist of transferable securities or approved money-market instruments issued by any single body, except that the limit of 5% is raised to 10% in respect of up to 40% in value of the Scheme Property. Covered bonds need not be taken into account for the purpose of applying the limit of 40%.

17.5. The limit of 5% in 17.4 is raised to 25% in value of the Scheme Property in respect of covered bonds, provided that when a UCITS scheme invests more than 5% in covered bonds issued by a single body, the total value of covered bonds held must not exceed 80% in value of the Scheme Property.

- 17.6. For these purposes certificates representing certain securities are treated as equivalent to the underlying security.
- 17.7. The exposure to any one counterparty in an OTC derivative transaction must not exceed 5% in value of the Scheme Property; this limit being raised to 10% where the counterparty is an approved bank.
- 17.8. Not more than 20% in value of the Scheme Property is to consist of transferable securities and approved money-market instruments issued by the same group.
- 17.9. Not more than 20% in value of the scheme is to consist of the units of any one collective investment scheme.
- 17.10. In applying the limits in 17.3, 17.4 and 17.7, and subject to 17.5 and 17.6, not more than 20% in value of the Scheme Property is to consist of any combination of two or more of the following:
- 17.10.1. transferable securities (including covered bonds) or approved money-market instruments issued by; or
  - 17.10.2. deposits made with; or
  - 17.10.3. exposures from OTC derivatives transactions made with a single body.
- 17.11. Counterparty risk arising from an OTC derivative transaction is subject to the limits set out in 17.7 and 17.10 and the rules in COLL 5.2.11B.

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

- 18.1. The following section applies to government and public securities (“such securities”).
- 18.2. 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.
- 18.3. The Fund may invest more than 35% in value of the Scheme Property in such securities issued by any one body provided that:
- 18.3.1. the Manager has before any such investment is made consulted with the Trustee 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;
  - 18.3.2. no more than 30% in value of the Scheme Property consists of such securities of any one issue;
  - 18.3.3. the Scheme Property includes such securities issued by that or another issuer, of at least six different issues;
  - 18.3.4. the disclosures required by the FCA have been made.
- 18.4. Excepting the Octopus Bond Fund, no funds currently invest more than 35% of its Scheme Property in government and public securities issued by any one body.
- 18.5. In this section in relation to such securities:
- 18.5.1. issue, issued and issuer include guarantee, guaranteed and guarantor; and
  - 18.5.2. an issue differs from another if there is a difference as to repayment date, rate of interest, guarantor or other material terms of the issue.

18.6. Notwithstanding COLL 5.2.11R (1) and subject to 18.2 and 18.3, in applying the 20% limit in COLL 5.2.11R (10) with respect to a single body, government and public securities issued by that body shall be taken into account.

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

19.1. A Fund being a UCITS scheme must not invest in units in a collective investment scheme (“second scheme”) unless the second scheme satisfies all of the following conditions, and provided that no more than 30% of the value of the Fund is invested in second schemes within 19.1.2 to 19.1.4:

19.1.1. the second scheme must:

19.1.1.1. be a UCITS scheme or satisfy the conditions necessary for it to enjoy the rights conferred by the UCITS Directive as implemented in the EEA; or

19.1.1.2. be a recognised scheme that is authorised by the supervisory authorities of Guernsey, Jersey or the Isle of Man (provided the requirements of COLL 5.2.13AR are met); or

19.1.1.3. be authorised as a non-UCITS retail scheme (provided the requirements of COLL 5.13AR (1), (3) and (4) are met); or

19.1.1.4. be authorised in another EEA State (provided the requirements of COLL 5.2.13AR are met);

19.1.1.5. be authorised by the competent authority of an OECD member country (other than an EEA state) which has:

- (i) signed by the IOSCO Multilateral Memorandum of Understanding; and
- (ii) approved the scheme’s management company, rules and depositary/custody arrangements;

(provided the requirements of COLL 5.2.13AR are met).

19.1.2. the second scheme must comply, where relevant, with COLL 5.2.15R (Investment in associated collective investment schemes) and COLL 5.2.16 R (Investment in other group schemes);

19.1.3. the second scheme must have terms which prohibit more than 10% in value of the Scheme Property consisting of units in collective investment schemes; and

19.1.4. where the second scheme is an umbrella, the provisions in (2) and (3) and COLL 5.2.11 R (Spread: general) apply to each sub-fund as if it were a separate scheme.

19.1.5. The requirements of COLL 5.2.13AR are that

19.1.5.1. the second scheme is an undertaking: (a) with the sole object of collective investment in transferable securities or in other liquid financial assets, as referred to in this chapter, of capital raised from the public and which operate on the principle of risk-spreading; and (b) with units which are, at the request of holders, repurchased or redeemed, directly or indirectly, out of those undertakings’ assets (action taken by a scheme to ensure that the price of its units on an investment exchange does not significantly vary from their net asset value shall be regarded as equivalent to such repurchase or redemption);

- 19.1.5.2. the second scheme is authorised under laws which provide that they are subject to supervision considered by the FCA to be equivalent to that laid down in the law of the United Kingdom, and that cooperation between the FCA and the supervisory authorities of the second scheme is sufficiently ensured;
- 19.1.5.3. the level of protection for unitholders in the second scheme is equivalent to that provided for unitholders in a UCITS scheme, and in particular that the rules on asset segregation, borrowing, lending, and uncovered sales of transferable securities and approved money market instruments are equivalent to the requirements of this chapter; and
- 19.1.5.4. the business of the second scheme is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period.

## **20. Investment in associated collective investment schemes**

20.1. A Fund being a UCITS scheme must not invest in or dispose of units in another collective investment scheme (the second scheme) if the second scheme is managed or operated by the Manager of the investing Fund or an associate of the Manager, unless:

- 20.1.1. the prospectus of the investing UCITS scheme clearly states that the property of that investing scheme may include such units; and
- 20.1.2. COLL 5.2.16 R (Investment in other group schemes) is complied with.

## **21. Investment in other group schemes**

21.1. Where:

- 21.1.1. an investment or disposal is made under COLL 5.2.15 R; and
- 21.1.2. there is a charge in respect of such investment or disposal;

the Manager of the Fund making the investment or disposal must pay the Fund the amounts referred to in 21.2 or 21.3 within four business days following the date of the agreement to invest or dispose.

21.2. When an investment is made, the amount referred to in 21.1.1 is either:

- 21.2.1. any amount by which the consideration paid by the Fund or the units in the second scheme exceeds the price that would have been paid for the benefit of the second scheme had the units been newly issued or sold by it; or
- 21.2.2. if such price cannot be ascertained by the Manager of the authorised fund, the maximum amount of any charge permitted to be made by the seller of units in the second scheme.

21.3. When a disposal is made, the amount referred to in 21.1.1 is any charge made for the account of the Manager or operator of the second scheme or an associate of any of them in respect of the disposal.

21.4. In this section:

- 21.4.1. any addition to or deduction from the consideration paid on the acquisition or disposal of units in the second scheme, which is applied for the benefit of the second scheme and is, or is like, a dilution levy made in accordance with COLL 6.3.8

- (Dilution) or SDRT made in accordance with COLL 6.3.7 (SDRT provision) is to be treated as part of the price of the units and not as part of any charge; and
- 21.4.2. any charge made in respect of an exchange of units in one sub-fund or separate part of the second scheme for units in another sub-fund or separate part of that scheme is to be included as part of the consideration paid for the units.

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

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

## **23. Derivatives: general**

- 23.1. A transaction in derivatives or a forward transaction must not be effected for a Fund being a UCITS scheme unless:
- 23.1.1. the transaction is of a kind specified in COLL 5.2.20 R (Permitted transactions (derivatives and forwards)); and
  - 23.1.2. the transaction is covered, as required by COLL 5.3.3 R (Cover for transactions in derivatives and forward transactions).
- 23.2. Where a Fund being a UCITS scheme invests in derivatives, the exposure to the underlying assets must not exceed the limits in COLL 5.2.11 R (Spread: general) and COLL 5.2.12 R (Spread: government and public securities) save as provided in 23.6.
- 23.3. Where a transferable security or approved money-market instrument embeds a derivative, this must be taken into account for the purposes of complying with this section.
- 23.4. A transferable security or an approved money-market instrument will embed a derivative if it contains a component which fulfils the following criteria:
- 23.4.1. by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or approved money-market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, and therefore vary in a way similar to a stand-alone derivative;
  - 23.4.2. its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and
  - 23.4.3. it has a significant impact on the risk profile and pricing of the transferable security or approved money-market instrument.
- 23.5. A transferable security or an approved money-market instrument does not embed a derivative where it contains a component which is contractually transferable independently of the transferable security or the approved money-market instrument. That component shall be deemed to be a separate instrument.
- 23.6. Where a scheme invests in an index-based derivative, provided the relevant index falls within COLL 5.2.33 R (Relevant indices) the underlying constituents of the index do not have to be taken into account for the purposes of COLL 5.2.11 R and COLL 5.2.12 R.

23.7. The relaxation in 23.6 is subject to the Manager taking account of COLL 5.2.3 R (Prudent spread of risk).

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

24.1. A transaction in a derivative must:

- 24.1.1. be in an approved derivative; or
- 24.1.2. be one which complies with COLL 5.2.23 R (OTC transactions in derivatives).

24.2. The underlying of a transaction in a derivative must consist of any one or more of the following to which the scheme is dedicated:

- 24.2.1. transferable securities permitted under COLL 5.2.8 R (3)(a) to (c) and COLL 5.2.8 R (3)(e);
- 24.2.2. approved money-market instruments permitted under COLL 5.2.8 R (3)(a) to COLL 5.2.8 R (3)(d);
- 24.2.3. deposits permitted under COLL 5.2.26 R (Investment in deposits);
- 24.2.4. derivatives permitted under COLL 5.2.20 R;
- 24.2.5. collective investment scheme units permitted under COLL 5.2.13 R (Investment in collective investment schemes);
- 24.2.6. financial indices which satisfy the criteria set out in COLL 5.2.20A R;
- 24.2.7. interest rates;
- 24.2.8. foreign exchange rates; and
- 24.2.9. currencies.

24.3. A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market.

24.4. A transaction in a derivative must not cause a Fund to diverge from its investment objectives as stated in the instrument constituting the Fund and the most recently published prospectus.

24.5. A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more transferable securities, approved money-market instruments, units in collective investment schemes or derivatives provided that a sale is not to be considered as uncovered if the conditions in COLL 5.2.22R (3) (Requirement to cover sales) are satisfied.

24.6. Any forward transaction must be made with an eligible institution or an approved bank.

24.7. A derivative includes an instrument which fulfils the following criteria:

- 24.7.1. it allows the transfer of the credit risk of the underlying independently from the other risks associated with that underlying;
- 24.7.2. it does not result in the delivery or the transfer of assets other than those referred to in COLL 5.2.6A R (UCITS schemes: permitted types of Scheme Property) including cash;
- 24.7.3. in the case of an OTC derivative, it complies with the requirements in COLL 5.2.23 R (OTC transactions in derivatives);
- 24.7.4. its risks are adequately captured by the risk management process of the Manager, and by its internal control mechanisms in the case of risks of asymmetry of information between the Manager and the counterparty to the derivative,

resulting from potential access of the counterparty to non-public information on persons whose assets are used as the underlying by that derivative.

24.8. A Fund may not undertake transactions in derivatives on commodities.

## **25. Financial indices underlying derivatives**

25.1. The financial indices referred to in 24.2.6 are those which satisfy the following criteria:

- 25.1.1. the index is sufficiently diversified;
- 25.1.2. the index represents an adequate benchmark for the market to which it refers; and
- 25.1.3. the index is published in an appropriate manner.

25.2. A financial index is sufficiently diversified if:

- 25.2.1. it is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;
- 25.2.2. where it is composed of assets in which a Fund is permitted to invest, its composition is at least diversified in accordance with the requirements with respect to spread and concentration set out in this section; and
- 25.2.3. where it is composed of assets in which a Fund cannot invest, it is diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration set out in this section.

25.3. A financial index represents an adequate benchmark for the market to which it refers if:

- 25.3.1. it measures the performance of a representative group of underlying assets in a relevant and appropriate way;
- 25.3.2. it is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers, following criteria which are publicly available; and
- 25.3.3. the underlying assets are sufficiently liquid, allowing users to replicate it if necessary.

25.4. A financial index is published in an appropriate manner if:

- 25.4.1. its publication process relies on sound procedures to collect prices, and calculate and subsequently publish the index value, including pricing procedures for components where a market price is not available; and
- 25.4.2. material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.

25.5. Where the composition of underlying of a transaction in a derivative does not satisfy the requirements for a financial index, the underlyings for that transaction shall where they satisfy the requirements with respect to other underlyings pursuant to COLL 5.2.20R (2), be regarded as a combination of those underlyings.

## **26. Transactions for the purchase of property**

26.1. A derivative or forward transaction which will or could lead to the delivery of property for the account of the Fund may be entered into only if:

- 26.1.1. that property can be held for the account of the Fund; and

- 26.1.2. the Manager having taken reasonable care determines that delivery of the property under the transaction will not occur or will not lead to a breach of the rules in COLL.

## **27. Requirement to cover sales**

27.1. No agreement by or on behalf of a Fund to dispose of property or rights may be made unless:

- 27.1.1. the obligation to make the disposal and any other similar obligation could immediately be honoured by the Fund by delivery of property or the assignment (or, in Scotland, assignation) of rights; and
- 27.1.2. the property and rights at 27.1.1 are owned by the Fund at the time of the agreement.

27.2. 27.1 does not apply to a deposit.

## **28. OTC transactions in derivatives**

28.1. A transaction in an OTC derivative under 24.1.2 must be:

- 28.1.1. with an approved counterparty; a counterparty to a transaction in derivatives is approved only if the counterparty is:
  - 28.1.1.1. an eligible institution or an approved bank; or
  - 28.1.1.2. a person whose permission (including any requirements or limitations), as published in the FCA Register, or whose Home State authorisation, permits it to enter into the transaction as principal off-exchange;
- 28.1.2. on approved terms; the terms of the transaction in derivatives are approved only if, before the transaction is entered into, the Trustee is satisfied that the counterparty has agreed with the Manager:
  - 28.1.2.1. to provide, at least daily and at any other time at the request of the Manager, a reliable and verifiable valuation in respect of that transaction corresponding to its fair value (being the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction) and which does not rely only on market quotations by the counterparty; and
  - 28.1.2.2. that it or an alternative counterparty will, at the request of the Manager, enter into a further transaction to sell, liquidate or close out that transaction at any time, at a fair value arrived at under the reliable market value basis or pricing model agreed under 28.1.3;
- 28.1.3. capable of reliable valuation; a transaction in derivatives is capable of reliable valuation only if the authorised fund manager having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy:
  - 28.1.3.1. on the basis of an up-to-date market value which the Manager and the Trustee have agreed is reliable; or
  - 28.1.3.2. if the value referred to in 28.1.3.1 is not available, on the basis of a pricing model which the Manager and the Trustee have agreed uses an adequate recognised methodology; and

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

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

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

## **29. Risk management**

29.1. The Manager must use a risk management process enabling it to monitor and measure as frequently as appropriate the risk of a Fund's positions and their contribution to the overall risk profile of the Fund.

29.2. The following details of the risk management process must be notified by the Manager to the FCA in advance of the use of the process as required by 29.1:

29.2.1. the methods for estimating risks in derivative and forward transactions; and

29.2.2. the types of derivatives and forwards to be used within the scheme together with their underlying risks and any relevant quantitative limits.

29.3. The Manager must notify the FCA in advance of any material alteration to the details in 29.2.1 or 29.2.2.

## **30. Investment in deposits**

30.1. A Fund being a UCITS scheme may invest in deposits only if it:

30.1.1. is with an approved bank;

30.1.2. is:

30.1.2.1. repayable on demand; or

30.1.2.2. has the right to be withdrawn; and

30.1.3. matures in no more than 12 months.

## **31. Significant influence**

31.1. The Manager must not acquire, or cause to be acquired for a Fund of which it is the manager, transferable securities issued by a body corporate and carrying rights to vote (whether or not on substantially all matters) at a general meeting of the body corporate if:

31.1.1. immediately before the acquisition, the aggregate of any such securities held for that Fund, taken together with any such securities already held for other Funds of which it is also the manager, gives the Manager power significantly to influence the conduct of business of that body corporate; or

31.1.2. the acquisition gives the Manager that power.

31.2. For the purpose of 31.1, a manager 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 for all the AUTs of which it is the manager, 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).

## **32. Concentration**

32.1. A Fund being a UCITS scheme:

- 32.1.1. must not acquire transferable securities (other than debt securities) which:
  - 32.1.1.1. do not carry a right to vote on any matter at a general meeting of the body corporate that issued them; and
  - 32.1.1.2. represent more than 10% of those securities issued by that body corporate;
- 32.1.2. must not acquire more than 10% of the debt securities issued by any single body;
- 32.1.3. must not acquire more than 25% of the value of the units in a collective investment scheme;
- 32.1.4. must not acquire more than 10% of the approved money-market instruments issued by any single body; and
- 32.1.5. need not comply with the limits in 32.1.2, 32.1.3 and 32.1.4 if, at the time of acquisition, the net amount in issue of the relevant investment cannot be calculated.

## **33. Schemes replicating an index**

- 33.1. Notwithstanding COLL 5.2.11 R (Spread: general), a Fund being a UCITS scheme may invest up to 20% in value of the Scheme Property in shares and debentures which are issued by the same body where the investment policy of that Fund as stated in the most recently published prospectus is to replicate the composition of a relevant index which satisfies the criteria specified in COLL 5.2.33 R (Relevant indices).
- 33.2. Replication of the composition of a relevant index shall be understood to be a reference to replication of the composition of the underlying assets of that index, including the use of techniques and instruments permitted for the purpose of efficient portfolio management.
- 33.3. The limit in 33.1 can be raised for a particular Fund up to 35% in value of the Scheme Property, but only in respect of one body and where justified by exceptional market conditions.

## **34. Relevant indices**

- 34.1. The indices referred to in COLL 5.2.31 R are those which satisfy the following criteria:
- 34.1.1. the composition is sufficiently diversified;
  - 34.1.2. the index represents an adequate benchmark for the market to which it refers; and
  - 34.1.3. the index is published in an appropriate manner.
- 34.2. The composition of an index is sufficiently diversified if its components adhere to the spread and concentration requirements in this section.
- 34.3. An index represents an adequate benchmark if its provider uses a recognised methodology which generally does not result in the exclusion of a major issuer of the market to which it refers.
- 34.4. An index is published in an appropriate manner if:
- 34.4.1. it is accessible to the public;

- 34.4.2. the index provider is independent from the index-replicating Fund; this does not preclude index providers and the Fund from forming part of the same group, provided that effective arrangements for the management of conflicts of interest.

### **35. Derivative exposure: cover for transactions in derivatives and forward transactions**

- 35.1. The Manager must ensure that the global exposure of the scheme relating to derivatives and forward transactions held in the scheme does not exceed the net value of the Scheme Property.

### **36. Derivative exposure: borrowing**

- 36.1. Cash obtained from borrowing, and borrowing which the Manager reasonably regards an eligible institution or an approved bank to be committed to provide, is not available for cover under COLL 5.3.3 R (Cover for transactions in derivatives and forward transactions), except if 36.2 applies.
- 36.2. Where, for the purposes of this section, the Trustee for the account of the Fund on the instructions of the Manager:
  - 36.2.1. borrows an amount of currency from an eligible institution or an approved bank; and
  - 36.2.2. keeps an amount in another currency, at least equal to the borrowing for the time being in (a), on deposit with the lender (or his agent or nominee);

then this section applies as if the borrowed currency, and not the deposited currency, were part of the Scheme Property.

### **37. Derivative exposure: continuing nature of limits and requirements**

- 37.1. The Manager must, (as frequently as necessary), re-calculate the amount of cover required in respect of derivatives and forward positions already in existence under this section so as to comply with COLL 5.3.7 – COLL 5.3.9.
- 37.2. Derivatives and rights under forward transactions may be retained in the Scheme Property only so long as they remain covered globally under COLL 5.3.3 R.

### **38. Efficient Portfolio Management**

- 38.1. The Funds may also utilise the Scheme Property to enter into transactions for the purposes of Efficient Portfolio Management (“EPM”). 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 Manager 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. The exposure will be fully “covered” by cash and/or other property sufficient to meet any obligation to pay or deliver that could arise. The use of derivatives or forwards for the use of Efficient Portfolio Management will not materially alter the risk profile of the fund.
- 38.2. These transactions are those that the Fund reasonably regards as economically appropriate to EPM, that is:

- 38.2.1. Transactions undertaken to reduce risk or cost in terms of fluctuations in prices, interest rates or exchange rates where the Manager reasonably believes that the transaction will diminish a risk or cost of a kind or level which it is sensible to reduce; or
- 38.2.2. Transactions for the generation of additional capital growth or income for the Fund by taking advantage of gains which the Manager reasonably believes are certain to be made (or certain, barring events which are not reasonably foreseeable) as a result of:
  - 38.2.2.1. pricing imperfections in the market as regards the property which the Fund holds or may hold; or
  - 38.2.2.2. receiving a premium for the writing of a covered call option or a cash covered put option on the Scheme Property which the Fund is willing to buy or sell at the exercise price; or
  - 38.2.2.3. stock lending arrangements.

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

38.3. 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 FCA Handbook, or be a “synthetic future” (i.e. a composite derivative created out of two separate options). Forward currency transactions must be entered into with counterparties who satisfy the COLL Sourcebook. An EPM transaction may at any time be closed out.

Each EPM transaction will be fully covered “individually” by Scheme Property of the right kind (i.e. in the case of exposure in terms of property, appropriate transferable securities or other property; and, in the case of exposure in terms of money, cash, “near cash”, borrowed cash or transferable securities which can be easily sold to realise the appropriate cash). It will also be covered “globally” (i.e. after providing cover for existing EPM transactions there is adequate cover for another transaction within the Scheme Property, so there can be no gearing). Property and cash can be used only once for cover and, generally, Scheme Property is not available for cover if it is the subject of a stock lending arrangement. The lending transaction in a back-to-back currency borrowing transaction does not require cover.

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

38.5. Counterparty risk exposures will be aggregated across both financial derivative instruments and efficient portfolio management techniques.

The Funds will be subject to the risk of the inability of any counterparty to perform its obligations. If a counterparty defaults, the Fund may suffer losses as a result.

There is no guarantee that the performance of the financial derivative instruments will result in a positive effect for the Funds and its investors. The use of financial derivative instruments may result in losses for investors.

There is no guarantee that the Funds will achieve the objective for which it entered into a transaction in relation to Efficient Portfolio Management. Securities Lending transactions may, in the event of a default by the counterparty, result in the securities lent being recovered late or only in part. This may result in losses for investors.

The counterparty will forfeit its collateral if it defaults on the transaction. However, if the collateral is in the form of securities, there is a risk that when it is sold it will realise insufficient cash to settle the counterparty's liability to the Fund or enable the Fund to purchase replacements for the securities that were lent to the counterparty. This may result in losses for investors.

### **39. Stock lending**

39.1. This section covers techniques set out in COLL 5.4 relating to transferable securities and approved money-market instruments which are used for the purpose of efficient portfolio management. It permits the generation of additional income for the benefit of a Fund, and hence for its investors, by entry into stock lending transactions for the account of the Funds. 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.

39.2. The Funds may only enter into a stock lending arrangement or repo contract in accordance with this section if it reasonably appears to the Manager to be appropriate to do so with a view to generating additional income for the Fund with an acceptable degree of risk.

39.3. The Trustee at the request of the Manager may enter into a repo contract or 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 re-acquired by the Trustee for the account of the Fund, are in a form which is acceptable to the Trustee and are in accordance with good market practice, the counterparty is an authorised person or a person authorised by a home state regulator, or a person registered as a broker-dealer with the Securities and Exchange Commission of the United States of America; or a bank or a branch of a bank, supervised and authorised to deal in investments as principal, with respect to OTC derivatives by at least one of the following federal banking supervisory authorities of the United States of America:

- the Office of the Comptroller of the Currency;
- the Federal Deposit Insurance Corporation;
- the Board of Governors of the Federal Reserve System; and
- the Office of Thrift Supervision;

and collateral is obtained to secure the obligation of the counterparty. Collateral must be acceptable to the Trustee, adequate and sufficiently immediate.

39.4. The counterparty for the purpose of 39.1 is the person who is obliged under the agreement referred to in 39.3 to transfer to the Trustee the securities transferred by the Trustee under the stock lending arrangement or securities of the same kind.

39.5. The collateral requirements above do not apply to a stock lending transaction made through Euroclear Bank SA/NV's Securities Lending and Borrowing Programme.

#### **40. Treatment of collateral**

40.1. Collateral is adequate for the purposes of this section only if it is:

- 40.1.1. transferred to the Trustee or its agent and
- 40.1.2. at least equal in value, at the time of the transfer to the Trustee, to the market value of the securities transferred by the Trustee plus a premium.

40.2. Where the collateral is invested in units in a qualifying money market fund managed or operated by the Manager of the investing scheme or an associate of the Manager, the conditions in COLL 5.2.16 R (Investment in other group schemes) must be complied with whether or not the investing scheme is a UCITS scheme or a non-UCITS retail scheme.

40.3. Collateral is sufficiently immediate for the purposes of this section if:

- 40.3.1. it is transferred before or at the time of the transfer of the securities by the Trustee; or
- 40.3.2. the Trustee takes reasonable care to determine at the time referred to in 40.3.1 that it will be transferred at the latest by the close of business on the day of the transfer.

40.4. The Trustee must ensure that the value of the collateral at all times is at least equal to the value of the securities transferred by the Trustee.

40.5. The duty in 40.4 may be regarded as satisfied in respect of collateral the validity of which is about to expire or has expired where the Trustee 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.

40.6. Any agreement for transfer at a future date of securities or of collateral (or of the equivalent of either) under this section may be regarded, for the purposes of valuation under COLL 6.3 (Valuation and pricing) or this Appendix, as an unconditional agreement for the sale or transfer of property, whether or not the property is part of the property of the Fund.

40.7. Collateral transferred to the Trustee is part of the Scheme Property for the purposes of this Appendix, except in the following respects:

- 40.7.1. it does not fall to be included in any valuation for the purposes of COLL 6.3 or this Appendix, because it is offset under 40.6 by an obligation to transfer; and
- 40.7.2. it does not count as Scheme Property for any purpose of this Appendix other than this section.

40.8. Paragraph 40.6 and 40.7.1 do not apply to any valuation of collateral itself for the purposes of this section.

#### **41. Stock lending: limitation by value**

41.1. There is no limit on the value of the Scheme Property which may be the subject of repo contracts or stock lending transactions within this section.

## **42. Cash and near cash**

42.1. 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:

- 42.1.1. the pursuit of a Fund's investment objectives; or
- 42.1.2. redemption of Units; or
- 42.1.3. efficient management of a Fund in accordance with its investment objectives; or
- 42.1.4. other purposes which may reasonably be regarded as ancillary to the investment objectives of a Fund.

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

42.3. It is envisaged that the Funds will normally be fully invested but there may be times that it is appropriate not to be fully invested when the Manager reasonably regards this as necessary in order to enable the redemption of Units, efficient management of a Fund or any one purpose which may reasonably be regarded as ancillary to the investment objectives of a Fund.

42.4. A potential breach of any of these limits does not prevent the exercise of rights conferred by investments held by a Fund but, in the event of a consequent breach, the Manager 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 Unitholders.

## **43. Borrowing powers**

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

43.2. Borrowing must be on a temporary basis, must not be persistent, and for this purpose the Manager must have regard in particular to the duration of any period of borrowing and the number of occasions on which resort is had to borrowing in any period and in any event must not exceed three months without the prior consent of the Trustee, which may be given only on such conditions as appear appropriate to the Trustee to ensure that the borrowing does not cease to be on a temporary basis.

43.3. The Manager must ensure that borrowing does not, on any business day, exceed 10% of the value of each Fund.

43.4. 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).

43.5. Borrowing includes, as well as borrowing in a conventional manner, any other arrangement (including a combination of derivatives) designed to achieve a temporary injection of money into a Fund in the expectation that the sum will be repaid.

## **44. Restrictions on lending of money**

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

44.2. Acquiring a debenture is not lending for the purposes of 44.1; nor is the placing of money on deposit or in a current account.

#### **45. Restrictions on lending of property other than money**

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

45.2. Transactions permitted by COLL 5.4 (Stock lending) are not to be regarded as lending for the purposes of 45.1.

45.3. The Scheme Property must not be mortgaged.

45.4. Nothing in this rule prevents the Trustee at the request of the Manager, from lending, depositing, pledging or charging Scheme Property for margin requirements where transactions in derivatives or forward transactions are used for the account of a Fund in accordance with any other of the provisions in this section.

#### **46. General power to accept or underwrite placings**

46.1. Any power in COLL 5 to invest in transferable securities may be used for the purpose of entering into transactions to which this section applies, subject to compliance with any restriction in the Trust Deed.

46.2. This section applies to any agreement or understanding which:

46.2.1. is an underwriting or sub-underwriting agreement; or

46.2.2. contemplates that securities will or may be issued or subscribed for or acquired for the account of a Fund.

46.3. 46.2 does not apply to:

46.3.1. an option; or

46.3.2. a purchase of a transferable security which confers a right to:

46.3.2.1. subscribe for or acquire a transferable security; or

46.3.2.2. convert one transferable security into another.

46.4. The exposure of a Fund to agreements and understandings within 46.2 must, on any day, be:

46.4.1. covered under COLL 5.3.3 R (Cover for transactions in derivatives and forward transactions); and

46.4.2. such that, if all possible obligations arising under them had immediately to be met in full, there would be no breach of any limit in this section.

#### **47. Guarantees and indemnities**

47.1. The Trustee for the account of a Fund must not provide any guarantee or indemnity in respect of the obligation of any person.

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

47.3. 47.1 and 47.2 do not apply to:

- 47.3.1. any indemnity or guarantee given for margin requirements where the derivatives or forward transactions are being used in accordance with the rules in this COLL 5;  
and
- 47.3.2. for a Fund, an indemnity given to a person winding up a body corporate or other scheme in circumstances where those assets are becoming part of the Scheme Property by way of a unitisation.

## APPENDIX IV: VALUATION AND PRICING OF THE FUNDS

The value of the property of each Fund shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions.

1. All the property of the Funds (including receivables) is to be included, subject to the following provisions.
2. Property which is not cash (or other assets dealt with in paragraph 3 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:
  - 2.1. units or shares in a collective investment scheme:
    - 2.1.1. if a single price for buying and selling units or shares is quoted, at that price; or
    - 2.1.2. if separate buying and selling prices are quoted, at the average of the two prices provided the buying price has been reduced by any initial charge included therein and the selling price has been increased by any exit or redemption charge attributable thereto; or
    - 2.1.3. if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a value which, in the opinion of the Manager, is fair and reasonable;
  - 2.2. any other transferable security:
    - 2.2.1. if a single price for buying and selling the security is quoted, at that price; or
    - 2.2.2. if separate buying and selling prices are quoted, at the average of the two prices; or
    - 2.2.3. if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no price exists, at a value which, in the opinion of the Manager, is fair and reasonable;
  - 2.3. property other than that described in 2.1 and 2.2 above:  
at a value which, in the opinion of the Manager, represents a fair and reasonable mid-market price.
3. Property which is a contingent liability transaction shall be treated as follows:
  - 3.1. if 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 property is an off-exchange derivative the method of valuation shall be agreed between the Manager and the Trustee;
  - 3.2. if an off-exchange future, include at the net value of closing out in accordance with a valuation method agreed between the Manager and the Trustee;
  - 3.3. if any other form of contingent liability transaction, include at the net value of margin on closing out (whether as a positive or negative value). If the property is an off-exchange derivative, the method of valuation shall be agreed between the Manager and the Trustee.
4. Cash and amounts held in current and deposit accounts and in other time-related deposits shall be valued at their nominal values.
5. In determining the value of the Scheme Property, all instructions given to the Trustee to issue or cancel Units shall be assumed (unless the contrary is shown) to have been carried out (and any

cash paid or received and all consequential action required by the FCA Handbook or the Trust Deed shall be assumed (unless the contrary is shown) to have been taken) whether or not this is the case.

6. Subject to paragraphs 7 and 8 below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the Manager, their omission shall not materially affect the final net asset amount.
7. Futures or contracts for differences which are not yet due to be performed and unexpired written or purchased options which have not been exercised shall not be included under paragraph 6.
8. All agreements are to be included under paragraph 6 which are, or ought reasonably to have been, known to the person valuing the property assuming that all other persons in the Manager's employment take all reasonable steps to inform it immediately of the making of any agreement.
9. Deduct an estimated amount for anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the property of the Fund; on realised capital gains in respect of previously completed and current accounting periods; and on income where liabilities have accrued) at that point in time including (as applicable and without limitation) capital gains tax, income tax, corporation tax and advance corporation tax, value added tax, stamp duty and stamp duty reserve tax.
10. Deduct an estimated amount for any liabilities payable out of the property of the Fund and any tax thereon treating periodic items as accruing from day to day.
11. Deduct the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings.
12. In the case of a margined contract, deduct any amount reasonably anticipated to be paid by way of variation margin.
13. Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.
14. Add any other credits or amounts due to be paid into the property of the Fund.
15. In the case of a margined contract, add any amount reasonably anticipated to be received by way of variation margin.
16. 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.
17. The valuation is in the Fund's base currency. To convert to the base currency the value of property which would otherwise be valued in another currency the Manager will either:
  - 17.1. select a rate of exchange which represents the average of the highest and lowest rates quoted at the relevant time for conversion of that currency into base currency on the market on which the Manager would normally deal if it wished to make such conversion; or
  - 17.2. invite the Trustee to agree that it is in currencies or values in currencies other than base currency shall be converted at the relevant valuation point at a rate of exchange that is not

likely to result in any material prejudice to the interests of Unitholders or potential Unitholders to select a different rate, and, if the Trustee so agrees, use that other rate.

## APPENDIX V: PAST PERFORMANCE AND INVESTOR PROFILE

### OCTOPUS BOND FUND

#### How has the Fund performed in the past?

The graph below shows how the Fund has performed in each of the last ten years. But remember, this historical performance is not a reliable indicator of future performance.



Source: Lipper, bid to bid with net income reinvested.

■ Octopus Bond Fund  
■ Benchmark

Past performance is not a reliable indicator of future results.

The fund and this share class was launched on 29 September 1995. The fund changed its investment strategy and benchmark on 1 December 2022. Performance shown up until that date relates to the previous strategy and benchmark.

The ongoing charge changed from 0.60% to 0.30% on 6 January 2024. The performance shown is based on the current annual charge, with adjustments made to previous years to reflect the current charging structure for this share class.

Past performance is calculated in GBP and represents the percentage change in the unit price, with an assumption of income reinvested into additional units following each distribution.

**Investor profile:** This Fund is designed for investors who:

- are looking for a regular income (which can be reinvested as required) from a portfolio of bonds.
- prefer an investment with a mainly 'passive' approach, rather than active stock picking, but are comfortable with some active management, including the use of Environmental, Social and Governance criteria to increase / decrease investment in individual bonds.
- are prepared to accept a degree of risk in return for the potential of higher returns than more secure cash deposits.

**Recommendation:** this Fund may not be suitable for investors who plan to withdraw their money within five years.

## OCTOPUS UK INDEX TRACKING FUND

### How has the Fund performed in the past?

The graph below shows how the Fund and the FTSE All-Share Index have performed in each of the last ten years. But remember, this historical performance is not a reliable indicator of future performance.



Source: Lipper, bid to bid with net income reinvested.

■ Octopus UK Index Tracking Fund  
■ FTSE All-Share Index

Past performance is not a reliable indicator of future results.

The Fund and this share class was launched in March 1995.

The ongoing charge changed from 0.28% to 0.22% on 6 January 2025. The performance shown is based on the current annual charge, with adjustments made to previous years to reflect the current charging structure for this share class.

Past performance is calculated in GBP and represents the percentage change in the unit price, with an assumption of income reinvested into additional units following each distribution.

**Investor profile:** This Fund is designed for investors who:

- would like to grow their capital by investing in a wide range of UK companies
- prefer an investment with a 'passive' approach, rather than active stock picking
- are prepared to accept greater risk compared to more diversified / lower risk funds, for the potential of higher returns

**Recommendation:** this Fund may not be suitable for investors who plan to withdraw their money within five years.

## OCTOPUS CLIMATE CHANGE FUND

### How has the Fund performed in the past?

The graph below shows how the Fund has performed in each of the last ten years. But remember, this historical performance is not a reliable indicator of future performance.



Source: Lipper, bid to bid with net income reinvested.

■ Octopus Climate Change Fund  
■ Benchmark<sup>1</sup>

<sup>1</sup>Current benchmark is MSCI AC World. For the benchmark before 26 July 2022 please see the Prospectus.

Past performance is not a reliable indicator of future results.

The fund and this share class was launched in January 2008.

The fund changed its investment strategy and benchmark on 26 July 2022. Performance shown up until that date relates to the previous strategy and benchmark.

The ongoing charge changed from 1.00% to 0.70% on 6 January 2024. The performance shown is based on the current annual charge, with adjustments made to previous years to reflect the current charging structure for this share class.

Past performance is calculated in GBP and is expressed as a percentage change of the fund's Net Asset Value at each year end.

**Investor profile:** This Fund is designed for investors who

- would like to grow their capital by investing in a range of companies from around the world that develop or use products and services that reduce carbon emissions.
- are comfortable with an active stock picking approach, and thus returns which can be higher or lower than the stock market average
- are prepared to accept greater risk compared to more diversified / lower risk funds, for the potential of higher returns

**Recommendation:** Please be aware this fund may not be suitable for investors who plan to withdraw their money within five years.

## OCTOPUS GLOBAL SHARE FUND

### How has the Fund performed in the past?

The graph below shows how the Fund has performed in each of the last six years. But remember, this historical performance is not a reliable indicator of future performance.



Source: Lipper, bid to bid with net income reinvested.

■ Octopus Global Share Fund ■ Benchmark<sup>†</sup>

<sup>†</sup>Current benchmark is MSCI AC World. For the benchmark before 30 September 2023 please see the Prospectus.

Past performance is not a reliable indicator of future results.

The fund and this share class was launched in February 2015.

The fund changed its investment strategy and benchmark on 30 September 2023.

Performance shown up until that date relates to the previous strategy and benchmark.

The ongoing charge changed from 0.75% to 0.45% on 6 January 2024. The performance shown is based on the current annual charge, with adjustments made to previous years to reflect the current charging structure for this share class.

Past performance is calculated in GBP and represents the percentage change in the unit price, with an assumption of income reinvested into additional units following each distribution.

**Investor profile:** This Fund is designed for investors who

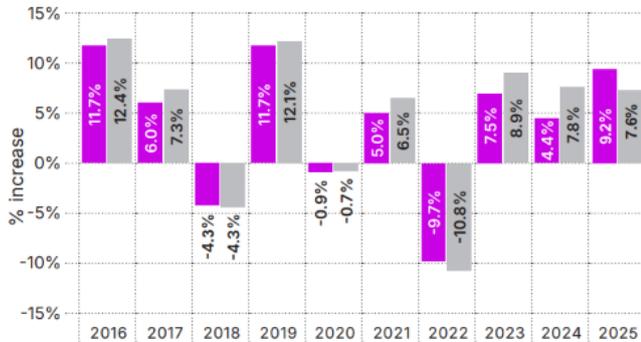
- would like to grow their money over the longer term (five years or more) by investing in a wide range of companies from around the world
- prefer an investment with a mainly 'passive' approach, rather than active stock picking, but are comfortable with some active management, including the use of Environmental, Social and Governance criteria to select which shares to invest in
- are seeking a higher potential return by investing solely in shares and are prepared to accept greater ups and down in value

**Recommendation:** this Fund may not be suitable for investors who plan to withdraw their money within five years.

## OCTOPUS GROWTH FUND 1

### How has the Fund performed in the past?

The graph below shows how the Fund has performed in each of the full calendar years since launch. But remember, this historical performance is not a reliable indicator of future performance.



Source: Lipper, bid to bid with net income reinvested.

■ Octopus Growth Fund 1 (see reference to the right)  
 ■ Benchmark/Performance Comparator (see explanation to the right)

Past performance is not a reliable indicator of future results.

The fund was launched in February 2015 as the Virgin Bond, Gilt and UK Share Fund, with a different investment strategy and benchmark compared to now. The performance shown to the left relates to the previous strategy and benchmark for years preceding 2021, and for 2021 it is a combination of performance realised under the old strategy and benchmark (until 15 October) and the new strategy and performance comparator thereafter.

You can see an indication of how the new strategy would have performed in previous years on [octopusmoneydirect.com](http://octopusmoneydirect.com).

This share class was launched 3 February 2022. The returns to the left are based on the current annual charge, with adjustments made to previous years as necessary.

Past performance is calculated in GBP and represents the percentage change in the unit price, with an assumption of income reinvested.

The previous benchmark used by the Fund before the change in strategy in October 2021 was 50% FTSE All Share Index, 18.5% Bloomberg UK Gilt Index, 13% Bloomberg UK Gilts 1-5 Year Index, 9.25% FTSE 5-15 Year Gilt Index, and 9.25% Bank of America Merrill Lynch 5-15 Year AAA-A Non-Gilt Index. The new performance comparator from 15 October 2021 is 30% MSCI All Countries World Index GBP and 70% Bloomberg Global Aggregate Bond Index GBP Hedged.

**Investor profile:** The Fund is designed for investors who

- want to grow their money over the longer term (5 years or more);
- want to balance the level of risk and reward by investing in a fund that spreads their money across shares and bonds, but who would prefer a more cautious approach to investing;
- understand the likely risk of the fund they invest in compared to investing in shares (by virtue of the expected volatility range as per the Investment Policy).

**Recommendation:** this Fund may not be suitable for investors who plan to withdraw their money within five years.

## OCTOPUS GROWTH FUND 2

### How has the Fund performed in the past?

The graph below shows how the Fund has performed in each of the full calendar years since launch. But remember, this historical performance is not a reliable indicator of future performance.



Source: Lipper, bid to bid with net income reinvested.

■ Octopus Growth Fund 2 (see reference to the right)  
 ■ Benchmark/Performance Comparator (see explanation to the right)

Past performance is not a reliable indicator of future results.

The fund was launched in February 2015 as the Virgin Bond, Gilt, UK and Overseas Share Fund, with a different investment strategy and benchmark compared to now. The performance shown to the left relates to the previous strategy and benchmark for years preceding 2021, and for 2021 it is a combination of performance realised under the old strategy and benchmark (until 15 October) and the new strategy and performance comparator thereafter.

You can see an indication of how the new strategy would have performed in previous years on [octopusmoneydirect.com](http://octopusmoneydirect.com).

This share class was launched 3 February 2022. The returns to the left are based on the current annual charge, with adjustments made to previous years as necessary.

Past performance is calculated in GBP and represents the percentage change in the unit price, with an assumption of income reinvested into additional units following each distribution.

The old benchmark used by the Fund before its change in strategy in October 2021 was 50% FTSE All Share Index, 6.5% FTSE World North America, 6.5% MSCI Europe ex-UK Index, 6% MSCI Japan Index, 6% FTSE All World Developed Asia Pacific ex-Japan Index, 6.5% Bloomberg UK Gilt Index, 9.25% FTSE 5-15 Year Gilt Index, and 9.25% Bank of America Merrill Lynch 5-15 Year AAA-A Non Gilt Index. The new performance comparator from 15 October 2021 is 60% MSCI All Countries World Index GBP and 40% Bloomberg Global Aggregate Bond Index GBP Hedged.

**Investor profile:** The Fund is designed for investors who

- want to grow their money over the longer term (5 years or more);
- want to balance the level of risk and reward by investing in a fund that spreads their money across shares and bonds;
- understand the likely risk of the fund they invest in compared to investing in shares (by virtue of the expected volatility range as per the Investment Policy).

**Recommendation:** this Fund may not be suitable for investors who plan to withdraw their money within five years.

## OCTOPUS GROWTH FUND 3

### How has the Fund performed in the past?

The graph below shows how the Fund has performed in each of the full calendar years since launch. But remember, this historical performance is not a reliable indicator of future performance.



Source: Lipper, bid to bid with net income reinvested.

■ Octopus Growth Fund 3  
■ Performance Comparator

Past performance is not a reliable indicator of future results.

We can only show performance for a full calendar year.

As we only launched the fund on 28 October 2020, we only have three full years to show you.

This share class was launched on 3 February 2022. The returns to the left are based on the current annual charge, with adjustments made to previous years as necessary.

You can see how the strategy would have performed in previous years on [octopusmoneydirect.com](http://octopusmoneydirect.com)

Past performance is calculated in GBP and represents the percentage change in the unit price, with an assumption of income reinvested.

**Investor profile:** The Fund is designed for investors who

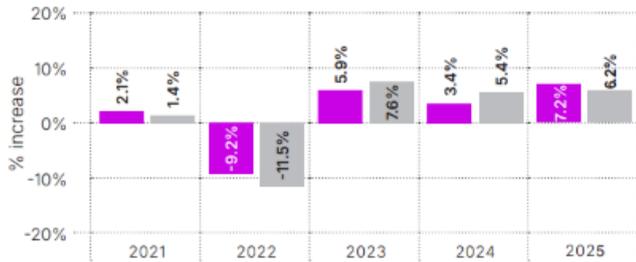
- want to grow their money over the longer term (5 years or more);
- want to receive a higher level of potential return (compared to our other funds) and are prepared to accept greater ups and downs in value;
- understand the likely risk of the fund they invest in compared to investing in shares (by virtue of the expected volatility range as per the Investment Policy).

**Recommendation:** this Fund may not be suitable for investors who plan to withdraw their money within five years.

## OCTOPUS DEFENSIVE FUND

### How has the Fund performed in the past?

The graph below shows how the Fund has performed in each of the full calendar years since launch. But remember, this historical performance is not a reliable indicator of future performance.



Source: Lipper, bid to bid with net income reinvested.

■ Octopus Defensive Fund  
■ Performance Comparator

Past performance is not a reliable indicator of future results.

We can only show performance for a full calendar year. As we only launched the fund on 28 October 2020, we only have three full years to show you.

This share class was launched 3 February 2022. The returns to the left are based on the current annual charge, with adjustments made to previous years as necessary.

You can see how the strategy would have performed in previous years on [octopusmoneydirect.com](http://octopusmoneydirect.com)

Past performance is calculated in GBP and represents the percentage change in the unit price, with an assumption of income reinvested.

**Investor profile:** The Fund is designed for investors who

- want to grow their money over the medium term (3 years or more);
- want to invest in a fund that aims to reduce ups and downs in value by investing mainly in low risk / defensive assets;
- accept that, by limiting risk, returns from the Fund will likely be lower than other funds in rising markets

**Recommendation:** this Fund may not be suitable for investors who plan to withdraw their money within three years.

**APPENDIX VI: CITIBANK UK LIMITED – LIST OF DELEGATES AND SUB-DELEGATES**

	<b>Trustee’s delegates</b>	
<b>Country</b>	<b>Bank of New York Mellon London Branch</b>	<b>State Street Bank and Trust Company</b>
	<b>Trustee’s sub-delegates</b>	
<b>Albania</b>		Raiffeisen Bank sh.a.
<b>Argentina</b>	Citibank NA Argentina Branch	
<b>Australia</b>	Citigroup Pty Limited The Hong Kong and Shanghai Banking Corporation Limited Australia Branch	The Hong Kong and Shanghai Banking Corporation Ltd.
<b>Austria</b>	Citibank N.A. Milan Branch and Uni Credit Bank Austria AG	UniCredit Bank Austria AG/Deutsche Bank AG
<b>Bahrain</b>	HSBC Bank Middle East Limited	HSBC Bank Middle East
<b>Bangladesh</b>	The Hong Kong and Shanghai Banking Corporation Limited	Standard Chartered Bank
<b>Belgium (LUX)</b>	Citibank Europe plc (Equities) The Bank of New York Mellon SA/NV (govt bonds)	Deutsche Bank AG, Netherlands
<b>Benin</b>	Société Générale de Banques en Côte d’Ivoire	Standard Chartered Bank Côte d’Ivoire
<b>Bermuda</b>	HSBC Bank Bermuda Limited	HSBC Bank Bermuda Limited
<b>Bosnia-Herzegovina (Sarajevo)</b>		UniCredit Bank d.d
<b>Bosnia-Herzegovina</b>	Srpska (Banja Luka)	UniCredit Bank d.d
<b>Botswana</b>	Stanbic Bank Botswana Limited	Standard Chartered Bank Botswana Limited
<b>Brazil</b>	Citibank N.A., Brazil & Itaú Unibanco S.A.	Citibank N.A. – São Paulo Branch
<b>Bulgaria</b>	Citibank Europe plc Bulgaria Branch	Citibank Europe plc, Bulgaria Branch and Unicredit Bank
<b>Burkina Faso</b>		Standard Chartered Bank Côte d’Ivoire
<b>Canada</b>	CIBC Mellon Trust Company (“CIBC Mellon”)	State Street Trust Company Canada and RBC (physical)
<b>Cayman Islands</b>	The Bank of New York Mellon	
<b>Channel Islands</b>	The Bank of New York Mellon	

	Trustee's delegates	
<b>Country</b>	<b>Bank of New York Mellon London Branch</b>	<b>State Street Bank and Trust Company</b>
	Trustee's sub-delegates	
<b>Chile</b>	Banco de Chile and Banco Itau Chile	Banco Itau Chile
<b>China B Shanghai</b>	HSBC Bank (China) Company Limited	HSBC Bank (China) Company Limited
<b>China B Shenzhen</b>	HSBC Bank (China) Company Limited	HSBC Bank (China) Company Limited
<b>China A Shares</b>		China Construction Bank Corporation and HSBC Bank (China) Company Limited
<b>China Hong Kong Stock Connect</b>		Standard Chartered Bank (Hong Kong) Limited / The Hong Kong and Shanghai Banking / Citibank N.A. HK
<b>Clearstream ICSD</b>	Clearstream Banking S.A.	State Street is a direct participant
<b>Colombia</b>	Cititrust Colombia S.A. Sociedad Fiduciaria	Cititrust Colombia, S.A. Sociedad Fiduciaria
<b>Costa Rica</b>	Banco Nacional de Costa Rica	Banco BCT S.A.
<b>Croatia</b>	Privredna banka Zagreb d.d.	Privredna banka Zagreb d.d.
<b>Cyprus</b>	BNP Paribas Securities Services S.C.A., Athens	BNP Paribas Securities Services, S.C.A
<b>Czech Republic</b>	Citibank Europe plc, organizacni slozka	Ceskoslovenska Obchodni Banka A.S. Radlická 333/150, /UniCredit Bank Czech Republic and Slovakia, a.s.
<b>Denmark</b>	Skandinaviska Enskilda Banken AB (Publ)	Skandinaviska Enskilda Banken AB (publ) and Nordea Bank Danmark
<b>Ecuador</b>	Banco de la Produccion S.A. (Produbanco)	
<b>Egypt</b>	HSBC Bank Egypt S.A.E.	HSBC Bank Egypt SAE
<b>Estonia</b>	SEB Pank AS	AS SEB Pank
<b>Eswatini</b>	Standard Bank Swaziland Limited	Standard Bank Swaziland Limited
<b>Euroclear</b>	Euroclear Bank	Since State Street is a direct participant in Euroclear Bank,
<b>Finland</b>	Skandinaviska Enskilda Banken AB (Publ)	Skandinaviska Enskilda Banken AB (publ) Securities Services and Nordea Bank Finland plc

	<b>Trustee's delegates</b>	
<b>Country</b>	<b>Bank of New York Mellon London Branch</b>	<b>State Street Bank and Trust Company</b>
	<b>Trustee's sub-delegates</b>	
<b>France</b>		Dtsche Bank AG, Netherlands
<b>France</b>	Citibank Europe plc (cash) and BNP Paribas Securities Services S.C.A.	(operating through the Amsterdam branch with support from its Paris branch)
<b>Georgia</b>		JSC Bank of Georgia
<b>Germany</b>	The Bank of New York Mellon SA/NV, Asset Servicing,  Niederlassung Frankfurt am Main	Deutsche Bank AG,
<b>Ghana</b>	Stanbic Bank Ghana Limited	Standard Chartered Bank Ghana Limited
<b>Greece</b>	BNP Paribas Securities Services S.C.A., Athens	BNP Paribas Securities Services, S.C.A.,
<b>Guinea Bissau</b>		Standard Chartered Bank Côte d'Ivoire
<b>Hong Kong</b>	The Hongkong and Shanghai Banking Corporation and Deutsche Bank AG	Standard Chartered Bank (Hong Kong) Limited
<b>Hungary</b>	Citibank Europe plc. Hungarian Branch Office	UniCredit Bank Hungary Zrt. And Citibank Europe plc, Hungarian Branch
<b>Iceland</b>	Landsbankinn hf.	Landsbankinn hf.
<b>India</b>	Deutsche Bank AG and The Hong Kong and Shanghi Banking Corporation Limited	The Hongkong and Shanghai Banking Corporation Limited and Deutsche Bank AG
<b>Indonesia</b>	Deutsche Bank AG	Deutsche Bank A.G.
<b>Ireland</b>	The Bank of New York Mellon	State Street Bank and Trust Company
<b>Israel</b>	Bank Hapoalim B.M.	Bank Hapoalim B.M.
<b>Italy</b>	Bank of New York Mellon SA/NV (BNYM) and Citibank N.A.	Deutsche Bank S.p.A. and Intesa Sanpaolo (ISP) Financial Institutions - Transactions Services
<b>Ivory coast</b>	Société Générale de Banques en Côte d'Ivoire	Standard Chartered Bank Côte d'Ivoire
<b>Jamaica</b>		Scotia Investments Jamaica Limited*

	<b>Trustee's delegates</b>	
<b>Country</b>	<b>Bank of New York Mellon London Branch</b>	<b>State Street Bank and Trust Company</b>
	<b>Trustee's sub-delegates</b>	
<b>Japan</b>	Mizuho Bank, Ltd and The Bank of Tokyo – Mitsubishi UFJ Ltd.	The Hongkong and Shanghai Banking Corporation Japan Branch and Mizuho Bank, Ltd.
<b>Jordan</b>		Standard Chartered Bank
<b>Kazakhstan</b>		JSC Citibank Kazakhstan
<b>Kenya</b>	CfC Stanbic Bank Limited	Standard Chartered Bank Kenya Limited
<b>Korea (South)</b>	Deutsche Bank AG and The Hong Kong and Shanghai Banking Corporation Limited	Hongkong and Shanghai Banking Corporation Limited and Deutsche Bank AG
<b>Kuwait</b>	HSBC Bank Middle East Limited, Kuwait	HSBC Bank Middle East Limited
<b>Latvia</b>	AS SEB banka	AS SEB banka
<b>Lithuania</b>	AB SEB bankas	SEB bankas
<b>Luxembourg</b>	Euroclear Bank	Clearstream- State Street is a direct participant
<b>Macedonia</b>		
<b>Malawi</b>	Standard Bank Limited	Standard Chartered Bank Limited
<b>Malaysia</b>	Deutsche Bank (Malaysia) Berhad	Standard Chartered Bank Malaysia Berhad and Deutsche Bank Malaysia Berhad
<b>Mali</b>	Société Générale de Banques en Côte d'Ivoire	Standard Chartered Bank Côte d'Ivoire
<b>Malta</b>	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main	
<b>Mauritius</b>	The Hongkong and Shanghai Banking Corporation Limited	Hongkong and Shanghai Banking Corp. Ltd.
<b>Mexico</b>	Citibanamex	Citibanamex
<b>Morocco</b>	Citibank Maghreb	Citibank Maghreb
<b>Namibia</b>	Standard Bank Namibia Limited	Standard Bank Namibia
<b>Netherlands</b>	The Bank of New York Mellon SA/NV	Deutsche Bank AG, Netherlands

	<b>Trustee's delegates</b>	
<b>Country</b>	<b>Bank of New York Mellon London Branch</b>	<b>State Street Bank and Trust Company</b>
	<b>Trustee's sub-delegates</b>	
<b>New Zealand</b>	National Australia Bank Limited	The Hongkong and Shanghai Banking Corporation Ltd
<b>Niger</b>	Société Générale de Banques en Côte d'Ivoire	Standard Chartered Bank Côte d'Ivoire
<b>Nigeria</b>	Stanbic IBTC Bank Plc.	Stanbic IBTC Bank Plc.
<b>Norway</b>	Skandinaviska Enskilda Banken AB (Publ)	Skandinaviska Enskilda Banken AB (publ) and Nordea Bank Norge ASA
<b>Oman</b>	Standard Chartered Bank Oman	First Abu Dhabi Bank, Oman
<b>Pakistan</b>	Deutsche Bank AG	Deutsche Bank A.G
<b>Palestine</b>	HSBC Bank Middle East Limited – Palestinian Autonomous Area branch	HSBC Bank Middle East
<b>Panama</b>	Citibank N.A., Panama Branch	Citibank, N.A.
<b>Peru</b>	Citibank del Peru S.A.	Citibank del Perú S.A.
<b>Philippines</b>	Deutsche Bank AG	Deutsche Bank AG
<b>Poland</b>	Bank Polska Kasa Opieki S.A.	Bank Handlowy w Warszawie S.A. / Bank Polska Kasa Opieki S.A.
<b>Portugal</b>	Citibank Europe plc Sucursal em Portugal	Deutsche Bank AG, Netherlands and BNP Paribas Securities Services SCA
<b>Puerto Rico</b>		Citibank, N.A. Puerto Rico
<b>Qatar</b>	HSBC Bank Middle East Limited, Doha	HSBC Bank Middle East Limited
<b>Romania</b>	Citibank Europe plc, Romania Branch	Citibank Europe plc, Dublin – Romania Branch
<b>Saudi Arabia</b>	HSBC Saudi Arabia Limited	HSBC Saudi Arabia Limited
<b>Senegal</b>	Société Générale de Banques en Côte d'Ivoire	Standard Chartered Bank Côte d'Ivoire
<b>Serbia</b>	UniCredit Bank Serbia JSC	Unicredit Bank Serbia JSC
<b>Singapore</b>	DBS Bank Ltd and United Overseas Bank	United Overseas Bank Limited (UOB) and Citibank NA
<b>Slovak Republic</b>	Citibank Europe plc, pobočka zahraničnej banky	UniCredit Bank Czech Republic and Slovakia, a.s.

	<b>Trustee's delegates</b>	
<b>Country</b>	<b>Bank of New York Mellon London Branch</b>	<b>State Street Bank and Trust Company</b>
	<b>Trustee's sub-delegates</b>	
<b>Slovenia</b>	UniCredit Banka Slovenia d.d.	UniCredit Banka Slovenija d.d.
<b>South Africa</b>	The Standard Bank of South Africa Limited	Standard Bank of South Africa Limited / FirstRand Bank Limited
<b>South Africa</b>		
<b>Spain</b>	Banco Bilbao Vizcaya Argentaria, S.A. /Santander Securities Services, S.A.	Deutsche Bank SAE
<b>Sri Lanka</b>	The Hongkong and Shanghai Banking Corporation Limited	The Hongkong and Shanghai Banking Corporation Limited
<b>Sweden</b>	Skandinaviska Enskilda Banken AB (Publ)	Skandinaviska Enskilda Banken AB (publ) and Nordea Bank AB (publ)
<b>Switzerland</b>	Credit Suisse (Switzerland) Ltd. and UBS Switzerland AG	UBS AG and Credit Suisse (Switzerland)Ltd
<b>Taiwan</b>	HSBC Bank (Taiwan) Limited and Standard Chartered Bank (Taiwan) Ltd	Deutsche Bank AG / Standard Chartered Bank (Taiwan) Limited
<b>Tanzania</b>	Stanbic Bank Tanzania Limited	Standard Chartered Bank Tanzania Limited
<b>Trinidad &amp; Tobago</b>	The Republic Bank Limited	
<b>Togo</b>	Société Générale de Banques en Côte d'Ivoire	Standard Chartered Bank Côte d'Ivoire
<b>Thailand</b>	The Hongkong and Shanghai Banking Corporation Limited	Standard Chartered Bank (Thai) Public Company Limited
<b>Tunisia</b>	Banque Internationale Arabe de Tunisie	Banque International Arabe de Tunisie (BIAT)
<b>Turkey</b>	Deutsche Bank A.S.	Citibank, A.S./ Deutsche Bank, A.Ş
<b>Uganda</b>	Stanbic Bank Uganda Limited	Standard Chartered Bank Uganda Limited
<b>Ukraine</b>	Public Joint Stock Company "Citibank"	PJSC Citibank
<b>United Arab Emirates ADX &amp; DFM</b>	HSBC Bank Middle East Limited, Dubai	HSBC Bank Middle East Limited
<b>United Arab Emirates NASDAQ Dubai</b>	HSBC Bank Middle East Limited, Dubai	HSBC Bank Middle East Limited

	<b>Trustee's delegates</b>	
<b>Country</b>	<b>Bank of New York Mellon London Branch</b>	<b>State Street Bank and Trust Company</b>
	<b>Trustee's sub-delegates</b>	
<b>United Kingdom</b>	The Bank of New York Mellon and Depository and Clearing Centre (DCC) and Deutsche Bank AG, London Branch	State Street Bank and Trust Company
<b>United States</b>	The Bank of New York Mellon, HSBC Bank USA (precious metals)	State Street- DTC 997/ FED
<b>Uruguay</b>	Banco Itaú Uruguay S.A.	Banco Itau Uruguay S.A.
<b>Venezuela</b>	Citibank N.A., Sucursal Venezuela	Citibank N.A.
<b>Vietnam</b>	HSBC Bank (Vietnam) Ltd	Hongkong & Shanghai Banking Corp. Ltd.
<b>Zambia</b>	Stanbic Bank Zambia Limited	Standard Chartered Bank Zambia Plc
<b>Zimbabwe</b>	Stanbic Bank Zimbabwe Limited	Stanbic Bank Zimbabwe Limited

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**APPENDIX VIII: DIRECTORY**

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 London  
 EC1N 2HT

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 1 St. Peter's Square  
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Registrars (delegated by the Manager):	Main Register	SS&C Financial Services Europe Limited SS&C House St Nicholas Lane Basildon Essex SS15 5FS
	Plan Register	FNZ (UK) Limited 1 Tanfield Edinburgh Midlothian EH3 5DA