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## **LIONTRUST FUND PARTNERS LLP**

**This Document is the Prospectus of the Authorised Funds as listed below:**

**Liontrust Asia Income Fund (PRN: 504243)**  
**Liontrust European Income Fund (PRN: 737574)**  
**Liontrust European Growth Fund (PRN: 455122)**  
**Liontrust European Enhanced Income Fund (PRN: 737575)**  
**Liontrust FTSE 100 Tracker Fund (PRN: 172360)(no longer available for investment)**  
**Liontrust Global Income Fund (PRN: 145787)**  
**Liontrust Macro Equity Income Fund (PRN: 228569)**  
**Liontrust Macro UK Growth Fund (PRN: 188403)**  
**Liontrust Special Situations Fund (PRN: 436425)**  
**Liontrust UK Growth Fund (PRN: 155331)**  
**Liontrust UK Micro Cap Fund (PRN: 731966)**  
**Liontrust UK Smaller Companies Fund (PRN: 172653)**

**Valid as at 29 April 2019**

**Prepared in accordance with Chapter 4 of the Collective Investment Schemes Sourcebook**

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## 1. INTRODUCTION

This Prospectus is prepared in accordance with the Collective Investment Schemes Sourcebook (“COLL Sourcebook”) as published by the Financial Conduct Authority (“FCA”) as part of its Handbook. The Authorised Funds (“Funds”) described in this Prospectus are Authorised Unit Trusts (“AUTs”) under the Financial Services and Markets Act 2000 (“the Act”). Each of the Funds is structured as a trust. Each of the Funds is a UCITS scheme for the purposes of the categorisations of the COLL Sourcebook.

Investors hold Units which reflect the value of the assets held by the Fund. Investors will in no event be liable for the debts, if any, of the Fund, beyond their initial investment.

## 2. CURRENCY

The base currency of the Funds is pounds sterling. Unless stated otherwise in the prospectus, all classes are denominated in pounds sterling.

## 3. THE AUTHORISED FUND MANAGER (“THE MANAGER”)

Liontrust Fund Partners LLP is the Manager of the Funds and is a limited liability partnership incorporated in England & Wales. It is an indirect subsidiary of Liontrust Asset Management PLC, a public company limited by shares, incorporated in England and Wales.

<b>Registered and Head Office</b>	2 Savoy Court, London WC2R 0EZ
<b>Registered in England</b>	No: OC351697
<b>Date of Incorporation</b>	Liontrust Fund Partners LLP was incorporated in England and Wales on 22 January 2010.
<b>Members of the Manager</b>	M R Allpress I Chimes S R L Corbett C P Galvin S J J Hildrey J S Ions M F Kearney M A Keogh A C Morrison Liontrust Investment Funds Limited

The members of the Manager are not engaged in any significant business activity which is not connected with the business of the Manager or any of its associates.

### Authorisation

The Manager is authorised and regulated by the FCA of 2 Endeavour Square, London E20 1JN.

### Remuneration Policy of the Manager

In accordance with the FCA Rules, the Manager is required to establish and apply a remuneration policy for certain categories of staff whose activities have a material impact on the risk profile of the Manager or the UCITS that it manages (“Code Staff”).

The Liontrust Investments Remuneration Committee (the “Remuneration Committee”) has adopted the remuneration policy on behalf of the Manager (the “Remuneration Policy”).

Liontrust Asset Management Plc, the ultimate holding company of the Manager has set up a Remuneration Committee to oversee the application of the Group’s remuneration policies. Remuneration for all Code Staff in the Group is approved by the Remuneration Committee.

The Remuneration Policy document is reviewed annually.

The Remuneration Policy:

- (i) Is consistent with and promotes sound and effective risk management;
- (ii) Does not encourage risk taking that exceeds the level of tolerated risk of the relevant UCITS managed by the Manager;
- (iii) Encourages behaviour that delivers results which are aligned to the interests of the UCITS managed by the Manager;
- (iv) Aligns the interests of Code Staff with the long-term interests of the Manager, the funds it manages and its investors;

- (v) Recognises that remuneration should be competitive and reflect both financial and personal performance. Accordingly, remuneration for Code Staff is made up of fixed pay (salary and benefits, including pension) and variable (performance-related) pay;
- (vi) 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 is made up of:
- a. short-term awards typically based on short-term financial and strategic measures for the area of the business in which the member of Code Staff works; and
  - b. long-term incentives, typically in the form of share plans, which are based on the performance of the Manager or the relevant UCITS managed by the Manager over a longer period;
  - c. Requires that a sizeable proportion of variable pay is subject to deferral;
- (vii) Takes into account that unvested variable pay may, in certain circumstances, be reduced.

In respect of the delegation of investment management functions to the Investment Adviser, the Manager will ensure that the Investment Adviser applies in a proportionate manner the remuneration rules as detailed in the UCITS Directive as amended or, alternatively, are subject to equally effective remuneration policies under their home authorisation.

Up-to-date details of the Remuneration Policy are available at [www.liontrust.co.uk](http://www.liontrust.co.uk). A paper copy of that information will be made available free of charge from the Manager upon request.

### Unit Trusts Managed by the Manager

The Manager is the manager of the Funds described in this prospectus, that is: Liontrust Asia Income Fund, Liontrust European Income Fund, Liontrust European Growth Fund, Liontrust European Enhanced Income Fund, Liontrust FTSE 100 Tracker Fund, Liontrust Global Income Fund, Liontrust Macro Equity Income Fund, Liontrust Macro UK Growth Fund, Liontrust Special Situations Fund, Liontrust UK Growth Fund, Liontrust UK Micro Cap Fund and Liontrust UK Smaller Companies Fund, all of which are authorised unit trust schemes (also see section 1 above).

The Manager is also the ACD of the following ICVCs which are authorised by the FCA as "umbrella" companies, in that the companies issue shares linked to different funds which have been established:

ICVC	Funds Available
Liontrust Investment Funds ICVC	Liontrust Monthly Income Bond Fund
Liontrust Investment Funds ICVC	Liontrust Strategic Bond Fund
Liontrust Sustainable Future ICVC	Liontrust Sustainable Future Absolute Growth Fund
Liontrust Sustainable Future ICVC	Liontrust Sustainable Future Cautious Managed Fund
Liontrust Sustainable Future ICVC	Liontrust Sustainable Future Corporate Bond Fund
Liontrust Sustainable Future ICVC	Liontrust Sustainable Future Defensive Managed Fund
Liontrust Sustainable Future ICVC	Liontrust Sustainable Future European Growth Fund
Liontrust Sustainable Future ICVC	Liontrust Sustainable Future Global Growth Fund
Liontrust Sustainable Future ICVC	Liontrust Sustainable Future Managed Fund
Liontrust Sustainable Future ICVC	Liontrust Sustainable Future UK Growth Fund
Liontrust Sustainable Future ICVC	Liontrust UK Ethical Fund

The Manager is permitted to delegate its management and administration functions, but not responsibility, to third parties, subject to the rules in the COLL Sourcebook. It has therefore delegated the functions of investment adviser, registrar and fund administration as set out in sections 5, 6 and 8 below.

## 4. THE TRUSTEE

The Bank of New York Mellon (International) Limited is the Trustee of the Funds and, for the avoidance of doubt, acts as the global custodian to the Funds.

The Trustee is a private company limited by shares incorporated in England and Wales on 9 August 1996. Its ultimate holding company is The Bank of New York Mellon Corporation, a public company incorporated in the United States.

The registered and head office address is at One Canada Square, London, E14 5AL.

The principal business activity of the Trustee is the provision of custodial, banking and related financial services. The Trustee is authorised by the Prudential Regulation Authority and is dual-regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

### Terms of Appointment

The Manager is required to enter into a written contract with the Trustee to evidence its appointment as depositary of the Funds for the purposes of the UCITS Directive. The Trustee was appointed as depositary of the Funds under an agreement dated 1 November 2018 (the “Depositary Agreement”), pursuant to which the Manager and the Trustee agree to carry out various functions in order to comply with, and facilitate compliance with, the requirements of the UCITS Directive.

### **Duties of the Trustee**

The Trustee is responsible for the safekeeping of Scheme Property, monitoring the cash flows of the Funds, and must ensure that certain processes carried out by the Manager are performed in accordance with the applicable rules and the constitutive documents of the Funds.

### **Delegation of Safekeeping Functions**

The Trustee acts as global custodian and may delegate safekeeping to one or more global sub-custodians (such delegation may include the powers of sub-delegation). The Trustee has delegated safekeeping of the assets of the Funds to The Bank of New York Mellon SA/NV and The Bank of New York Mellon (the “Global Sub-Custodians”).

The Global Sub-Custodians may sub-delegate safekeeping of assets in certain markets in which the Funds may invest to various sub-delegates. A list of the sub-delegates is given below in Appendix 3. Investors should note that, except in the event of material changes requiring a prompt update of this Prospectus, the list of sub-delegates is updated only at each Prospectus review.

### **Conflicts of interest**

For the purposes of this section, the following definitions shall apply:

“Link” means a situation in which two or more natural or legal persons are either linked by a direct or indirect holding in an undertaking which represents 10% or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of the undertaking in which that holding subsists.

“Group Link” means a situation in which two or more undertakings or entities belong to the same group within the meaning of Article 2(11) of Directive 2013/34/EU or international accounting standards adopted in accordance with Regulation (EC) No. 1606/2002.

#### *The Funds, the Manager and unitholders*

The following conflicts of interests exist between the Trustee, the Funds and the Manager:

A Group Link where the Manager has delegated certain administrative functions to The Bank of New York Mellon (International) Limited or another entity within the same corporate group as the Trustee.

The Trustee shall ensure that policies and procedures are in place to identify all conflicts of interests arising from such Group Link and shall take all reasonable steps to avoid such conflicts of interests. Where such conflicts of interests cannot be avoided, the Trustee and the Manager will ensure that such conflicts of interests are managed, monitored and disclosed in order to prevent adverse effects on the interests of the Funds and its unitholders.

To the extent that a Link exists between the Trustee and any unitholders in the Funds, the Trustee shall take all reasonable steps to avoid conflicts of interests arising from such Link, and ensure that its functions comply with Article 23 of the UCITS V Regulations as applicable.

### **Trustee Conflicts of interest**

The Trustee or any BNY Mellon Affiliates may have an interest, relationship or arrangement that is in conflict with or otherwise material in relation to the services it provides to the Manager and the Funds. Conflicts of interest may also arise between the Trustee’s different clients.

As a global financial services provider, one of the Trustee’s fundamental obligations is to manage conflicts of interest fairly and transparently. As a regulated business, the Trustee is required to prevent, manage and, where required, disclose information regarding any actual or potential conflict of interest incidents to relevant clients.

The Trustee is required to and does maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps designed to prevent conflicts of interest from adversely affecting the interests of its clients.

The Trustee maintains an EMEA Conflicts of Interest Policy (the “Conflicts Policy”). The Conflicts Policy (in conjunction with associated policies):

- (a) identifies the circumstances which constitute or may give rise to a conflict of interest entailing a risk of damage to the interests of one or more clients;
- (b) specifies the procedures or measures which should be followed or adopted by the Trustee in order to prevent or manage and report those conflicts of interest;

- (c) sets out effective procedures to prevent or control the exchange of information between persons engaged in activities involving a risk of a conflict of interest where the exchange of that information may harm the interests of one or more clients;
- (d) includes procedures to ensure the separate supervision of persons whose principal functions involve carrying out activities with or for clients and whose interests may conflict, or who otherwise represent different interests that may conflict, including with the interests of the Trustee;
- (e) includes procedures to remove any direct link between the remuneration of individuals principally engaged in one activity and the remuneration of, or revenues generated by, different individuals principally engaged in another activity, where a conflict of interest may arise in relation to those activities;
- (f) specifies measures to prevent or limit any person from exercising inappropriate influence over the way in which an individual carries out investment or ancillary services or activities; and
- (g) sets out measures to prevent or control the simultaneous or sequential involvement of an individual in separate investment or ancillary services or activities where such involvement may impair the proper management of conflicts of interest.

The Conflicts Policy clarifies that disclosure of conflicts of interest to clients is a measure of last resort to be used by the Trustee to address its regulatory obligations only where the organisational and administrative arrangements established by the relevant firm to prevent or manage its conflicts of interest are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of clients will be prevented.

The Trustee must assess and periodically review the Conflicts Policy at least once per annum and take all appropriate measures to address any deficiencies.

The Trustee undertakes that it shall make available to its competent authorities, on request, all information which it has obtained while performing its Services and which may be required by the competent authorities of the Funds.

#### *Delegation*

The following conflicts of interests exist as a result of the delegation arrangements relating to safekeeping outlined above:

A Group Link where the Trustee has delegated, or where any Global Sub-Custodian has sub-delegated, the safekeeping of the Scheme Property to an entity within the same corporate group.

The Trustee shall ensure that policies and procedures are in place to identify all conflicts of interests arising from such Group Link and shall take all reasonable steps to avoid such conflicts of interests. Where such conflicts of interests cannot be avoided, the Trustee will ensure that such conflicts of interests are managed, monitored and disclosed in order to prevent adverse effects on the interests of the Funds and its unitholders.

The Trustee may, from time to time, act as the Trustee of other open-ended investment companies with variable capital and as trustee or custodian of other collective investment schemes. Up-to-date information on the Trustee, its duties, any conflicts that may arise, the safe-keeping functions delegated by the Trustee, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available to Unitholders on request.

## **5. THE INVESTMENT ADVISER**

The Investment Adviser to Liontrust Asia Income Fund, Liontrust European Income Fund, Liontrust European Growth Fund, Liontrust European Enhanced Income Fund, Liontrust Global Income Fund, Liontrust Macro Equity Income Fund and Liontrust Macro UK Growth Fund, Liontrust Special Situations Fund, Liontrust UK Growth Fund, Liontrust UK Micro Cap Fund and Liontrust UK Smaller Companies Fund is Liontrust Investment Partners LLP (“LIP”), which is authorised and regulated by the FCA. LIP is an indirect subsidiary of Liontrust Asset Management PLC. There is an Investment Management Agreement between the Manager and LIP dated 1 July 2011.

The Investment Adviser to Liontrust FTSE 100 Tracker Fund is State Street Global Advisors Limited (“SSGA”), 20 Churchill Place, London E14 5HJ which is authorised and regulated by the FCA. There is an Investment Management Agreement between the Manager and SSGA dated 29 July 2004 (and amended on 8 July 2010).

The Investment Advisers have full discretionary powers both to advise and manage the relevant Funds on behalf of the Manager. The Investment Advisers are not paid commission but are paid fees by the Manager, which are laid out in the Investment Management Agreement between the respective companies.

The Investment Adviser acts as Investment Adviser to other funds or clients and may act as Investment Adviser to other funds or clients in the future any of which may be competing with the Company in the same markets.

## 6. THE REGISTRAR

The Manager has delegated the function of Registrar to Bank of New York Mellon (International) Limited (BNYM), 1 Canada Square, London, E14 5AL. The register of holders and sub-register may be inspected by unitholders at the offices of BNYM during normal business hours.

## 7. THE AUDITORS

The Auditors to all of the Liontrust Funds are PricewaterhouseCoopers LLP of Atria One, 144 Morrison Street, Edinburgh EH3 8EX.

## 8. DELEGATED FUNCTIONS

### Administration – Dealing, Settlement & Registration

The Dealing, Settlement and Registration administrative functions for unitholders in the Funds have been delegated to Bank of New York Mellon (International) Limited, 1 Canada Square, London, E14 5AL..

### Administration – Fund Accounting, Valuation & Pricing

The Fund Accounting, Valuation and Pricing administrative functions have been delegated to The Bank of New York Mellon (International) Limited, 1 Canada Square, London E14 5AL. The remuneration payable for performance of these functions forms part of the Annual Management Fee. Unitholders will be provided with advance notice should this arrangement be subject to change, in accordance with the FCA Rules.

## 9. THE CONSTITUTION OF THE FUNDS

All Funds listed in this Prospectus are authorised unit trust schemes and are categorised in accordance with the COLL Sourcebook. The relevant category of the Funds and the effective date of the Authorisation Order made by the FCA are listed in Table 1 below. Each Fund is constituted by a Trust Deed, the dates of which are also given in Table 1 below.

**Table 1: Category, Date of Order and Constitution**

<b>Scheme</b>	<b>Category of Scheme</b>	<b>Date of Authorisation Order</b>	<b>Date of Constitution of Trust Deed</b>
Liontrust Asia Income Fund	UCITS Scheme	9 <sup>th</sup> October 2009	9 <sup>th</sup> October 2009
Liontrust European Income Fund	UCITS Scheme	14 <sup>th</sup> April 2016	14 <sup>th</sup> April 2016
Liontrust European Growth Fund	UCITS Scheme	12 <sup>th</sup> September 2006	6 <sup>th</sup> September 2006
Liontrust European Enhanced Income Fund	UCITS Scheme	14 <sup>th</sup> April 2016	14 <sup>th</sup> April 2016
Liontrust FTSE 100 Tracker Fund	UCITS Scheme	12 <sup>th</sup> July 1995	6 <sup>th</sup> July 1995
Liontrust Global Income Fund	UCITS Scheme	8 <sup>th</sup> May 1990	1 <sup>st</sup> May 1990
Liontrust Macro Equity Income Fund	UCITS Scheme	17 <sup>th</sup> October 2003	15 <sup>th</sup> October 2003
Liontrust Macro UK Growth Fund	UCITS Scheme	25 <sup>th</sup> January 1999	20 <sup>th</sup> January 1999
Liontrust Special Situations Fund	UCITS Scheme	8 <sup>th</sup> September 2005	5 <sup>th</sup> September 2005
Liontrust UK Growth Fund	UCITS Scheme	28 <sup>th</sup> January 1993	27 <sup>th</sup> January 1993
Liontrust UK Micro Cap Fund	UCITS Scheme	11 <sup>th</sup> February 2016	11 <sup>th</sup> February 2016
Liontrust UK Smaller Companies Fund	UCITS Scheme	2 <sup>nd</sup> August 1995	27 <sup>th</sup> July 1995

## 10. PROFILE OF THE TYPICAL INVESTOR

The Funds are marketable to both private investors and professional investors and advisers wishing to have exposure to the UK, European, Asian and Global stock markets, depending on the applicable Fund. Investors should regard their investment as medium to long-term (at least 5 years). The Liontrust Special Situations Fund, the Liontrust UK Smaller Companies Fund and the Liontrust UK Micro Cap Fund are suitable for investors prepared to accept the additional risks associated with smaller companies and companies listed on the Alternative Investment Market (AIM). Investors in the Liontrust Asia Income Fund and the Liontrust European Enhanced Income Fund should understand and accept the risks associated with using derivatives for investment purposes including for option overlay. All Investors should read the Risk Warnings set out in section 11 below.

## 11. SPECIFIC RISK FACTORS

### General

Investors should be aware of the following risk factors when investing in the Funds:

It is important to remember that the price of units and the income from them can fall as well as rise and are not guaranteed. Investors may not get back the amount originally invested. Past performance should not be considered as a guide to future performance.

The initial charge on the issue of units is likely to have an impact on the realisable value of your investment, particularly in the short term. You should always regard stock market investment as long-term.

The Manager is required under the UCITS Regulations to employ a risk management process which will enable it to accurately monitor, manage and measure the risks attached to financial derivatives instruments that it uses and their contribution to the overall risk profile of each fund. The commitment method used by the Manager is one of the two methods explicitly permitted under the UCITS Regulations for this purpose, and details of this process have been provided to the Regulator in the risk management process statement. The Manager will, upon request, provide supplementary information to unitholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk characteristics of the main category of investments.

### **Investment Risk**

The main risks arising from the Funds' financial instruments are market price risk, exchange rate risk, interest rate risk, liquidity risk, derivatives and warrants risk and credit and counter-party risk. These risks are summarised below, although these risks cannot be eliminated, the Manager has policies in place for managing and mitigating each of these risks as appropriate.

#### **Market price risk**

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Funds might suffer through holding market positions in the face of price movements. The Manager reviews the portfolios in order to consider the asset allocation implications and to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the Funds' investment objectives. An individual fund manager has responsibility for monitoring the existing portfolios, in accordance with the overall asset allocation parameters and seeks to ensure that individual stocks also meet an acceptable risk-reward profile.

Liontrust UK Smaller Companies Fund, Liontrust Special Situations Fund and Liontrust UK Micro Cap Fund may have a significant proportion of their assets in companies which are traded on the Alternative Investment Market (AIM). The nature of AIM investments is such that prices can be volatile and realisations may not achieve current book value, especially when such sales represent a significant proportion of that company's market capital.

As Liontrust Special Situations Fund and Liontrust European Growth Fund will have a concentrated portfolio of stocks, if the price of one of these stocks should move significantly, this may have a notable effect on the value of the respective portfolio.

#### **Emerging Markets Risk**

Certain Funds may invest in securities of issuers in emerging markets. Such securities may involve a high degree of risk and may be considered speculative. Risks include (i) greater risk of expropriation, confiscation, taxation, nationalisation, and social, political and economic instability; (ii) the smaller markets for securities of emerging markets issuers and lower volumes of trading, resulting in lack of liquidity and in greater price volatility, (iii) certain national policies which may restrict the investment opportunities available in respect of a Fund, including restrictions on investing in issuers or industries deemed sensitive to relevant national interests and on the realisation or repatriation of foreign investment; (iv) currency instability and hyper-inflation; and (v) the absence of developed legal structures governing private or foreign investment and private property.

The accounting, auditing and financial reporting standards of countries in which the Funds may invest in respect of a Fund are likely to be less extensive than those applicable to United States or United Kingdom companies, particularly in emerging markets.

#### **Exchange rate risk**

Changes in the rate of exchange of currencies may affect the value of your investment, to the extent that the Funds may invest in stocks denominated in foreign currencies. The effect of currency movements can be significant for a Fund where some or all of its investments are denominated in currencies other than pounds sterling and may adversely affect the value of an investment.

A fund may also use hedging to mitigate the exchange rate risk, but this will not remove all exchange rate risk. In addition, depending on an investor's currency of reference, currency movements may adversely affect the value of an investment. The Liontrust European Enhanced Income Fund (apart from the Unhedged Classes) will use



currency hedging to help protect the returns in pounds sterling terms however whilst the currency hedging is in place to try to reduce currency exposure, there is no guarantee it will eliminate currency exposure entirely. Investors should note that this strategy may substantially limit holders of the relevant class from benefiting if the denominated currency of the class falls against the Base Currency of the Fund or the currency in which the assets of the Fund are denominated.

#### **Interest rate risk**

Interest receivable on bank deposits or payable on any borrowing will be affected by fluctuations in interest rates. Changes in interest rates, or in the market's expectations of future interest rates may have a significant impact on the prices of equities, bonds and other asset classes.

#### **Liquidity risk**

The Funds' assets mainly comprise securities that can be readily sold. Liontrust UK Smaller Companies Fund and Liontrust UK Micro Cap Fund invest almost exclusively in smaller companies, which may be less liquid than larger companies. Liontrust Special Situations Fund also invests a large proportion of its assets in smaller companies. In addition, Liontrust Global Income Fund will invest some of its assets in smaller companies. Liontrust Asia Income Fund invests primarily in Asian companies, which may be less liquid than companies in more developed markets. The main liability of the Funds is the redemption of any units that investors wish to sell.

#### **Derivatives and warrants risk**

**The use of futures, options, warrants, forwards or swaps involves increased risk.** A Fund's ability to use such instruments successfully depends on the Investment Adviser's ability accurately to predict movements in stock prices, interest rates, currency exchange rates or other economic factors and the availability of liquid markets. If the Investment Adviser's predictions are wrong, or if the derivatives do not work as anticipated, the Fund could suffer greater loss than if the Fund had not used derivatives. The use of derivatives for hedging purposes also involves certain special risks, including (1) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates, (2) imperfect correlation between the hedging instruments and the securities or market sectors being hedged, (3) the fact that skills needed to use these instruments are different from those needed to select the Fund's securities and (4) possible impediments to effective portfolio management or the ability to meet redemption.

#### **Writing Call Options**

The Liontrust European Enhanced Income Fund will write out of the money call options to generate additional income. These call options will be "covered", as the fund will not sell a call option on a specific stock unless it has a long equity exposure to that stock (either directly or indirectly via financial derivatives). As a consequence, the ability of the Investment Adviser to change the make up of the portfolio may be constrained. Unitholders should note that potential capital growth of the fund would be capped if these call options are exercised against the fund and the fund's capital returns are likely to be lower than the market in periods of rapidly rising share prices.

Options may also be traded directly on exchange or over-the-counter ("OTC"). It is anticipated that the call options will initially be transacted through an OTC counterparty, and once agreed, confirmed and cleared using the services provided by an exchange. Further information on this process is available on request. This allows the fund to benefit from the flexibility of OTC options whilst gaining the benefits of an exchange and clearing house environment. This reduces both operational and counterparty risk to the fund.

**Use of derivatives for efficient portfolio management will generally have the effect of reducing the risk profile and volatility of the Funds. Use of derivatives for investment purposes (which is permissible for all the Funds except Liontrust FTSE 100 Tracker Fund) may increase the risk profile and volatility of the Funds.**

**Warrants can expose a Fund to a higher degree of risk because of the effect of gearing, so that a relatively small movement in the price of the underlying security results in a disproportionately large movement in the price of a warrant. The prices of warrants can therefore be volatile. As up to 100% of the property of a Fund may be invested in warrants, the net asset value of that Fund may at times be highly volatile.**

#### **Credit and counterparty risk**

Certain transactions in securities that the Funds enter into expose them to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Funds have fulfilled their responsibilities. Unitholders should also note that settlement mechanisms in emerging markets are generally less developed and reliable than those in more developed countries and that this therefore increases the risk of settlement default, which could result in substantial losses for the relevant Fund in respect to investments in emerging markets. Unitholders should also note that the securities of small capitalisation companies as well as the securities of companies domiciled in emerging markets are less liquid and more volatile than more developed stock markets and this may result in fluctuations in the price of the Units of the relevant Fund.

Investments in derivatives that a Fund enters into expose it to the risk that the counterparty will not fulfil their obligations. A Fund will be exposed to credit risk on the counterparties with which it trades in relation to options, futures, contracts and other derivative financial instruments that are not traded on a Recognised Exchange. Such instruments are not afforded the same protections as may apply to participants trading futures or options on organised exchanges, such as the performance guarantee of an exchange clearing house. A Fund will be subject to the possibility of the insolvency, bankruptcy or default of a counterparty with which the Fund trades such instruments, which could result in substantial losses to the relevant Fund.

The Funds will be obliged to pay margin deposits and option premiums to brokers in relation to futures and option contracts entered into for each Fund. While exchange traded contracts are generally guaranteed by the relevant exchange, the Fund may still be exposed to the fraud or insolvency of the broker through which the transaction is undertaken. The Investment Adviser will seek to minimise this risk by trading only through high quality names, the Funds only buy and sell investments through brokers which have been approved by the Investment Adviser as an acceptable counterparty. This list is reviewed at least annually.

Any counterparty to a total return swap or other OTC derivative contract shall fall within one of the following categories:

- (i) a credit institution which falls within any of the categories set down in UCITS regulation;
- (ii) an investment firm authorised in accordance with MiFID; or
- (iii) a group company of an entity issued with a bank holding company license from the Federal Reserve of the United States of America where that group company is subject to bank holding company consolidated supervision by that Federal Reserve

Any counterparty to an OTC derivative contract or a securities financing transaction shall be subject to an appropriate internal assessment carried out by the Manager, which shall include amongst other considerations, external credit ratings of the counterparty, the regulatory supervision applied to the relevant counterparty, country of origin of the counterparty and legal status of the counterparty.

Save where the relevant counterparty to the relevant securities financing transaction or OTC derivative contract is an Approved Credit Institution, where such counterparty (a) is subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Manager in the credit assessment process; and (b) where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in subparagraph (a) this shall result in a new credit assessment being conducted of the counterparty by the Manager without delay.

#### **Political, Regulatory, Settlement and Sub-Custodial Risk**

The value of a Fund's assets may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets. As some of the Funds may invest in markets where the trading, settlement and custodial systems are not fully developed, the assets of a Fund which are traded in such markets and which have been entrusted to sub-custodians in such markets may be exposed to risk in circumstances in which the Custodian will have no liability.

#### **Liontrust FTSE 100 Tracker Fund**

Liontrust FTSE 100 Tracker Fund is an index tracking unit trust. As such, it will remain fully invested at all times. Unlike actively managed unit trusts there is no fund manager exercising discretion over individual shares held within the portfolio. This could mean, for example, that even if the prospects for a particular share are perceived to be poor, if that particular share is a constituent of the FTSE 100 Index, it will be included within the Fund's portfolio.

The Liontrust FTSE 100 Tracker Fund seeks to track the performance of the FTSE 100 Index through a replication model, however, in managing the short-term liquidity of the Fund and its income, the Manager may, from time to time, invest in FTSE 100 Index futures in accordance with the rules of the COLL Sourcebook regarding hedging. Via the holding of Index futures Unitholders will be exposed to counterparty risk, see above more details on counterparty risk.

The FTSE 100 Index rebalances on a quarterly basis. Further details regarding the Index (including its constituents) are available on the index provider's website at <http://www.ftse.com/Indices/>

### **Tracking Error**

While the Liontrust FTSE 100 Tracker Fund seeks to track the performance of the FTSE 100 Index through replication, there is no guarantee that it will achieve perfect tracking and the Fund is subject to tracking error risk, which is the risk that its returns may not track exactly those of the FTSE 100 index, from time to time. This tracking error may result from an inability to hold the exact constituents of the FTSE 100 index, for example where there are local market trading restrictions, small illiquid components and/or where the COLL Sourcebook and/or any other applicable regulations limit exposure to the constituents of the Index.

### **Anticipated Tracking Error of the Liontrust FTSE 100 Tracker Fund**

Tracking error is the annualised standard deviation of the difference in monthly returns between a Fund and its Benchmark Index. Anticipated tracking error is based on the expected volatility of differences between the returns of the Fund and the returns of the Benchmark Index. One of the primary drivers of tracking error is the difference between fund holdings and index constituents. Cash management and trading costs from rebalancing can also have an impact on tracking error as well as the return differential between the Fund and the Benchmark Index. The impact can be either positive or negative depending on the underlying circumstances.

A Fund's tracking error may be affected if the times at which a Fund and its Benchmark Index are priced are different. As the Fund is valued at midday, but the FTSE 100 Index is valued at the time the UK market close for business, the tracking error of the Fund at its Valuation Point may appear to be higher than if the Fund and the Benchmark Index were priced at the same time.

The tracking difference (the difference between the performance of the Fund and the performance of the index tracked) for the previous year is disclosed in the annual Manager's Report and Financial Statements. The tracking difference is based on actual portfolio returns calculated at the valuation point (12pm) and the actual benchmark returns calculated at close of business (4.30pm) and also incorporates the effects of Fund expenses, trading activity, using futures for efficient portfolio management and holding cash in the fund over the course of the year.

As at the date of this prospectus, the administrator of the Index, namely FTSE is availing of the transitional arrangements afforded under Regulation (EU) 2016/1011 (the "Benchmark Regulation") and accordingly does not appear on the register of administrators and benchmarks maintained by ESMA pursuant to Article 36 of the Benchmark Regulation

### **Risks Resulting From Tax Publication Requirements in Germany**

Some of the Funds intend to publish the tax information for Germany pursuant to the German Investment Tax Act (*Investmentsteuergesetz*). Upon request, the relevant Funds must provide documentation to the fiscal authorities in order to prove the accuracy of the published tax information. The basis upon which such figures are calculated is open to interpretation and it cannot be guaranteed that the German fiscal authorities will accept the Fund's calculation methodology in every material respect. Where these publications turn out to have been incorrect in the past, any subsequent correction will, as a general rule, not have retrospective effect but will only be accounted for in the publication for the current financial year. The correction may positively or negatively affect the unitholders who receive a distribution or an attribution of deemed income distributions in the current financial year.

### **Charges to capital**

Where the generation of income is a higher priority than capital growth, or the generation of income and capital growth have equal priority, all or part of the fees and other expenses may be charged against capital instead of against income. This treatment of the fees and other expenses will increase the amount of income (which may be taxable) available for distribution to Unitholders in the fund concerned but may constrain capital growth. Currently a number of the Liontrust funds can take charges from capital, details are set out below in section 25 Charges, Fees and Expenses.

### **Securities Lending and Securities Financing Transactions Risk**

The Funds may engage in stock lending or securities financing transactions with the Trustee where the Trustee lends the securities which are the subject of the transaction, in return for which it is agreed that securities of the same kind and amount should be re-delivered to the Trustee at a later date. The Trustee receives assets as collateral to cover the risk of the future re-delivery not being completed. The Trustee ensures that it is at any time able to terminate any securities lending agreement into which it has entered. As with any extensions of credit, there are risks of delay and recovery. Should the borrower of securities fail financially or default in any of its obligations under any securities lending transaction, the collateral provided in connection with such transaction will be called upon. The value of the collateral will be maintained to equal or exceed the value of the securities transferred. However there is a risk that the value of the collateral may fall below the value of the securities transferred. In addition, as a fund may

invest cash collateral received, subject to the conditions and within the limits laid down in the COLL Sourcebook, a fund investing collateral will be exposed to the risk associated with such investments, such as failure or default of the issuer of the relevant security.

### **Fund Specific Risk Management**

Additional information, supplementary to this Prospectus, is available from the Manager regarding the quantitative limits applying to the risk management of each Fund and the methods used to manage them, together with notes regarding any recent development of the risk and yields of the main categories of investment.

### **Cyber Security Risk**

The Manager and its service providers are susceptible to operational and information security and related risks of cyber security incidents. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber security attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g. through “hacking” or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cyber attacks also may be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make services unavailable to intended users). Cyber security incidents affecting the Manager, the Investment Adviser, the Administrator or the Trustee or other service providers such as financial intermediaries have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, including by interference with the ability to calculate its Net Asset Value; impediments to trading for a Fund's portfolio; the inability of Unitholders to transact business with the Funds; violations of applicable privacy, data security or other laws; regulatory fines and penalties; reputational damage; reimbursement or other compensation or remediation costs; legal fees; or additional compliance costs. Similar adverse consequences could result from cyber security incidents affecting issuers of securities in which a Fund invests, counterparties with which a Fund engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions and other parties. While information risk management systems and business continuity plans have been developed which are designed to reduce the risks associated with cyber security, there are inherent limitations in any cyber security risk management systems or business continuity plans, including the possibility that certain risks have not been identified.

***The above should not be considered to be an exhaustive list of the risks which potential investors should consider before investing in any of the Funds. Potential investors should be aware that an investment in a fund may be exposed to other risks of an exceptional nature from time to time.***

## 12. INVESTMENT OBJECTIVES AND POLICY

The Funds will be managed so as to meet the requirements to be qualifying investments for an Individual Savings Account (“ISA”).

For investors in France, the Liontrust Special Situations Fund and the Liontrust UK Growth Fund are eligible investments for a PEA (plan d'épargne en actions). This means the Funds have at least 75% of their Assets invested at all times in the equity of corporate issuers with their registered office in an EEA country (excluding Liechtenstein).

The Manager reserves the right to cease managing the above Funds so that they are eligible for investment through a PEA should it determine that doing so would no longer enable the Funds to comply with their investment objectives, not be in the interests of all Unitholders in the Funds or be impractical due to changing market conditions. Should the Manager decide to cease managing the Funds so that they are eligible for investment through a PEA, the Manager will notify the registered Unitholders resident in France at least one month in advance of the Funds ceasing to be managed to be eligible for investment through a PEA.

The investment objectives and policy of each of the Funds are explained below:

### **Liontrust Asia Income Fund**

The investment objective of Liontrust Asia Income Fund is to provide a high level of income with long term capital appreciation.

Although the Fund may invest in all economic sectors in all parts of the world, it is intended that it will currently invest primarily in equities and equity-related derivatives (such as total return swaps of equities, futures and options) in companies deriving the majority of their revenues in Asia Pacific excluding Japan which are listed on a recognised stock exchange worldwide. The Fund may also invest in other transferable securities, money market instruments, warrants, cash and near cash and deposits. The Fund may also invest up to 10% of its property in units or shares in collective investment schemes. The Fund is permitted to use derivatives for the purposes of efficient portfolio management and for investment purposes.

### **Liontrust European Income Fund**

The investment objective of the Liontrust European Income Fund is to provide a high level of income, in order to meet this objective, it is intended that the yield of the Fund (the sum of all net distributions in an accounting period divided by the unit price at the end of said period) will be in excess of the net yield of the MSCI Europe ex UK Index each year but this cannot be guaranteed and the yield may also be adjusted in the light of market conditions although it is not expected that this will be a regular occurrence.

The Fund will predominantly invest in securities of companies incorporated in Continental Europe and Ireland or in companies that are headquartered or quoted outside Europe which derive a significant part of their business from Europe and whose securities are listed or traded on an eligible securities or derivatives exchange. The Fund will not be restricted in choice of investment by either size, sector or country.

The Fund may also invest in other transferable securities, money market instruments, warrants, cash and near cash and deposits. The Fund may also invest up to 10% of its property in units or shares in collective investment schemes. The Fund is permitted to use derivatives for the purposes of efficient portfolio management.

### **Liontrust European Growth Fund**

The investment objective of Liontrust European Growth Fund is to provide long-term capital growth through a concentrated portfolio of investments primarily in European companies excluding the UK.

Although the Fund may invest in all economic sectors in all parts of the world, it is intended that it will currently invest primarily in equities in companies incorporated in any European Economic Area (“EEA”) Member State, together with Switzerland, but other than the UK, which are listed on a recognised stock exchange of an EEA Member State or Switzerland. The Fund may also invest in transferable securities, money market instruments, warrants, cash and near cash and deposits. The Fund may also invest up to 10% of its property in units or shares in collective investment schemes. The Fund is permitted to use derivatives for the purposes of efficient portfolio management and for investment purposes.

### **Liontrust European Enhanced Income Fund**

The investment objective of the Liontrust European Enhanced Income Fund is to provide a high income yield. In order to meet this objective, it is intended that the target yield (the sum of all net distributions in an accounting

period divided by the unit price at the start of said period) will be in excess of 1.25 times the net yield of the MSCI Europe ex UK index each year but this cannot be guaranteed and the target range may also be adjusted in the light of market conditions although it is not expected that this will be a regular occurrence.

The Fund will predominantly invest in securities of companies incorporated in Continental Europe and Ireland or in companies that are headquartered or quoted outside Europe which derive a significant part of their business from Europe and whose securities are listed or traded on an eligible securities or derivatives exchange. The Fund may also invest in European emerging markets. The Fund will not be restricted in choice of investment by either size, sector or country.

Although the majority of the Fund's investments are expected to be in non-sterling currencies, the Fund's Units (apart from the Unhedged Classes) will use forward foreign exchange contracts to hedge the total return of the Fund's investments in certain Unit Classes ("Unit Class Hedging") against changes in the exchange rate between the currency of denomination of the financial instruments held by the Fund and the base currency of the Fund, which is pounds sterling. Any financial instruments used to implement hedging of any hedged Classes shall be assets/liabilities of the Fund as a whole but will be attributable to the relevant Unit Class(es) and the gains/losses and the costs of the relevant financial instruments will accrue solely to the relevant Class(es). Any currency exposure of a Class may not be combined with or offset against that of any other Class of a Fund. The Investment Adviser will review the hedging on a daily basis, adjusting the hedge when there is a material change that requires the hedging to be adjusted however, there can be no assurance that such hedging transactions will be undertaken and, if undertaken, will be effective or beneficial. It is not the intention to over-hedge or under-hedge positions, but this may occur due to factors outside the control of the Fund. Over-hedged positions will not exceed more than 105% of the Net Asset Value of the Class. Hedged positions will be kept under review by the Investment Adviser to ensure that over-hedged positions of any hedged Class do not exceed 105% of the Net Asset Value of such a Class. To the extent that such hedging is successful, the performance of the hedged Classes is unlikely to move in line with the performance of the underlying assets and that investors in a hedged Class will not benefit if the Fund's investments' currency rises against the base currency.

The Fund may also invest in transferable securities, money market instruments, warrants, cash and near cash and deposits. The Fund may invest up to 10% of its property in units or shares in collective investment schemes. In addition, the Fund may use derivatives for investment purposes and for efficient portfolio management. The Fund will use derivative instruments to generate additional income by systematically writing "out of the money" call options, these call options must be covered. The use of call options will constrain capital growth if the call options are exercised against the Fund when they are in the money.

### **Liontrust FTSE 100 Tracker Fund**

The investment objective of the Liontrust FTSE 100 Tracker Fund is to match the capital performance of the FTSE 100 Index, which comprises the UK's one hundred largest companies.

It will be achieved principally by replicating the constituents of the FTSE 100 Index. However, in managing the short-term liquidity of the Fund and its income, the Manager may, from time to time, invest in FTSE 100 Index futures in accordance with the rules of the COLL Sourcebook regarding hedging.

### **Liontrust Global Income Fund**

The investment objective of Liontrust Global Income Fund is to provide a high level of income with capital values keeping pace with inflation.

The Fund invests primarily in listed securities of global companies. The Fund may also invest in transferable securities, money market instruments, warrants, cash and near cash and deposits. The Fund may also invest up to 10% of its property in units or shares in collective investment schemes. The Fund is permitted to use derivatives for the purposes of efficient portfolio management and for investment purposes.

### **Liontrust Macro Equity Income Fund**

The investment objective of the Liontrust Macro Equity Income Fund is to provide Unitholders with a rising level of income, together with capital growth. In providing an above average level of income, particular attention will be paid towards capital security and maintenance. There is no restriction on the economic sectors or geographical areas in which the Fund may invest, however, the investments will be predominantly in ordinary shares of UK companies, although the Fund may also invest in other transferable securities, collective investment schemes, warrants, money market instruments and deposits.

The Fund is permitted to use derivatives for the purposes of efficient portfolio management and for investment purposes

### **Liontrust Macro UK Growth Fund**

The investment objective of the Liontrust Macro UK Growth Fund is to provide Unitholders with a combination of long term capital growth and a measure of income derived from a diversified portfolio of predominantly UK equities and bonds.

The Fund is permitted to use derivatives for the purposes of efficient portfolio management and for investment purposes.

### **Liontrust Special Situations Fund**

The investment objective of Liontrust Special Situations Fund is to provide long-term capital growth.

To achieve this aim, the Fund will invest primarily in a concentrated portfolio of UK companies' shares. The Fund will invest where the fund manager believes there are the greatest opportunities to provide long term capital growth. The Fund will not be restricted in choice of investment by either size or sector. The Fund may also invest in transferable securities, money market instruments, warrants, cash and near cash and deposits. The Fund may also invest up to 10% of its property in units or shares in collective investment schemes. The Fund is permitted to use derivatives for the purposes of efficient portfolio management and for investment purposes.

### **Liontrust UK Growth Fund**

The investment objective of Liontrust UK Growth Fund is to provide long-term capital growth through a portfolio of mainly United Kingdom ("UK") equities but with the option of investing part of the portfolio overseas.

Although the Fund may invest in all economic sectors in all parts of the world, it is intended that it will currently invest primarily in securities in companies listed on the International Stock Exchange of the UK and Ireland. The Fund may also invest in shares issued by companies incorporated in any European Economic Area ("EEA") Member State other than the UK which are listed on a recognised stock exchange of an EEA Member State. The Fund may also invest in transferable securities, money market instruments, warrants, cash and near cash and deposits. The Fund may also invest up to 10% of its property in units or shares in collective investment schemes. The Fund is permitted to use derivatives for the purposes of efficient portfolio management and for investment purposes.

### **Liontrust UK Micro Cap Fund**

The investment objective of the Liontrust UK Micro Cap Fund is to provide long-term capital growth by investing primarily in small UK companies.

To achieve this aim, the Fund will invest primarily in a portfolio of UK domiciled small companies. The majority of the Fund will be invested in UK domiciled companies with a market capitalisation of less than £150m. Companies within the Fund that grow above a market capitalisation of £250m will be held until suitable replacement investments are found or until such time as the Manager deems it to be in Unitholders' interest to dispose of them. The Fund may also hold larger companies, or invest in other transferable securities, money market instruments, warrants, cash and near cash and deposits. The Fund may also invest up to 10% of its property in units or shares in collective investment schemes. The Fund is permitted to use derivatives for the purposes of efficient portfolio management. The Fund is also permitted to use derivatives for investment purposes, however the Fund will only do so on providing investors with 60 days' notice.

### **Liontrust UK Smaller Companies Fund**

The investment objective of Liontrust UK Smaller Companies Fund is to provide long-term capital growth by investing primarily in smaller UK companies displaying a high degree of Intellectual Capital and employee motivation through equity ownership in their business model.

To achieve this aim, the Fund will invest in a portfolio of UK smaller companies' shares, the majority of which are contained within the FTSE Small Cap., the FTSE Fledgling and the AIM indices. Companies within the Fund that graduate into the FTSE 250 Index will be held until a suitable replacement company is found. The Fund may also invest in transferable securities, money market instruments, warrants, cash and near cash and deposits. The Fund may also invest up to 10% of its property in units or shares in collective investment schemes. The Fund is permitted to use derivatives for the purposes of efficient portfolio management and for investment purposes.

## **13. INVESTMENT RESTRICTIONS**

The investment objectives and policy are subject to the limits on investment under the COLL Sourcebook. The restricted limits, which apply to all the Funds, are summarised below:

- a. The Funds may invest without limit in approved securities which are transferable securities listed on an Eligible Securities Market and (except Liontrust FTSE 100 Tracker Fund) in approved money-market instruments.

- b. A Fund may invest in a transferable security only to the extent that the transferable security fulfils the following criteria:
- i. the potential loss which the Fund may incur with respect to holding the transferable security is limited to the amount paid for it;
  - ii. 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 under the FCA Rules;
  - iii. reliable valuation is available for it as follows:
    - in the case of a transferable security admitted to or dealt in on an eligible market, where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers;
    - in the case of a transferable security not admitted to or dealt in on an eligible market, where there is a valuation on a periodic basis which is derived from information from the issuer of the transferable security or from competent investment research;
  - iv. appropriate information is available for it as follows:
    - in the case of a transferable security admitted to or dealt in on an eligible market, where there is regular, accurate and comprehensive information available to the market on the transferable security or, where relevant, on the portfolio of the transferable security;
    - in the case of a transferable security not admitted to or dealt in on an eligible market, where there is regular and accurate information available to the Manager on the transferable security or, where relevant, on the portfolio of the transferable security;
  - v. it is negotiable; and
  - vi. its risks are adequately captured by the risk management process of the Manager.

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:

- i. not to compromise the ability of the Manager to comply with its obligation to redeem units at the request of any qualifying unitholder; and
  - ii. to be negotiable.
- c. 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. All the Funds (except Liontrust FTSE 100 Tracker Fund) are able to invest in approved money-market instruments.
- d. Under the terms of the COLL Sourcebook, up to 10% in value of the property of each of the Funds may consist of transferable securities which are not admitted to or dealt in on an Eligible Securities Market or money-market instruments that are not approved money-market instruments (except Liontrust FTSE 100 Tracker Fund which may not invest in money-market instruments).
- e. No more than 5% in value of the property of a Fund may be invested in transferable securities or approved money-market instruments issued by any single body. As exceptions to this:
- i. up to 10% in value of the property of a Fund may be invested in such securities issued by any single body, if the value of all such holdings does not exceed 40% of the value of the property of that Fund;
  - ii. for all Funds except Liontrust FTSE 100 Tracker Fund (which is not permitted to invest in covered bonds) up to 25% in value of the property of a Fund may be invested in respect of covered bonds, provided that where a Fund 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 property of the Fund; and
  - iii. as long as 35% or less of the property of the Fund is invested in government and public securities



issued by any one body, there is no limit on the amount which may be invested in:

- a. such securities; or
  - b. such securities issued by any one body or of any one issue.
- f. Each of the Funds (subject to paragraphs b) iv and j below in the case of Liontrust FTSE 100 Tracker Fund):
- i. must not acquire transferable securities (other than debt securities) which:
    - a) do not carry a right to vote on any matter at a general meeting of the body corporate that issued them; and
    - b) represent more than 10% of those securities issued by that body corporate;
  - ii. must not acquire more than 10% of the debt securities issued by any single body;
  - iii. must not acquire more than 10% of the units in a collective investment scheme; and
  - iv. must not acquire more than 10% of the approved money market instruments issued by any single body (except Liontrust FTSE 100 Tracker Fund which may not invest in money-market instruments).
- g. Up to 100% in value of the property of a Fund (except for Liontrust FTSE 100 Tracker Fund where the limit is 5% in value of the property of the Fund) may consist of warrants, provided that warrants may be held only if it is reasonably foreseeable that the exercise of the rights conferred by the warrants will not contravene the limits applicable to each of the Funds. **Warrants can expose a Fund to a higher degree of risk because of the effect of gearing, so that a relatively small movement in the price of the underlying security results in a disproportionately large movement in the price of a warrant. The prices of warrants can therefore be volatile. As up to 100% of the property of a Fund (except for Liontrust FTSE 100 Tracker Fund where the limit is 5% in value of the property of the Fund) may be invested in warrants, the net asset value of that Fund may at times be highly volatile.**
- h. Securities on which any sum is unpaid may be held provided that it is reasonably foreseeable that the amount of any existing or potential call for any sum unpaid could be paid by the Fund at any time when the payment is required without contravening the COLL Sourcebook.
- i. Up to 10% in value of the property of a Fund (except in the case of Liontrust FTSE 100 Tracker Fund, where the limit is 5% in value of the property of the Fund, which limit may be increased to 10% on 60 days' notice to unitholders in Liontrust FTSE 100 Tracker Fund) may be invested in units or shares in collective investment schemes ("second schemes") if the second schemes satisfy all of the conditions set out in COLL 5.2. 13R, including:
- (i) UCITS schemes; and
  - (ii) schemes which are not UCITS schemes provided such schemes comply with the conditions necessary for them to enjoy the rights conferred by the UCITS Directive or they are recognised schemes under FSMA.
- Each scheme in (i) and (ii) above must have terms which prohibit more than 10% of their assets consisting of units in other collective investment schemes.
- Any investment in collective investment schemes run by the Manager or an associate can only be made where COLL 5.2.16R is complied with (there is no double charging of the initial charge).
- j. Underwriting and sub-underwriting may, subject to certain conditions, be entered into for the account of a Fund. The exposure of the Fund to such agreements and undertakings must, on any business day, be such that, if all possible obligations arising under them had immediately to be met in full, there would be no breach of any limit applicable to the Fund.
- k. For Liontrust FTSE 100 Tracker Fund only, the Fund:
- i. may invest (up to a limit of 5% of the Fund) in certain structured instruments which have the purpose of increasing exposure to the performance of an index constituent share; and
  - ii. may invest up to 20% in value of the property of the Fund in shares and debentures which are issued by the same body.
- l. In respect of each Fund:

- i) **the Fund may consist of permitted derivatives and forward transactions for investment or efficient portfolio management purposes (except Liontrust FTSE 100 Tracker Fund, which may use derivatives and forward transactions for efficient portfolio management purposes only) which may increase the risk profile of the Fund. Derivatives may be used to create synthetic short positions. All derivatives will be subject to a risk management process to manage the risks associated with these derivatives;**
- ii) the exposure to any one counterparty in an OTC derivative transaction must not exceed 5 percent in value of the property of the Fund. This limit is raised to 10 percent where the counterparty is an approved bank;
- iii) a transaction in derivatives or a forward transaction must not be effected for the Fund unless the transaction is of a kind specified herein and the transaction is covered. Where the Fund invests in derivatives, the exposure to the underlying assets must not exceed the general limits on spread (noted in (e) to (i) above). Where a transferable security or money market instrument embeds a derivative, this must be taken into account for the purposes of complying with this section;
- iv) a transaction in a derivative must be in an approved derivative; or be one which complies with the requirements for entering into OTC transactions in derivatives. A transaction in a derivative must have the underlying consisting of any or all of the following to which the Fund is dedicated, i.e. transferable securities, money market instruments, deposits, derivatives, collective investment scheme units, financial indices, interest rates, foreign exchange rates, and currencies. A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market. A transaction in a derivative must not cause the Fund to diverge from its investment objectives as stated in the Trust Deed constituting the Fund and the most recently published version of this Prospectus. A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more, transferable securities, money market instruments, units in collective investment schemes, or derivatives. Any forward transaction must be with an approved counterparty. Any forward transaction must be made with an eligible institution or an approved bank. All derivatives transactions are deemed to be free of counterparty risk if they are performed on an exchange where the clearing house is backed by an appropriate performance guarantee; and it is characterised by a daily mark-to-market valuation of the derivative positions and at least daily margining;
- v) there is a requirement to cover sales; no agreement on behalf of the Fund to dispose of property or rights may be made unless the obligation to make the disposal and any other similar obligation could immediately be honoured by the Fund by delivery of property or the assignment (or, in Scotland, assignation) of rights, and the property and rights above are owned by the Fund at the time of the agreement. This requirement does not apply to a deposit.
- vi) any transaction in an OTC derivative must be:
- in a future, an option, a contract for difference or a swap;
  - with an approved counterparty; a counterparty to a transaction in derivatives is approved only if the counterparty is an eligible institution or an approved bank; or a person whose permission (including any requirements or limitations), as published in the FCA Financial Services Register or whose home state authorisation, permits it to enter into the transaction as principal off-exchange;
  - on approved terms; the terms of the transaction in derivatives are approved only if, the Manager carries out, at least daily, 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 can enter into one or more further transactions to sell, liquidate or close out that transactions at any time, at its fair value;
  - capable of reliable valuation; a transaction in derivatives is capable of reliable valuation only if the 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: on the basis of (i) an up-to-date market value which the Manager and the Trustee have agreed is reliable or (ii) if the value referred to in (i) is not available, on the basis of a pricing model with the Manager and the Trustee have agreed uses an adequate recognised methodology; and
  - 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 (i) 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 (ii) a department within the Manager which is independent from the department in charge of managing the property of the Fund and which is adequately equipped for such a purpose;

vii) collateral required under OTC derivative transactions must be:

- marked-to-market on a daily basis and exceed the value of the amount at risk;
- exposed only to negligible risks and is liquid;
- held by a third party custodian not related to the provider or is legally secured from the consequences of a failure of a related third party; and
- be fully enforced by the Fund at any time;

OTC derivative positions with the same counterparty may be netted provided that the netting procedures comply with the conditions set out in Section 3 (Contractual netting (Contracts for novation and other netting agreements)) of Annex III to the Banking Consolidation Directive; and are based on legally binding agreements;

viii) the Manager uses a risk management process, as reviewed by the Trustee, enabling it to monitor and measure as frequently as appropriate the risk of the Fund's positions and their contribution to the overall risk profile of the Fund. Before using the process, the Manager will notify the FCA of the details of the risk management process;

ix) the Fund may invest in derivatives and forward transactions as long as the exposure to which the Fund is committed by that transaction itself is suitably covered from within its property. Exposure will include any initial outlay in respect of that transaction. Cover ensures that the Fund is not exposed to the risk of loss of property, including money, to an extent greater than the net value of the property. Therefore, the Fund must hold property sufficient in value or amount to match the exposure arising from a derivative obligation to which the Fund is committed. Detailed requirements for cover of the Fund are set out below. A future is to be regarded as an obligation to which the Fund is committed (in that, unless closed out, the future will require something to be delivered, or accepted and paid for); a written option as an obligation to which the Fund is committed (in that it gives the right of potential exercise to another thereby creating exposure); and a bought option as a right (in that the purchaser can, but need not, exercise the right to require the writer to deliver and accept and pay for something). Cover used in respect of one transaction in derivatives or forward transaction must not be used for cover in respect of another transaction in derivatives or a forward transaction;

x) transactions may only be entered into if the maximum potential exposure created by the transaction, in terms of the principal or notional principal of the derivative, does not exceed the net asset value of the scheme property and their global exposure to the underlying assets does not exceed the investment limit laid down in the COLL Sourcebook.

Global exposure within a Fund is a measure of the maximum potential loss to the Fund from the use of derivative instruments. Depending on the risk profile of the Fund, this is calculated using the "commitment approach" or, where appropriate, the "Value-at-Risk approach", which is considered to be an advanced risk measurement methodology.

The "commitment approach" converts derivatives into the equivalent position in the underlying assets and thereby measures the incremental exposure provided by derivatives, after all appropriate netting or hedging positions have been removed. The commitment approach is currently used by all of the Funds.

- m. 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 that body corporate if immediately before the acquisition, the aggregate of any such securities held for that Fund, together with any such securities already held for other Funds of which it is the manager, gives the Manager power to influence significantly the conduct of business of that body corporate; or the acquisition gives the Manager that power. The 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 by it, exercise or control the exercise of 20% or more of the voting rights in that body corporate (disregarding for this purpose any temporary suspension of voting rights in respect of the transferable securities of that body corporate).
- n. Each Fund (except Liontrust FTSE 100 Tracker Fund, which may not invest in deposits) may invest the property of the Fund in deposits provided that not more than 20% in value of the property of the Fund is to consist of deposits with a single body.
- o. It is intended that Liontrust Asia Income Fund, Liontrust Global Income Fund, Liontrust Macro Equity

Income Fund, Liontrust Special Situations Fund and Liontrust UK Growth Fund will be master UCITS schemes. These Funds are not feeder UCITS schemes and will not hold units of a feeder UCITS.

**Additional provisions: The following additional provisions, o – s inclusive, reflect the requirements of the European Securities and Markets Authority (“ESMA”) Guidelines ESMA/2012/832EN and are subject to changes thereto as well as any changes made through their incorporation into the COLL Sourcebook. These additional provisions apply to all Funds launched after 18 February 2013 (the “ESMA Guidelines Effective Date”):**

**p. Repo contracts and stock lending arrangements**

The following applies to repo contracts and stock lending arrangements, in particular:

1. Repo contracts and stock lending may only be effected in accordance with normal market practice.
2. The Fund must have the right to terminate any stock lending arrangement which it has entered into at any time or demand the return of any or all of the securities loaned.
3. Where a Fund enters into a repurchase agreement, it must be able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.
4. Where a Fund enters into a reverse repurchase agreement, it must be able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the net asset value.
5. Fixed-term repo contracts that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.

**q. Risks and potential conflicts of interest involved in efficient portfolio management techniques**

There are certain risks involved in efficient portfolio management activities and the management of collateral in relation to such activities (see further below). Please refer to the section of this Prospectus entitled “Risk Factors” and, in particular but without limitation, the risk factors relating to derivative risks and counterparty risk. These risks may expose investors to an increased risk of loss.

**r. Management of collateral for OTC derivative transactions and efficient portfolio management techniques**

1. Collateral obtained in respect of OTC derivative transactions and efficient portfolio management techniques (“Collateral”), such as a repo contract or stock lending arrangement, must comply with the following criteria:
  - i. liquidity: Collateral (other than cash) should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation;
  - ii. valuation: Collateral should be capable of being valued on a daily basis and assets that exhibit high price volatility should not be accepted as Collateral unless suitably conservative haircuts are in place;
  - iii. issuer credit quality: Collateral should be of high quality;
  - iv. correlation: Collateral should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;
  - v. diversification: Collateral should be sufficiently diversified in terms of country, markets and issuers; and
  - vi. immediately available: Collateral must be capable of being fully enforced at any time without reference to or approval from the counterparty.

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral such that it should be sufficiently diversified in terms of country, markets and issuers.

2. Subject to the above criteria, Collateral must be in the form of one of the following:
  - i. cash; or
  - ii. a certificate of deposit; or
  - iii. a letter of credit; or
  - iv. a readily realisable security; or
  - v. commercial paper with no embedded derivative content; or
  - vi. a short-term money-market fund (as defined in ESMA’s “guidelines on a common definition of European money market funds”) or a qualifying money market fund.
3. Until the expiry of the repo contract or stock lending arrangement, Collateral obtained under such contracts or arrangements:
  - i. must be marked to market daily; and
  - ii. is intended to equal or exceed the value of the amount invested or securities loaned.
4. Collateral must be held by the Trustee, or its agent (where there is title transfer). This is not applicable in the event that there is no title transfer in which case the Collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the Collateral.
5. Non-cash Collateral cannot be sold, re-invested or pledged.

**s. Additional spread limits**

With regard to OTC derivative transactions and efficient portfolio management techniques, including repo contracts and stock lending arrangements, a Fund’s exposure to any one counterparty must not exceed 5 per cent in value of the property. This limit is raised to 10 per cent where the counterparty is an approved bank.

**t. Haircut policy**

The Manager has implemented a haircut policy in respect of each class of assets received as Collateral. A haircut is a discount applied to the value of a Collateral asset to account for the fact that its valuation, or liquidity profile, may deteriorate over time. The haircut policy takes account of the characteristics of the relevant asset class, including the credit standing of the issuer of the Collateral, the price volatility of the Collateral and the results of any stress tests which may be performed in accordance with the collateral management policy. Subject to the framework of agreements in place with the relevant counterparty, which may or may not include minimum transfer amounts, it is the intention of the Funds that any Collateral received shall have a value, adjusted in light of the haircut policy, which equals or exceeds the relevant counterparty exposure where appropriate.

**u. Financial Indices**

Where a Fund invests in an index, or holds an index-based derivative, the financial index must satisfy the following criteria:

- i) the index must be sufficiently diversified;
- ii) the index must represent an adequate benchmark for the market to which it refers;
- iii) the index must be published in an appropriate manner; and
- iv) the financial index must be subject to independent valuation.

A financial index is sufficiently diversified if:

- i) 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;
- ii) 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
- iii) 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.

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

- i) it measures the performance of a representative group of underlying assets in a relevant and appropriate way;
- ii) 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
- iii) the underlying assets are sufficiently liquid, allowing users to replicate it if necessary.
- iv) if it has not been created and calculated on the request of one, or a very limited number of, market participants and according to the specifications of those market participants.

A financial index is published in an appropriate manner if:

- i) 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
- ii) 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.

A fund will not invest in commodity indices that do not consist of different commodities.

#### **14. BORROWING POWERS**

The Trustee may, on the instructions of the Manager and subject to the COLL Sourcebook, borrow money from an “eligible institution” or an approved bank (please see FCA Handbook, for full definition of “eligible institution” and “approved bank”) for the use of a Fund on terms that the borrowing is to be repayable out of the property of the Fund.

Borrowing must be on a temporary basis 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. The Manager must ensure that borrowing does not, on any business day, exceed 10% of the value of the property of the Fund.

This 10% limit also applies to other arrangements designed to achieve a temporary injection of money into the property of each Fund, in the expectation that such borrowing will be repaid e.g. by way of a combination of derivatives which produces an effect similar to borrowings.

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.

#### **15. DERIVATIVES – EFFICIENT PORTFOLIO MANAGEMENT**

The Trustee (on the instructions of the Manager) and the Manager may utilise the property of all the Funds listed in this Prospectus to enter into transactions for the purposes of efficient portfolio management. The purpose of efficient portfolio management is to achieve one or more of the following in respect of that Fund: reduce risk, reduce cost and/or generate additional capital or income with a risk level which is consistent with the risk profile of the relevant Fund and the risk diversification rules laid down in the COLL Sourcebook.

There is no limit on the amount of the property of a Fund which may be used for efficient portfolio management but the transaction must be economically appropriate to the reduction of the relevant risks (whether in property prices, interest rates or exchange rates) or to the reduction of the relevant costs and the exposure must be fully “covered” (i.e. not requiring a significant provision to be made in respect of it) by cash or other property sufficient to meet any obligation to pay or deliver that could arise. The use of derivatives for efficient portfolio management purposes will not affect the risk profile of any of the Funds.

These transactions (except stock lending transactions) may involve options, futures or contracts for differences which are dealt in or traded on an Eligible Derivatives Market or in special circumstances an “off-exchange option” or a “synthetic future” or a forward transaction in a currency. All transactions must be covered in order to limit the exposure to risk.

There are various possible ways in which economically appropriate transactions may be permitted as listed below:

### **Closing Out**

The property of a Fund may be used in transactions to close out another transaction.

### **Reduction of Risk**

The property of a Fund may also be used in a transaction which the Manager reasonably regards as economically appropriate to the reduction of risk or cost arising in the management of the Fund as a result of fluctuations in:

- the price of the property of the Fund or any part of the Fund; or
- the price of property which it is proposed should be acquired for the Fund; or
- the price of transferable securities of a particular description or relating to particular geographic or economic sectors where it is proposed that such securities should be acquired for the Fund; or
- interest rates; or
- exchange rates.

### **Better Pricing**

The Manager may enter into transactions where it appears reasonably economically appropriate in order to acquire or dispose of property of a Fund where the total price of the transaction, including for example the exercise price of an option, is reasonably regarded by the manager as a better price than if the property was acquired or disposed of directly.

### **Efficient Investing**

The Manager may enter into derivative transactions as an alternative to acquiring the underlying or the related securities, alone or in conjunction with the securities, in any case where such investment may be accomplished in a more efficient or less costly way through the use of derivatives..

### **Cash Flow Management**

The Manager may also enter into transactions it reasonably regards as economically appropriate to the reduction of risk or cost arising in the management of a Fund by reason of any receipt or expenditure of money which is certain to take place at some time and is anticipated to take place within one month.

### **Additional Returns**

The Manager is also permitted to enter into transactions it reasonably regards as economically appropriate with a view to generating additional income or capital for a Fund with no, or an acceptable degree of, risk but only on the basis that the Manager is certain (or certain barring accidents which are not reasonably foreseeable) that the Fund will derive some benefit whether by way of capital or income by:

- a. Arbitrage: enter into transactions to take advantage of pricing imperfections in the markets; or
- b. Writing options: call options may be written (giving the Fund an obligation to sell transferable securities if called on) on property which the Fund holds or may properly hold (or an index of securities wholly related to or reasonably congruent with such property) which appear to the Manager as certain to cause the Fund to derive some benefit. If a call option is written, there must be sufficient property to which the call option relates in the Fund, which may not be disposed of while the option is outstanding and which may be called on if the holder of the option decides to exercise it. If a put option is written, then it must have an expiry date within a reasonable time and must relate to property which the Manager wishes to include within the property of the Fund at the time of writing or exercise of the option.

### **Stock lending**

As an element of efficient portfolio hedging and in order to generate additional income for the Funds with an acceptable degree of risk, the Manager may request the Trustee to enter into certain stock lending transactions in respect of the Funds. Briefly, such transactions are those where the Trustee delivers the securities which are the subject of the transaction, in return for which it is agreed that securities of the same kind and amount should be re-delivered to the Trustee at a later date. The Trustee at the time of delivery of the securities receives assets as collateral to cover the risk of the future re-delivery not being completed. The Trustee will ensure that it is at any time able to terminate any securities lending agreement into which it has entered.

Such transactions must always comply with the relevant requirements of the Income and Corporation Taxes Act 1988. The transactions must also comply with the relevant requirements in the COLL Sourcebook, in particular COLL 5.4, and other relevant rules and guidance. There is no limit on the value of the property of the Funds which may be the subject of stock lending transactions.

For each Fund the income received is split between the Fund and the Global Sub-Custodians (related parties to the Trustee) who will manage the Stock lending activity. The current split of the income received is that the Global Sub-Custodians will receive 25% and the Fund will receive the balance.

## **16. DERIVATIVES – INVESTMENT PURPOSES**

The Funds (except for Liontrust FTSE 100 Tracker Fund and Liontrust European Income Fund, which may not use derivatives or forward transactions for investment purposes) may utilise derivative strategies to meet the investment objective and policy of the Fund. These strategies may include creating synthetic short positions. The use of these strategies will be subjected to a risk management process which will involve managing counterparty exposure, in respect of OTC derivative transactions, by holding collateral and/or netting positions with the same counterparty which are on equivalent terms.

**Use of derivatives for efficient portfolio management will generally have the effect of reducing the risk profile and volatility of the Funds. Use of derivatives for investment purposes may increase the risk profile and volatility of the Funds, although the Manager does not intend that the use of derivatives will affect the risk profile and volatility of the Funds.**

The Manager may use one or more separate counterparties for derivative instruments. The various limits and regulatory requirements relating to derivative instruments are described more fully in Section 13 above.

## **17. ELIGIBLE MARKETS**

The Funds may invest or deal in the list of Eligible Markets listed in Appendix 2.

## **18. THE CHARACTERISTICS OF UNITS IN THE FUNDS**

The nature of the rights represented by units is that of a beneficial interest under a Trust.

### **Voting Rights**

Neither the Manager nor any Associate of the Manager shall be entitled to vote at any meeting of unitholders except that the Manager and such an Associate may vote in respect of units which either of them holds as bare trustee or nominee on behalf of the person from whom either of them has received voting instructions. On a show of hands, every unitholder, who being an individual present in person, or being a corporation is present by a properly authorised representative, has one vote. On a poll, votes may be given either personally or by proxy. The voting rights for each unit is the proportion of the voting rights attached to all of the units in issue that the price of the unit bears to the aggregate price or prices of all the units in issue.

Where all the units in a Trust 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 to the process, instead be passed with the written consent of unitholders representing 50% or more, or for an extraordinary resolution 75% or more, of the units of the Fund in issue.

In the case of joint unitholders, the vote of the most senior 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 of unitholders.

### **Type of Units**

#### Income Units and Accumulation Units

There are two types of Unit, “Income Units” and “Accumulation Units”. An Income Unit is a unit in respect of which net distributable income attributed to such Units is distributed to holders on any relevant interim and annual allocation dates. However, holders of an Income Unit may elect at any time to have the distribution reinvested. 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 the Trust on the relevant interim and/or annual accounting dates. This is reflected in the price of an Accumulation Unit.

#### Retail, Institutional, Advised, Mandate and “S” Class Units

There are various classes of unit (each a “Class”) in each fund (“R”, “A”, “I”, “M” and “S” class units) as set out in Table 2 below”.

1. “R” Class Units or Retail Units which are available to the general public with a minimum investment of £1,000;



2. “T” Class Units or Institutional Units which are available to professional investors with a minimum investment of £5,000,000;
3. “A” Class Units or Advised Units which are available to Professional Advisors with a minimum investment of £1,000; and
4. “M” Class Units or Mandate Units which are available to Institutional Investors with a minimum investment as set out in table 6 below.
5. “S” Class Units which are available to Institutional Investors with a minimum investment as set out in table 7 below.

#### Hedged and Unhedged classes

All classes of all Liontrust funds are unhedged (the “Unhedged Classes”) except for the Liontrust European Enhanced Income Fund which has four unit classes (the “Hedged Classes”) which use currency hedging to help protect the returns in pounds sterling terms.

#### Other

Further Classes of Unit may be established from time to time by the Manager with the approval of the FCA, the agreement of the Trustee and in accordance with the Trust Deed. On the introduction of any new Class, a revised 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, currently all classes are denominated in pound sterling.

**Table 2: List of available classes for each fund**

<b>Available classes</b>	<b>ISIN Codes</b>
Liontrust Asia Income Fund (Advised, Income)	GB00B6RLLV55
Liontrust Asia Income Fund (Institutional, Income)	GB00B7BZB324
Liontrust Asia Income Fund (Retail, Income)	GB00B7GXM507
Liontrust Asia Income Fund (Mandate, Income)	GB00BGQVX767
Liontrust European Enhanced Income Fund (Institutional, Accumulation, Unhedged)	GB00BZC0HD49
Liontrust European Enhanced Income Fund (Institutional, Income, Unhedged)	GB00BZC0HB25
Liontrust European Enhanced Income Fund (Institutional, Accumulation, Hedged)	GB00BD2WZ873
Liontrust European Enhanced Income Fund (Institutional, Income, Hedged)	GB00BD2WZ766
Liontrust European Enhanced Income Fund (Retail, Accumulation, Hedged)	GB00BD2WZ659
Liontrust European Enhanced Income Fund (Retail, Income, Hedged)	GB00BD2WZ543
Liontrust European Growth Fund (Advised, Income)	GB00B7T92B14
Liontrust European Growth Fund (Institutional, Income)	GB00B4ZM1M76
Liontrust European Growth Fund (“S” Class, Income)	GB00BJL37P40
Liontrust European Growth Fund (Retail, Income)	GB00B1GKBD09
Liontrust European Income Fund (Institutional, Accumulation)	GB00BD2WZ436
Liontrust European Income Fund (Institutional, Income)	GB00BD2WZ329
Liontrust European Income Fund (Retail, Accumulation)	GB00BD2WZ212
Liontrust European Income Fund (Retail, Income)	GB00BD2WZ105
Liontrust FTSE 100 Tracker Fund (Retail, Income)	GB0007420895
Liontrust Global Income Fund (Advised, Income)	GB00B815XD35
Liontrust Global Income Fund (Institutional, Income)	GB00B56S8Y21
Liontrust Global Income Fund (Retail, Income)	GB0007010795
Liontrust Macro Equity Income Fund (Advised, Accumulation)	GB00B83BGM90

Liontrust Macro Equity Income Fund (Advised, Income)	GB00B8H9GB86
Liontrust Macro Equity Income Fund (Institutional, Accumulation)	GB00B88W5T75
Liontrust Macro Equity Income Fund (Institutional, Income)	GB00B888YP40
Liontrust Macro Equity Income Fund (Retail, Accumulation)	GB0033726984
Liontrust Macro Equity Income Fund (Retail, Income)	GB0033726877
Liontrust Macro UK Growth Fund (Advised, Accumulation)	GB00B8HK1619
Liontrust Macro UK Growth Fund (Advised, Income)	GB00B8B2TR00
Liontrust Macro UK Growth Fund (Institutional, Accumulation)	GB00B7MVB0Y07
Liontrust Macro UK Growth Fund (Institutional, Income)	GB00B8DB7264
Liontrust Macro UK Growth Fund (Retail, Accumulation)	GB0031896052
Liontrust Macro UK Growth Fund (Retail, Income)	GB0004932355
Liontrust Special Situations Fund (Advised, Income)	GB00B87GRQ11
Liontrust Special Situations Fund (Institutional, Income)	GB00B57H4F11
Liontrust Special Situations Fund (Institutional, Accumulation)	GB00BG0J2688
Liontrust Special Situations Fund (Retail, income)	GB00B0N6YF70
Liontrust Special Situations Fund (Mandate, Income)	GB00BG0J2795
Liontrust UK Growth Fund (Advised, Income)	GB00B8BTWR23
Liontrust UK Growth Fund (Institutional, Income)	GB00B56BDS09
Liontrust UK Growth Fund (Retail, Income)	GB0007014557
Liontrust UK Growth Fund (Mandate, Income)	GB00BD5CY988
Liontrust UK Growth Fund (Mandate, Accumulation)	GB00BD5CYB01
Liontrust UK Micro Cap Fund (Institutional, Accumulation)	GB00BDFYHP14
Liontrust UK Smaller Companies Fund (Institutional, Accumulation)	GB00B8HWPP49
Liontrust UK Smaller Companies Fund (Institutional, Income)	GB00B57TMD12
Liontrust UK Smaller Companies Fund (Retail, Income)	GB0007420788

## 19. VALUATION OF PROPERTY

The value of the property of each Fund shall be determined in accordance with the relevant rules of the FCA for dual priced funds (contained in the FCA's Collective Investment Scheme Sourcebook).

The property of the Funds will be valued on each Business Day (as defined within the FCA Handbook), at 12:00 noon, on a forward pricing basis, for the purpose of determining the issue and redemption prices of units. The calculation of the creation and cancellation prices of units will commence immediately thereafter. The property will be valued on the offer basis for the purpose of calculating the creation price of units and the amount of the initial charge, and on the bid basis for the purpose of calculating the cancellation price of units or for determining the investment limits.

The Manager may at any time during any business day carry out an additional valuation of the property of a Fund if the Manager considers it appropriate to do so. Any such additional valuation would be undertaken after consulting with the Trustee.

For the purpose of calculating the Manager's and the Trustee's annual charge, the value of the property will be determined on a mid-market basis. On the issue or repurchase of units by the Manager the relevant prices respectively will not exceed those calculated on the offer basis (together with the initial charge) and will not be less than those calculated on the bid basis. See appendix 1 for more details on the valuation of the Funds.

## 20. ISSUE AND REDEMPTION OF UNITS

Investors may apply in writing or telephone to purchase or redeem units from the Manager on any Business Day (as defined within the FCA Handbook), between 09:00 am and 17:00 pm.

### Opening an account

An investor's first instruction to open an account should be in writing and their cheques should accompany their applications. Cheques should be made payable to 'Liontrust Fund Partners LLP'. All purchases of units will be acknowledged by a contract note. In the case of telephone applications, payment is due immediately on receipt of the contract note.

Units will be issued at a Forward Price based on the buying price calculated by reference to the next valuation point. Certificates will not be issued in respect of registered units.

In its dealings in units the Manager is dealing as principal.

### **Redemption**

The minimum value of units (or lower, at the Manager's discretion) which may be redeemed in any one transaction is stated in the Tables below. Requests for redemption will be acknowledged by a contract note and units will be redeemed at a Forward Price based on the selling price calculated by reference to the next valuation point.

The investor must complete, sign and return to the Manager a Form of Renunciation, unless a Contractual Settlement Agreement is in place. Partial disposals are permitted, but the Manager may refuse to accept an instruction to redeem part of a holding if by doing so the residual value of the units remaining in the holding would be less than the minimum investment requirement (or lower, at the Manager's discretion) as stated in Tables 3-6 below.

The Manager may with prior agreement of the Trustee, or shall if the Trustee so requires, suspend the issue and redemption of units, ensuring that any such suspension is reviewed at least every 28 days, if the Manager or the Trustee is of the opinion that there is good and sufficient reason to do so having regard to the interests of the participants. In the event of a suspension of units, the Manager or the Trustee will immediately inform the FCA, stating the reason for its action. The Manager will ensure that a notification of the suspension is made to unitholders as soon as practicable after suspension commences and keep unitholders appropriately informed about the suspension including, if known, its likely duration. The calculation of creation and cancellation prices will recommence immediately following the valuation point following such circumstances ceasing to apply.

In relation to the Liontrust UK Micro Cap Fund, Liontrust European Income Fund and Liontrust European Enhanced Income Fund only, the Manager may defer redemptions at a particular valuation point to the next valuation point where the requested redemptions exceed 10% of the Scheme's value. The Manager will ensure the consistent treatment of all holders who have sought to redeem units at any valuation point at which redemptions are deferred. The Manager will also ensure that all deals relating to an earlier valuation point are completed before those relating to a later valuation point are considered.

Currently, transfers of title to units may not be effected on the authority of an electronic communication.

### **In-specie Redemptions**

A redemption request from a unitholder representing 5% or more of a Fund and in respect of which redemption is requested may (either at the request of the unitholder or by election of the Manager) be redeemed *in specie* in accordance with the COLL Sourcebook. In which case, instead of payment in cash, the redeeming unitholder will be entitled to a pro rata transfer of property out of the Fund and the units to the equivalent value of the *in specie* securities will be cancelled.

### **In-specie Creations**

In certain circumstances, the Manager may, at its discretion, accept securities in settlement of a purchase of units in the Funds, provided that the aggregate value of those securities exceeds £10,000,000, or lower at the Manager's discretion.

### **Settlement of Transactions**

When entering into any transaction to buy or sell units with the Manager, the unitholder is entering into a legally binding contract which provides that each transaction should be fulfilled to completion. Any unsettled transactions which remain following a period of 35 days after the transaction was dealt, may be subject to cancellation if either, in the case of sales of units, the settlement monies are not received from the unitholder or, in the case of a repurchase of units from a unitholder, the renunciation details are not completed by the unitholder. The Manager reserves the right to pass to the unitholder any charges or resultant loss that may occur in cancelling an unsettled transaction.

Proceeds of a redemption are paid to a client within the time specified in the FCA rules (normally within four working days of receiving the signed renunciation).

Proceeds for a purchase are due from a client within the time specified in the FCA rules (within four working days of a deal being dealt).

### **Net Dealing**

The Manager will not allow Net Dealing in any of its funds under any circumstances.

### **Minimum Investment and Redemption**

The minimum initial and subsequent investment, and the minimum redemption amount (all at the Manager's discretion), for each the Funds are listed below. The Manager reserves the right to waive the minimum initial and

minimum subsequent investment requirements.

### **Manager acting as principal**

The Manager acts as principal, unless otherwise stated, when dealing in units in Funds and may hold them (from valuation point to valuation point) for that purpose. The Manager is under no obligation to account to the Trustee or Unitholders for any profit it makes on the subsequent sale or cancellation of such units and will absorb any losses it incurs for these activities.

### **Client Money**

1) In accordance with the [Client Assets rulebook](#) (“CASS”) of the FCA Handbook, by agreeing to subscribe to purchase units in any Liontrust fund, unitholders agree for any unclaimed redemption monies held for more than 6 years without any activity (disregarding any payment of distributions, charges or similar items), to be paid to a charity of the Manager’s choice. Note that unclaimed redemption amounts will only be paid to charity after the Manager has taken all reasonable steps to trace the unitholder concerned in order to return the unitholder’s monies. See section 26 of the prospectus for the Manager’s policy for Unclaimed Distribution Payments.

2) In accordance with the CASS regulations the Manager chooses to operate under a Delivery versus Payment exemption. This exemption under FCA rules allows the Manager to not treat money as client money in the following two Delivery versus Payment scenarios:

- a) where the money is received from a client one day before the due settlement date in relation to the issuance of units in one of Liontrust’s funds; or
- b) where the money is held by the Manager in the course of units being redeemed where the proceeds of that redemption are paid to a client within the time specified in the FCA rules.

In these scenarios where money is not treated as client money, money is not protected and in the event that the Manager should fail this money is at risk. By agreeing to subscribe to any Liontrust funds, unitholders are agreeing for the Manager to operate under such arrangements. Should the Manager cease at any time using the Delivery versus Payment exemption, you will be pre-notified in writing ahead of the relevant cessation date.

3) In accordance with the CASS regulations, we are obliged to obtain unitholder agreement to use the Delivery versus Payment exemption within use of the Commercial Settlement Systems<sup>1</sup> we utilise. By subscribing to any Liontrust fund, unitholders confirm agreement to the use of such systems.

4) In relation to the CASS regulations the Manager confirms that it will not pay any interest on any client money balances.

5) In relation to the CASS regulations, by agreeing to subscribe to purchase units in any Liontrust fund, unitholders agree for the Manager and any applicable third party to establish a contractual agreement to cover the holding of client money by the third party in a client transaction account showing that it is holding the monies on behalf of Liontrust’s clients.

6) In accordance with the CASS regulations, in a scenario where money is treated as a client money, the Manager will issue an annual client money statement as at 22 December. Additionally the client has the right to request a client money statement at any time. The Manager may apply a reasonable charge for any additional client money statements that are requested.

7) In the event of insolvency of the financial institution, unitholders may be an eligible claimant under the Financial Services Compensation Scheme and be entitled as an individual to claim up to £85,000 in respect of the total cash the relevant unitholder holds directly and indirectly with the failed financial institution.

If unitholders require further information on the Client Assets rules please contact Liontrust who will be happy to provide further information.

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<sup>1</sup> a system commercially available to firms that are members or participants, a purpose of which is to facilitate the settlement of transactions using money and/or assets held on one or more settlement accounts. An examples of such a system that the Manager uses is Clearstream.

**Table 3: Minimum Initial and Subsequent Investment, and Minimum Redemption: Retail Units**

Fund	Retail Units ("R")		
	Minimum Investment		Minimum Redemption
	Initial	Subsequent	
Liontrust Asia Income Fund	£1,000	£1,000	£500
Liontrust European Income Fund	£1,000	£1,000	£500
Liontrust European Growth Fund	£1,000	£1,000	£500
Liontrust European Enhanced Income Fund	£1,000	£1,000	£500
Liontrust FTSE 100 Tracker Fund*	£1,000	£1,000	£500
Liontrust Global Income Fund	£1,000	£1,000	£500
Liontrust Macro Equity Income Fund	£1,000	£1,000	£500
Liontrust Macro UK Growth Fund	£1,000	£1,000	£500
Liontrust Special Situations Fund	£1,000	£1,000	£500
Liontrust UK Growth Fund	£1,000	£1,000	£500
Liontrust UK Micro Cap Fund	n/a	n/a	n/a
Liontrust UK Smaller Companies Fund	£1,000	£1,000	£500

**Table 4: Minimum Initial and Subsequent Investment, and Minimum Redemption: Institutional Units**

Fund	Institutional Units ("I")		
	Minimum Investment		Minimum Redemption
	Initial	Subsequent	
Liontrust Asia Income Fund	£5m	£100,000	£50,000
Liontrust European Income Fund	£5m	£100,000	£50,000
Liontrust European Growth Fund	£5m	£100,000	£50,000
Liontrust European Enhanced Income Fund	£5m	£100,000	£50,000
Liontrust FTSE 100 Tracker Fund*	n/a	n/a	n/a
Liontrust Global Income Fund	£5m	£100,000	£50,000
Liontrust Macro Equity Income Fund	£5m	£100,000	£50,000
Liontrust Macro UK Growth Fund	£5m	£100,000	£50,000
Liontrust Special Situations Fund	£5m	£100,000	£50,000
Liontrust UK Growth Fund	£5m	£100,000	£50,000
Liontrust UK Micro Cap Fund	£5m	£100,000	£50,000
Liontrust UK Smaller Companies Fund	£5m	£100,000	£50,000

**Table 5: Minimum Initial and Subsequent Investment, and Minimum Redemption: Advised Units**

Fund	Advised Units ("A")		
	Minimum Investment		Minimum Redemption
	Initial	Subsequent	
Liontrust Asia Income Fund	£1,000	£1,000	£500
Liontrust European Income Fund	£1,000	£1,000	£500
Liontrust European Growth Fund	£1,000	£1,000	£500

Liontrust European Enhanced Income Fund	£1,000	£1,000	£500
Liontrust FTSE 100 Tracker Fund*	n/a	n/a	n/a
Liontrust Global Income Fund	£1,000	£1,000	£500
Liontrust Macro Equity Income Fund	£1,000	£1,000	£500
Liontrust Macro UK Growth Fund	£1,000	£1,000	£500
Liontrust Special Situations Fund	£1,000	£1,000	£500
Liontrust UK Growth Fund	£1,000	£1,000	£500
Liontrust UK Micro Cap Fund	n/a	n/a	n/a
Liontrust UK Smaller Companies Fund	n/a	n/a	n/a

**Table 6: Minimum Initial and Subsequent Investment, and Minimum Redemption: Mandate Units**

Fund	Mandate Units (“M”)		
	Minimum Investment		Minimum Redemption
	Initial	Subsequent	
Liontrust Asia Income Fund	£25m	£1m	£1m
Liontrust European Income Fund	n/a	n/a	n/a
Liontrust European Growth Fund	n/a	n/a	n/a
Liontrust European Enhanced Income Fund	n/a	n/a	n/a
Liontrust FTSE 100 Tracker Fund*	n/a	n/a	n/a
Liontrust Global Income Fund	n/a	n/a	n/a
Liontrust Macro Equity Income Fund	n/a	n/a	n/a
Liontrust Macro UK Growth Fund	n/a	n/a	n/a
Liontrust Special Situations Fund	£500m	£1m	£1m
Liontrust UK Growth Fund	£75m	£1m	£1m
Liontrust UK Micro Cap Fund	n/a	n/a	n/a
Liontrust UK Smaller Companies Fund	n/a	n/a	n/a

**Table 7: Minimum Initial and Subsequent Investment, and Minimum Redemption: S Class Units**

Fund	S Class Units (“S”)		
	Minimum Investment		Minimum Redemption
	Initial	Subsequent	
Liontrust Asia Income Fund	n/a	n/a	n/a
Liontrust European Income Fund	n/a	n/a	n/a
Liontrust European Growth Fund	£100m	£1m	£1m
Liontrust European Enhanced Income Fund	n/a	n/a	n/a
Liontrust FTSE 100 Tracker Fund*	n/a	n/a	n/a
Liontrust Global Income Fund	n/a	n/a	n/a
Liontrust Macro Equity Income Fund	n/a	n/a	n/a
Liontrust Macro UK Growth Fund	n/a	n/a	n/a

Liontrust Special Situations Fund	n/a	n/a	n/a
Liontrust UK Growth Fund	n/a	n/a	n/a
Liontrust UK Micro Cap Fund	n/a	n/a	n/a
Liontrust UK Smaller Companies Fund	n/a	n/a	n/a

## 21. PUBLICATION OF PRICES

Valuations of holdings and the Liontrust fund prices can be obtained on request by telephone during normal working hours to our Customer Services Team on 0330 123 3822. Please note that security checks will be undertaken before any client specific information can be released. Liontrust also offers a 24 hour telephone service to clients to receive a valuation or fund price through an automatic voice recognition facility. Clients will need to register for this service. Details are available on request. Liontrust fund prices are also available on the Liontrust website [www.liontrust.co.uk/Products/FundPrices](http://www.liontrust.co.uk/Products/FundPrices).

## 22. HISTORIC FUND PERFORMANCE

The following table shows the percentage movement in the price for Units in each of the Funds for the last five discrete calendar years, where the Fund has been in existence for more than one year. Where Retail Units are available, the performance of these is shown. Where Retail Units are not available, the performance of Institutional Units is shown.

**Table 8: Historic Fund Performance for Units for each discrete calendar year, for the last five years.**

	2014	2015	2016	2017	2018
Liontrust Asia Income Fund (R)	6.6	-4.0	32.3	15.8	-9.0
Liontrust European Income Fund (R)*	-0.1	10.0	14.2	11.5	-11.5
Liontrust European Growth Fund (R)	3.8	8.0	25.3	11.0	-13.5
Liontrust European Enhanced Income Fund (R) Hedged **	6.8	15.9	-3.6	11.6	-13.0
Liontrust European Enhanced Income Fund (I) Unhedged	n/a	n/a	n/a	13.5	-11.9
Liontrust Global Income Fund (R)	-0.3	-5.1	27.6	7.6	-6.6
Liontrust Macro Equity Income Fund (R)	2.9	4.8	6.2	9.1	-12.7
Liontrust Macro UK Growth Fund (R)	3.0	5.4	-0.8	12.1	-14.6
Liontrust Special Situations Fund (R)	0.9	12.7	14.6	15.6	-3.1
Liontrust UK Growth Fund (R)	1.0	8.8	17.2	13.4	-6.8
Liontrust UK Micro Cap Fund (I)	n/a	n/a	n/a	22.2	3.1
Liontrust UK Smaller Companies Fund (R)	4.1	23.5	13.0	26.9	-6.3

Source: Financial Express, total return bid to bid basis, discrete calendar performance table from UK Investment Association UT and OEICs universe. Figures are for the accumulation units where available and if not are for the income units. Figures to 31.12.18. Up to date (the last calendar quarter end) past performance information may be obtained from the most recent relevant Fund Factsheets, available on our web-site [www.liontrust.co.uk](http://www.liontrust.co.uk) or by calling our Broker Services Support desk on 0330 123 3822.

\* The past performance relates to FP Argonaut European Income Fund which merged into the Liontrust European Income Fund in July 2016.

\*\* The past performance relates to FP Argonaut European Enhanced Income Fund which (Hedged Share Class) merged into the Liontrust European Enhanced Income Fund in July 2016

### Warning

The units in each of the Funds represent an investment connected with stock exchange securities. The price of units and the income from them can go down as well as up and the unitholder may not get back all of the initial investment. The unitholder should regard the investment as medium to long-term.

## 23. THE MANAGER'S POWER TO DEAL

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

## 24. TERMINATION OF THE FUNDS

A Fund shall be terminated if:

- a. the Order declaring the Fund to be an authorised unit trust scheme is revoked; or
- b. in response to a request to the FCA by the Manager or the Trustee for the Revocation of the Authorisation Order, the FCA has agreed, albeit subject to there being no material change in any relevant factor, that on the conclusion of the winding-up of the Fund, the FCA will accede to that request; or
- c. the expiration of any period specified in the Trust Deed as the period at the end of which the Fund is to terminate; or
- d. in accordance with the terms of a Scheme of Arrangement.

In the winding-up of a Fund for the purposes of a Scheme of Arrangement, the Fund shall be wound up in accordance with the terms of the Scheme of Arrangement or the Extraordinary Resolution approving it. The Scheme of Arrangement shall not result in the unitholders in the Fund becoming holders of units in any body other than a regulated collective investment scheme.

In any other case, the Trustee shall, as soon as practicable, realise the property of the Fund and, after discharging the liabilities of the Fund and making provision for the cost of the winding-up, distribute the net proceeds of such realisation to the unitholders and the Manager (upon production of such evidence of title as the Trustee may reasonably require) proportionately to their respective interests in the Fund.

#### Unclaimed Payments following the termination of a Portfolio Fund

Any unclaimed net proceeds or other cash (including unclaimed distribution payments) held by the Trustee after the expiration of twelve months from the date of payment shall be paid by the Trustee into Court, subject to the Trustee's right to retain thereout the costs incurred in making such a payment into Court.

## 25. CHARGES, FEES AND EXPENSES

### Initial Charge

The price at which units can be purchased from the Manager may include an Initial Charge payable to the Manager. The current amount (or lower, as agreed with the Manager) of the Initial Charge as a percentage of the creation price are listed in the Table below. The Manager may make a charge on redemption of units but does not do so at the moment. These charges apply to each type of units, i.e. income, accumulation, hedged and unhedged classes.

**Table 9: Initial Charge**

Fund	Retail Units ("R")	Institutional Units ("I")	Advised Units ("A")	Mandate Units ("M")	S Class Units ("S")
Liontrust Asia Income Fund	Nil <sup>1</sup>	Nil	Nil <sup>3</sup>	Nil	n/a
Liontrust European Income	Nil <sup>1</sup>	Nil	Nil <sup>3</sup>	n/a	n/a
Liontrust European Growth	Nil <sup>1</sup>	Nil	Nil <sup>3</sup>	n/a	Nil
Liontrust European Enhanced Income Fund	Nil <sup>1</sup>	Nil	Nil <sup>3</sup>	n/a	n/a
Liontrust FTSE 100 Tracker	Nil	n/a	n/a	n/a	n/a
Liontrust Global Income	Nil <sup>1</sup>	Nil	Nil <sup>3</sup>	n/a	n/a
Liontrust Macro Equity Income Fund	Nil <sup>1</sup>	Nil	Nil <sup>3</sup>	n/a	n/a
Liontrust Macro UK Growth	Nil <sup>1</sup>	Nil	Nil <sup>3</sup>	n/a	n/a
Liontrust Special Situations	Nil <sup>1</sup>	Nil	Nil <sup>3</sup>	Nil	n/a
Liontrust UK Growth Fund	Nil <sup>1</sup>	Nil	Nil <sup>3</sup>	Nil	n/a
Liontrust UK Smaller Companies Fund	Nil <sup>1</sup>	Nil	n/a	n/a	n/a
Liontrust UK Micro Cap	n/a	Nil <sup>2</sup>	n/a	n/a	n/a

\* There is one class of Unit available in Liontrust FTSE 100 Tracker Fund which is comparable to "Retail Units" in other Funds.

<sup>1</sup>The Manager reserves the right to introduce an initial charge of up to 5% on the Retail Units of the Funds listed in the table above, currently the initial charge is 0%.

<sup>2</sup>The Manager reserves the right to introduce an initial charge of up to 2% on the Institutional Units of Liontrust UK Micro Cap Fund, currently the initial charge is 0%.

<sup>3</sup>The Manager reserves the right to introduce an initial charge of up to 2% on the Advised Units of the Funds listed in the table above, currently the initial charge is 0%.



The initial charges are not currently subject to Value Added Tax (VAT), but in the event of VAT (or any equivalent tax) being imposed this may be levied against the property of the Fund.

### Annual Management Fee

The Manager takes a periodic charge typically out of the income property of all the Funds except Liontrust Asia Income Fund, Liontrust European Income Fund, Liontrust European Enhanced Income Fund, Liontrust Global Income Fund, Liontrust Macro Equity Income Fund and Liontrust Macro UK Growth Fund for which the Annual Management Fee is typically reimbursed from the capital account. This may constrain capital growth. The amount reimbursed from either the capital or income accounts may, at the Manager's discretion, vary during and/or between accounting periods. These charges apply to each type of units, i.e. income, accumulation, hedged and unhedged classes.

The current amount of the periodic charge per annum is listed in the table below. Any proposal to increase the present periodic charge requires advance notice to unitholders.

**Table 10: Annual Management Fee**

<b>Fund</b>	<b>Retail Units ("R")</b>	<b>Institutional Units ("I")</b>	<b>Advised Units ("A")</b>	<b>Mandate Units ("M")</b>	<b>S Class Units ("S")</b>
Liontrust Asia Income Fund	1.5%	0.75%	1.00%	0.60%	n/a
Liontrust European Income Fund	1.5%	0.75%	1.00%	n/a	n/a
Liontrust European Growth Fund	1.5%	0.75%	1.00%	n/a	0.40%
Liontrust European Enhanced Income Fund	1.5%	0.75%	1.00%	n/a	n/a
Liontrust FTSE 100 Tracker Fund*	0.295 %	n/a	n/a	n/a	n/a
Liontrust Global Income Fund	1.5%	0.75%	1.00%	n/a	n/a
Liontrust Macro Equity Income Fund	1.5%	0.75%	1.00%	n/a	n/a
Liontrust Macro UK Growth Fund	1.5%	0.75%	1.00%	n/a	n/a
Liontrust Special Situations Fund	1.75	0.75%	1.00%	0.65%	n/a
Liontrust UK Growth Fund	1.5%	0.75%	1.00%	0.60%	n/a
Liontrust UK Smaller Companies Fund	1.5%	1.25%	n/a	n/a	n/a
Liontrust UK Micro Cap Fund	n/a	1.25%	n/a	n/a	n/a

\* There is one class of Unit available in Liontrust FTSE 100 Tracker Fund which is comparable to "Retail Units" in other Funds.

The Annual Management Fee shall accrue daily based on the prior day net asset value of each Fund and the periodic charge accrued during a calendar month shall be paid to the Manager out of the property of each Fund on or as soon as is practicable after the last business day of that calendar month.

The Annual Management Fees are not currently subject to VAT, but in the event of Value Added Tax (or any equivalent tax) being imposed this may be levied against the property of the Fund.

### Administration Fees

Ordinary operating expenses incurred by the Fund may be paid out of the Scheme Property of the relevant Fund(s). To protect the unitholders from fluctuations in these expenses, the Manager has agreed to meet these operating expenses and to be reimbursed out of the Scheme Property at a flat rate per annum of the net asset value of the relevant Fund ("Administration Fees"), the current amount of these Administration Fees is listed in Table 10 below.

**Table 11: Administration Fees**

<b>Fund</b>	<b>Administration Fees (per annum)</b>
Liontrust Asia Income Fund	0.22%
Liontrust European Income Fund	0.18%
Liontrust European Growth Fund	0.18%

Liontrust European Enhanced Income Fund	0.18%
Liontrust FTSE 100 Tracker Fund	0.125%
Liontrust Global Income Fund	0.18%
Liontrust Macro Equity Income Fund	0.16%
Liontrust Macro UK Growth Fund	0.16%
Liontrust Special Situations Fund	0.16%
Liontrust UK Growth Fund	0.16%
Liontrust UK Smaller Companies Fund	0.16%
Liontrust UK Micro Cap Fund	0.16%

These rates have been determined based on historic costs and assume that the assets of a Fund do not exceed £500 million (see below for discount to be applied where the assets of a Fund do exceed £500 million). The Administration Fees will be reviewed annually. The Manager may amend the Administration Fee applicable to each Fund at any time at its discretion in accordance with the FCA Rules. In the event that the Manager exercises this discretion, unitholders will be notified in accordance with the FCA Rules relating to notifications of that nature and this Prospectus will be updated accordingly.

The Administration Fee shall accrue daily based on the prior day net asset value of each Fund and shall be paid monthly to the Manager out of Scheme Property on or as soon as is practicable after the last business day of the relevant calendar month. The Administration Fee will be calculated taking account of any applicable discount as set out in Table 11 below, based on the net asset value of the Fund on the last business day of the previous month. In order to pass on any savings which may be made through economies of scale by any Funds which have significant levels of assets, the following discounts will be applied to the Administration Fee of the relevant Fund:

**Table 12: Administration Fees**

<b>Net asset value</b>	<b>Discount to be applied to the Administration Fee (per annum)</b>
Below £500 million	0.000%
£500 million to £1 billion	0.010%
£1 billion to £2 billion	0.020%
£2 billion to £3 billion	0.030%
£3 billion to £4 billion	0.040%
£4 billion to £5 billion	0.050%
Over £5 billion	0.060%

The above discounts will not apply in circumstances that the Administration Fees after the applicable discount would be below 0.1%. For example, if the Administration Fees for a Fund before any volume discount is 0.12% then the lowest it can go with the application of a volume discount is 0.1%. If the Administration Fees for a Fund before any volume discount is 0.08% then the volume discounts will not apply as the Administration Fee is already below 0.1%.

Where an applicable threshold level of net asset value is achieved by a Fund on the last business day of any month, the relevant above discount will apply to that Fund in relation to the following month.

The Administration Fees will typically be taken out of the income property of all the Funds except Liontrust Asia Income Fund, Liontrust European Income Fund, Liontrust European Enhanced Income Fund, Liontrust Global Income Fund, Liontrust Macro Equity Income Fund and Liontrust Macro UK Growth Fund for which the Administration Fee is typically reimbursed from the capital account. This may constrain capital growth. The amount reimbursed from either the capital or income accounts may, at the Manager's discretion, vary during and/or between accounting periods. These charges apply to each type of units, i.e. income, accumulation, hedged and unhedged classes.

The Manager will use the Administration Fees to pay for the following fees relating to the operation and administration of the Funds:

- a. The fees, expenses and disbursements payable to each service provider (being the Trustee, Registrar, Fund Accountant and Auditor);
- b. Custody fees and transaction charges

- c. Any costs incurred in modifying the Trust Deeds and/or the prospectuses and/or Key Investor Information Documents;
- d. Any costs incurred in respect of meetings of unitholders and communications with unitholders, including the costs of the postage;
- e. The fees of FCA under Chapter 10 of the Fees Manual;
- f. Any fees, expenses or disbursements of any investment, legal or other professional adviser of the Fund and those of the Fund's sub-advisers (except for Liontrust FTSE 100 Tracker Fund, where these fees are paid by the Manager);
- g. All administration costs of the Funds, including but not limited to the costs of making and receiving payments to unitholders and any administration fees in relation to any derivative instruments, such as Collateral Management Fees (except for Liontrust FTSE 100 Tracker Fund, where these fees are paid by the Manager);
- h. All costs in developing, purchasing and maintaining systems required to operate the Funds, including software (except for Liontrust FTSE 100 Tracker Fund, where these fees are paid by the Manager); and
- i. VAT or any similar tax is payable in respect of the above.

In some periods, the Administration Fees may be less than the costs actually incurred. In these circumstances, the Manager will pay the difference from its own resources. Conversely, in some periods the Administration Fees may be more than the costs actually incurred. In these circumstances, the Manager will retain the difference, including any cost savings. None of the Fund, the Trustee, the Manager, the Investment Adviser or any of their associates, nor the auditors, are liable to account to the unitholders of any Fund for any profits or benefits it makes or receives that are derived from or in connection with dealings in the units of such Fund, any transaction in such Fund's property or the supply of services to such Fund.

The Administration Fees are not currently subject to VAT, but in the event of Value Added Tax (or any equivalent tax) being imposed this may be levied against the property of the Fund.

### **Other Fees and Expenses**

In addition to the annual management charge and Administration Fee, the following expenses may also be payable by the Fund(s) out of its capital or income at the discretion of the Manager:

- a. brokers' commission, fiscal charges and other disbursements 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;
- b. interest on borrowing permitted under the Funds and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;
- c. taxation and duties payable in respect of the property of the Funds, the Trust Deeds or the issue of units;
- d. liabilities on unitisation, amalgamation or reconstruction arising in certain circumstances specified by the COLL Sourcebook; and
- e. VAT or any similar tax is payable in respect of the above

### **Stamp Duty Reserve Tax**

From April 2014, no SDRT charge will be levied on surrenders of units or shares unless the surrender is a non pro-rata in specie redemption. In those cases the underlying stock or marketable securities of the Fund are chargeable to SDRT by reference to the surrendered units or shares which constitute the consideration. The charge to SDRT does not apply to an agreement to transfer units or shares where that agreement would have been exempt from stamp duty under certain specified exemptions.

## **26. ACCOUNTING AND INCOME DISTRIBUTION DATES**

The net income after taxation, fees, expenses and charges (where applicable) for a distribution period is distributable to the registered unitholders at the end of that period. For the Funds that distribute income, the distribution payment is made electronically direct to the unitholder's bank account by bank transfer, or can be reinvested at no

charge. If bank details are not supplied when the account is set up, or no election is made, income will be automatically reinvested to purchase additional units which will be added to the unitholder's holding.

For Liontrust Asia Income Fund, Liontrust European Income Fund, Liontrust European Enhanced Income Fund Liontrust Global Income Fund, Liontrust Macro Equity Income Fund and Liontrust Macro UK Growth Fund the Manager may smooth<sup>1</sup> income distributions within an annual accounting period. For the other Funds, there is no policy on smoothing of income distributions within an annual accounting period.

#### **Unclaimed Distribution Payments**

Where a client no longer retains a holding in a Liontrust fund and distributions due to them are failing to reach the client's nominated bank account, we will endeavour to contact the client at least once at the last known address to obtain further instructions regarding any unclaimed payment. After a period of six years from the date of each payment, any distribution payment that remains unclaimed will be transferred to and become part of the capital property of the Fund and thenceforth neither the payee nor the unitholder nor any successor in title to it will have any right except as part of the capital property. No interest will be paid on unclaimed distribution payments.

Where a client retains a holding in a Liontrust fund and distributions are failing to reach a client's nominated bank account, we will endeavour to contact the client at least once at the last known address to obtain further instructions regarding any unclaimed payment. After three consecutive failed payments, we will automatically re-invest the outstanding monies on behalf of the unitholder in the same fund that the unclaimed distribution relates to at no charge, and we will write to the unitholder at the last known address to advise them of the action we have taken, and also that their account has forthwith been changed to re-invest all future distributions. This action, following the failure of any attempt to contact the client for further instructions regarding payment, will be taken to avoid the unclaimed payments being transferred to and becoming part of the capital property of the Fund after a period of six years. The client's account can be amended back to bank transfer at any time following further instruction from them.

Where a client retains a holding in a Liontrust fund and their account is currently set to re-invest future distributions, but there are outstanding distributions that were previously paid in cash that have failed to either reach a client's nominated bank account or the client direct where paid by cheque, we will endeavour to contact the client at least once at the last known address to obtain further instructions regarding any unclaimed payment. Where it has not been possible to make contact with the client to obtain their further instruction, Liontrust will, at its discretion, re-invest the outstanding monies on behalf of the unitholder in the same fund that the unclaimed distribution relates, in accordance with the current account setting to re-invest future distributions. This will ensure the distribution is not lost to the client after the period of six years from the date of each payment has passed.

The final accounting date and interim accounting date of each of the Funds are listed in the Table below.

**Table 13: Accounting Dates**

<b>Fund</b>	<b>Accounting Dates</b>	
	<b>Interim</b>	<b>Final</b>
Liontrust Asia Income Fund	30 <sup>th</sup> June	31 <sup>st</sup> December
Liontrust European Income Fund	31 <sup>st</sup> August	End of February
Liontrust European Growth Fund	31 <sup>st</sup> October	30 <sup>th</sup> April
Liontrust European Enhanced Income Fund	31 <sup>st</sup> August	End of February
Liontrust FTSE 100 Tracker Fund	30 <sup>th</sup> November	31 <sup>st</sup> May
Liontrust Global Income Fund	31 <sup>st</sup> December	30 <sup>th</sup> June
Liontrust Macro Equity Income Fund	31 <sup>st</sup> January	31 <sup>st</sup> July
Liontrust Macro UK Growth Fund	31 <sup>st</sup> July	31 <sup>st</sup> January
Liontrust Special Situations Fund	30 <sup>th</sup> November	31 <sup>st</sup> May
Liontrust UK Growth Fund	30 <sup>th</sup> June	31 <sup>st</sup> December
Liontrust UK Micro Cap Fund	31 <sup>st</sup> October	30 <sup>th</sup> April
Liontrust UK Smaller Companies Fund	31 <sup>st</sup> October	30 <sup>th</sup> April

<sup>1</sup> Distribution Income smoothing is the process whereby the Manager is able to limit possible fluctuations in the amount of income distributed to unitholders from one interim accounting period to another interim accounting period in an accounting year so that investors receive roughly equal amounts with the balance swept up in the final distribution.

The Income Ex dates and income distribution/income accumulation dates of each of the Funds are listed in the Table below.

**Table 14: Income Distribution Dates**

<b>Fund</b>	<b>Income Ex Dates</b>	<b>Income Distribution/Income Accumulation Pay Dates</b>
Liontrust Asia Income Fund	1 <sup>st</sup> April 1 <sup>st</sup> July 1 <sup>st</sup> October 1 <sup>st</sup> January	31 <sup>st</sup> May 31 <sup>st</sup> August 30 <sup>th</sup> November Last day of February
Liontrust European Income Fund	1 <sup>st</sup> March 1 <sup>st</sup> June 1 <sup>st</sup> September 1 <sup>st</sup> December	30 <sup>th</sup> April 31 <sup>st</sup> July 31 <sup>st</sup> October 31 <sup>st</sup> January
Liontrust European Growth Fund	1 <sup>st</sup> May	30 <sup>th</sup> June
Liontrust European Enhanced Income Fund	1 <sup>st</sup> March 1 <sup>st</sup> June 1 <sup>st</sup> September 1 <sup>st</sup> December	30 <sup>th</sup> April 31 <sup>st</sup> July 31 <sup>st</sup> October 31 <sup>st</sup> January
Liontrust FTSE 100 Tracker Fund	1 <sup>st</sup> June	31 <sup>st</sup> July
Liontrust Global Income Fund	1 <sup>st</sup> July 1 <sup>st</sup> January	31 <sup>st</sup> August Last day of February
Liontrust Macro Equity Income Fund	1 <sup>st</sup> February 1 <sup>st</sup> May 1 <sup>st</sup> August 1 <sup>st</sup> November	31 <sup>st</sup> March 30 <sup>th</sup> June 30 <sup>th</sup> September 31 <sup>st</sup> December
Liontrust Macro UK Growth Fund	1 <sup>st</sup> February 1 <sup>st</sup> August	31 <sup>st</sup> March 30 <sup>th</sup> September
Liontrust Special Situations Fund	1 <sup>st</sup> June	31 <sup>st</sup> July
Liontrust UK Growth Fund	1 <sup>st</sup> January	Last day of February
Liontrust UK Smaller Companies Fund	1 <sup>st</sup> May	30 <sup>th</sup> June
Liontrust UK Micro Cap Fund	1 <sup>st</sup> May	30 <sup>th</sup> June

## **27. EQUALISATION AND GROUPING**

The Trust Deeds for the Funds permit equalisation payments to unitholders to be averaged over grouping periods which are currently the same as the half-yearly or annual accounting periods. Equalisation payments are made to investors on the first distribution date following the purchase of their units and represent the return of the amount included in the purchase price of those units in respect of accrued income from the last distribution to the date of purchase.

## **28. ANNUAL AND HALF-YEARLY REPORTS**

The Manager will publish in respect of the funds an annual long report within four months after the end of each annual accounting period and a half-yearly long report within two months after the end of each interim accounting period. The annual and half-yearly report and accounts for each period is available to any person, free of charge, on request by either accessing the information on our web-site [www.liontrust.co.uk](http://www.liontrust.co.uk) or by contacting our Client Services team on 0330 123 3822.

In addition to the annual and half-yearly reports the Manager also issues Unit Trust, ISA and JISA statements half yearly within 30 days of 5 April and 5 October to retail clients. A retail client has the right to request, in writing, the provision of these statements every three months.

## **29. INSPECTION OF DOCUMENTS**

The Trust Deeds, Supplemental Deeds, and the most recent annual and half-yearly reports may be inspected and copies thereof can be obtained from the office of the Manager during normal business hours at 2 Savoy Court, London WC2R 0EZ.

## **30. TAXATION**

### General and Disclaimer

The information below is a general guide based on current UK taxation legislation and HM Revenue & Customs practice, both of which are subject to change. It is not intended to be exhaustive and does not constitute legal or tax advice. There may be other tax considerations which may be relevant to prospective investors. It summarises the tax position of the Unit Trusts and of UK tax resident investors who are the beneficial owners of Units that are held as investments. It does not apply to Unitholders who are subject to a special tax regime such as dealers in securities, life insurance companies, pension schemes, UK investment trust companies and UK authorised investment funds.

Prospective investors should consult their own professional advisers for specific advice in connection with the implications of subscribing for, purchasing, holding, converting, switching or disposing of Units under the laws of any jurisdiction in which they are subject to tax.

### Unit Trusts

Each Unit Trust will be treated as a separate entity for UK tax purposes. A Unit Trust is liable to UK corporation tax at the basic rate of income tax (currently 20 per cent) on its net income, excluding dividends received from UK companies (including that part of a dividend distribution from another UK authorised investment fund that relates to dividend income) and most non-UK companies subject to certain conditions being satisfied. However, a Unit Trust may elect to tax dividend income from certain jurisdictions in order to maximise its post-tax return. Where a Unit Trust holds an investment in another UK authorised investment fund or an offshore fund that invests primarily in cash, debt securities and similar interest yielding assets, any amounts that are accounted for as income by the Unit Trust (including any dividends paid by such funds) will be treated as taxable interest income of the Unit Trust. Allowable expenses of management (and interest distributions payable by certain funds) are deducted from the taxable income of a Unit Trust to arrive at its net income.

Special tax rules apply to a Unit Trust which has more than 60 per cent by market value of its investments in interest yielding assets such as debt securities, money placed at interest, building society shares, certain derivative contracts and alternative finance arrangements (“a Bond Fund”). A Bond Fund is entitled to distribute its income as yearly interest. The income that is distributed by a Bond Fund as interest is generally deductible from its taxable income with the effect that a Bond Fund generally has no corporation tax liability.

Income and gains attributable to overseas investments may be subject to tax in the relevant overseas jurisdiction at varying rates. A Unit Trust may be entitled to offset some or all of any foreign tax suffered on its overseas income against its liability to UK corporation tax.

Stamp duty and other transfer taxes, including financial transaction taxes, may be incurred on the purchase, sale, transfer or any other financial transaction involving investments located in the UK or outside the UK. Certain EU member states have implemented financial transaction tax regimes. A number of EU member states have proposed introducing a wider financial transaction tax in the future.

The Unit Trusts do not pay UK corporation tax on any capital gains arising from the disposal of investments and is not taxable on capital profits, gains or losses arising in respect of creditor loan relationships or derivative contracts. However, a gain accruing in respect of the disposal of an investment in a non-reporting offshore fund could be taxed as income rather than being treated as an exempt capital gain

### Unitholders

Unitholders may potentially suffer tax both on any income they receive from their Units and on any profit they realise on disposing of their Units.

### Income equalisation

In respect of the first distribution of income after an acquisition of Units, part of the distribution may include an amount of income equalisation. This amount is not taxable as income. It represents a return of part of the original cost of the Units and should be deducted from the allowable cost of those Units for capital gains tax purposes.

### Accumulation and income Units

Where income is allocated to a Unitholder by a Fund on a specified income allocation date, this is treated as a taxable distribution including where the income is retained by the Fund in the case of Accumulation Units.

### ISA (Individual Savings Account) Unitholders

It is possible to invest in Units via an existing or new ISA. There are limits as to the amount that can be invested into an ISA in a tax year.

### Distributions

A distribution from Units held via an ISA is not taxable. Unitholders holding Units through an ISA are entitled to receive interest distributions without deduction of UK income tax.

### Profit on disposal of Units

Any profit arising from the disposal of Units held via an ISA is not taxable.

Other UK Resident Individual Unitholders

### Distributions

Dividend distributions

No tax is deducted from dividend distributions. From 6 April 2018, the first £2,000 of dividend income received by a UK resident individual is exempt from tax. Dividend income in excess of that exempt amount is taxable at the following dividend tax rates:

- 7.5% if the dividend income falls within the basic rate income tax band;
  - 32.5% if the dividend income falls within the higher rate income tax band;
- and
- 38.1% if the dividend income falls within the additional rate income taxband.

### Profit on disposal of Units

A profit arising on the disposal of Units is subject to capital gains tax. However, if the total gains realised from all sources by an individual Unitholder in a tax year, after deducting allowable losses, are less than the annual capital gains exemption, there is no tax to pay. If total gains exceed the annual exempt amount, capital gains tax is payable on the excess at 10 per cent for basic rate taxpayers and 20 per cent for both higher rate taxpayers and additional rate taxpayers.

If a Unitholder exchanges their Units for Units in a different Fund, capital gains tax may be payable on any profit calculated by reference to the market value of the Units at the date of the exchange. Capital gains tax will generally not be payable if Units are exchanged for Units of a different Class in the same Fund.

The capital gain in respect of a disposal of Units is the value of the Units at the time of disposal less the total of the following:

- the cost of acquiring the Units, less any equalisation received as detailed in the section headed Income equalisation; and
- in the case of accumulation Units only, all reinvested distributions during the period Units have been held.

### UK Resident Corporate Unitholders

Dividend distributions

Dividend distributions have to be split into that part which relates to dividend income of a Fund and that part which relates to other income of a Fund (including, if applicable, “taxable foreign dividends”). The tax voucher will show the ratio between the part of the distribution that relates to dividend income and the part that relates to other income. The part relating to dividend income of a Fund is not taxable unless the distribution is paid in respect of a Fund to which section 490 of the Corporation Tax Act 2009 applies. The part relating to the other income of a Fund is treated as if it were an annual payment in the hands of the Unitholder and is subject to corporation tax. This part of the income is deemed to be received after deduction of income tax at the basic rate, currently 20 per cent (“deemed tax deducted”). Such Unitholders will be subject to corporation tax on the grossed up amount of the annual payment with the deemed tax deducted able to be reclaimed or offset against the Unitholder’s liability to corporation tax.

A Fund may receive income net of foreign tax and may offset this foreign tax against its UK corporation tax liability. In these circumstances, a corresponding element of the part of the dividend distribution that relates to other income and the related deemed tax deducted will be treated respectively as foreign income received and foreign tax paid by the corporate Unitholder. The foreign tax paid can be used to reduce the Unitholder’s liability to corporation tax on the foreign income.

### Fluctuation in value of Units in a Fund which does not satisfy the qualifying investments test

In any case where a Fund does not satisfy the qualifying investments test (broadly where over 60 per cent of the value of its investments comprise interest yielding or economically similar assets) at any point during the accounting period of a corporate Unitholder, that Unitholder must treat the Unitholding in the Fund (including any distributions) as a loan relationship for UK corporation tax purposes. Movements in the fair value of the Units are subject to UK corporation tax irrespective of whether a disposal has occurred. Accordingly, a corporate investor in such a Fund may, depending on its circumstances, incur a charge to corporation tax on an unrealised increase in the value of its holding (or, likewise, obtain relief for an unrealised reduction in the value of its holding).

Certain types of corporate investor (e.g. life insurance companies) are subject to special tax rules which may take precedence over the general rules summarised above.

### Profit on disposal of Units

Any profit arising on the disposal of Units in a Fund which does not satisfy the qualifying investments test (see the comments above) is subject to corporation tax under the rules for the taxation of loan relationships.

Any profit arising on the disposal of Units in a Fund which satisfies the qualifying investments test is subject to

corporation tax on chargeable gains. The chargeable gain arising in respect of a disposal of such Units is the value of the Units at the time of disposal less the total of the following:

- the cost of acquiring the Units less any equalisation received as detailed in the section headed Income equalisation;
- in the case of accumulation Units only, all reinvested distributions during the period Units have been held; and
- an indexation allowance, based on increases in the Retail Price Index during the period that the Units have been held. The indexation allowance cannot be used to either create or increase a capital loss.

As with UK resident individual Unitholders, a tax charge can also arise if Units are exchanged for Units in a different Fund.

#### Automatic exchange of information between tax authorities

In order to comply with legislation implementing the UK's obligations under various intergovernmental agreements and EU directives relating to the automatic exchange of information to improve international tax compliance (including but not limited to, the United States provisions commonly known as FATCA, the OECD Common Reporting Standard and the agreements between the UK and its Crown Dependencies and Overseas Territories), the Manager (or its agent) may collect and report information about Unitholders and their investments in a Fund (including information to verify their identity and tax status) to the relevant authorities.

FATCA has been effective from 1 July 2014 and broadly requires reporting of the direct and indirect ownership by Specified U.S. Persons of certain non- U.S. accounts and non-U.S. entities to the Internal Revenue Service of the United States of America. The UK has entered into an inter-governmental agreement ("IGA") with the United States of America to facilitate FATCA compliance, whereby financial institutions such as the Manager may need to disclose certain information to HM Revenue & Customs, who will in turn exchange that information with the Internal Revenue Service. Under this IGA, FATCA compliance is enforced under UK tax legislation and reporting.

The UK has entered into agreements with the Crown Dependencies of Guernsey, the Isle of Man and Jersey and the UK Overseas territories of Anguilla, Bermuda, the British Virgin Islands, the Cayman Islands, Gibraltar, Montserrat and the Turks and Caicos Islands to automatically exchange information concerning financial accounts. The agreements with the three Crown Dependencies and with Gibraltar are reciprocal and, therefore, impose obligations on UK financial institutions to collect and report certain information to HM Revenue & Customs.

The UK and a number of other jurisdictions have also agreed to enter into multilateral arrangements modelled on the Common Reporting Standard for Automatic Exchange of Financial Account Information published by the Organisation for Economic Co-operation and Development. This allows for the automatic exchange of financial information between tax authorities. These agreements and arrangements, as transposed into UK law, may require the Manager (or its agent) to provide certain information to HM Revenue & Customs about investors from the jurisdictions which are party to such arrangements (which information will in turn be provided to the relevant tax authorities by HM Revenue & Customs).

Where required by UK regulations, the Manager (or its agent) may report information about Unitholders to HM Revenue & Customs, who may exchange the information with the tax authorities in the jurisdictions where the Unitholder is or appears to be tax resident, in accordance with the applicable international tax agreements. The information which may be reported includes, in the case of an individual, the reportable person's name, address, tax identification number, date and place of birth, balance of the account and the total gross amount paid or credited to the financial account in respect of the relevant reporting period.

When requested to do so by the Manager (or its agent), Unitholders must provide certification of their tax status and information which can be passed on to HM Revenue & Customs, and, by them, to any relevant overseas tax authorities. All Unitholders that are reportable under the various applicable rules will be reported. If a Unitholder does not provide the necessary certification, the manager may be required to report this to HM Revenue & Customs. By signing the application form to subscribe for Units, each affected Unitholder is agreeing to provide such information upon request from the Manager (or its agent). The Manager reserves the right to take any action and / or pursue all remedies at its disposal including, without limitation, compulsory redemption or withdrawal of affected Unitholders (at any time upon any or no notice) if they fail to provide the information the Manager requests to satisfy its obligations.

While the Manager will use reasonable endeavours to avoid the imposition of U.S. federal withholding tax under FATCA, the extent to which the Manager is able to do so will depend on each affected Unitholder providing any information that the Manager determines is necessary to satisfy its obligations. A 30% withholding tax in respect of income and gross proceeds from the sale or other disposal of property could apply if there is a failure by Unitholders to provide certain information.

Investors should consult their own tax advisers regarding any potential obligations that an automatic exchange of information regime may impose on them.

### **31. ADDITIONAL INFORMATION**

This Prospectus may be revised at any time to comply with the requirements of the COLL Sourcebook. The reader should, therefore, check that it represents the current issue before placing reliance on it.



## **Complaints**

The Manager has a procedure for the effective investigation of complaints and the policy about it is available upon request to the Manager.

Any complaint in relation to Funds should initially be made to the Compliance Officer at Liontrust Fund Partners LLP-, PO Box 11061, Chelmsford Essex CM99 2YA. The procedure also allows for a complaint to be referred direct to the Financial Ombudsman Service if a satisfactory answer is not received from the Manager.

You can contact the Financial Ombudsman Service by calling 0300 123 9 123, by emailing them at [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk) or by going to their website.

Details of the rights to compensation if the Manager is unable to meet any of its obligations to unitholders are available from the Compliance Officer at the above address.

## **Market Timing**

Purchases and exchanges of units in the Funds should be made for investment purposes only. The Manager, as a matter of policy, seeks to prevent patterns of excessive purchases and redemptions or exchanges of units. Such practices are commonly referred to as “market timing” or “short duration trading”. The Manager will seek to prevent such practices and to the extent they are detected, if the Manager has reasonable grounds for doing so, the Manager may refuse to issue new units to an investor. If the Manager decides that it can apply this rule to a holder who requests to switch, it will carry out the instruction to redeem original units but will not issue new units as part of that request. The Manager will pay the holder the proceeds from the sale of the original units in line with this prospectus.

## **Money Laundering**

The Manager, Trustee or Registrar may require evidence of the identity of an applicant for, holder or transferee of, units or another person to comply with statutory, regulatory or EU obligations. The Manager is not required to pay out the selling price of units when the Manager considers it necessary or appropriate to carry out or complete such identification procedures, and the Manager or the Trustee may on the same grounds decline to make or alter any entry in the Register or to accept any transfer. Similarly, the Trustee may refuse to distribute income on units, or the proceeds of realisation on a winding-up, to a holder. If the Manager buys units after a delay, the price of those units could be less favourable to the holder than that at the time the Manager received the application to sell units.

## **Exemption from Liability to Account for Profits**

The Manager, Trustee and Custodian are not liable to account to the unitholders of any Fund for any profits or benefits it makes or receives that are derived from or in connection with:

- i) dealings in Units of a Fund;
- ii) any transaction in Fund property; or
- iii) the supply of services to the Fund.

## **Notices to Unitholders**

A notice is duly served if it is delivered to the Unitholder’s address as appearing in the register or is delivered by electronic means in accordance with the COLL Sourcebook.

Any notice or document served by post is deemed to have been served on the second Business Day following the day on which it is posted. Any document left at a registered address or delivered other than by post is deemed to have been served on that day.

## **Restrictions Applying to US Persons**

The unit trusts have not been and will not be registered under the United States Securities Act of 1933 as amended (Securities Act) and, subject to certain exceptions, 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 (United States of America) or offered or sold to US Persons (as defined below).

The unit trusts have not been and will not be registered under the United States Investment Company Act of 1940, as amended. The Manager has not been and will not be registered under the United States Investment Advisers Act of 1940.

US Person means:

- (a) a citizen or resident of the United States of America;
- (b) a partnership, limited liability company, corporation or similar entity organised or incorporated under the laws of the United States of America, or an entity taxed as such or required to file a tax return as such under the United States federal income tax laws;
- (c) any estate or trust the executor, administrator or trustee of which is a US Person unless, in the case of trusts of which any professional fiduciary acting as trustee is a US Person, a trustee who is not a US Person has sole or shared investment discretion with respect to trust assets and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person;
- (d) any estate or trust whose income from sources outside the United States of America is includable in gross income for purposes of computing United States income tax payable by it;
- (e) any agency or branch of a foreign entity located in the United States of America;
- (f) any discretionary or non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary located within or outside the United States of America for the benefit or account of a US Person;
- (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the United States of America, except that any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US Person by a dealer or other professional fiduciary organised, incorporated or (if an individual) resident in the United States of America shall not be deemed a US Person;
- (h) any firm, corporation or other entity, regardless of citizenship, domicile, situs or residence if, under the income tax laws of the United States of America from time to time in effect, any portion of the income thereof would be taxable to a US Person even if not distributed other than as a passive foreign investment company;
- (i) any partnership, corporation or other entity if (i) organised or incorporated under the laws of any foreign jurisdiction and (ii) owned or formed by a US Person or Persons principally for the purpose of investing in securities not registered under the Securities Act (including but not limited to Units of the Unit Trusts);
- (j) any employee benefit plan unless such employee benefit plan is established and administered in accordance with the laws of a country other than the United States of America and the customary practices and documentation of such country and is maintained primarily for the benefit of persons substantially all of whom are non-resident aliens with respect to the United States of America; or
- (k) any other person or entity whose ownership of Units or solicitation for ownership of Units the Manager through its officers shall determine may violate any securities law of the United States of America or any state or other jurisdiction thereof.

Except that “US Person” shall not include any eligible investor or any person or entity, notwithstanding the fact that such person or entity may come within any of the categories referred to above, as to whom the Manager shall determine that ownership of Units or solicitation for ownership of Units shall not violate any securities law of the United States of America or any state or other jurisdiction thereof.

All US residents and citizens should note the requirements of the Foreign Account Tax Compliance Act (FATCA). Please refer to the ‘Taxation’ section of this Prospectus.

## **Execution**

The Manager will execute purchases, sales and switches of units in the Funds. However, the execution of purchases and sales of underlying investments will be undertaken by the relevant Investment Advisers who are required to comply with their own execution policies. A copy of LIP and SSGA’s execution policies are available on request by either accessing the information on our web-site [www.liontrust.co.uk](http://www.liontrust.co.uk) or by contacting our Administration Enquiries team on 0330 123 3822.

## **Voting**

The Manager will delegate the exercise of voting rights in relation to underlying investments to the Investment Advisers who will vote in accordance with their voting policies. A copy of LIP and SSGA’s voting policies are available on request by accessing the information on our web-site [www.liontrust.co.uk](http://www.liontrust.co.uk).

## **Conflicts of Interest**

The Manager’s Conflicts of Interest Policy document summarises the conflicts of interest policy which Liontrust has in place under the EU Markets in Financial Instruments Directive (“MiFID”) to meet its obligations to maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps to identify, monitor and manage conflicts of interests. This document provides key information designed to enable Unitholders and others to understand the measures Liontrust takes to safeguard their interests from any conflict of

interest which arises or may arise in the course of providing investment services. A copy of the Conflicts of Interest Policy is available from the Manager on request.

#### Appointment in respect of other funds

Subject to compliance with COLL, the Manager and other entities within the Manager's group may, from time to time, act as investment managers or advisers to other funds or sub-funds, which follow similar investment objectives to those of the Funds. It is therefore possible that the Manager may in the course of its business have potential conflicts of interest with or a Fund. For example, transactions may be effected in which the Manager has, either directly or indirectly, an interest which may potentially involve a conflict with its obligations to a Fund. The Manager will, however, have regard in such event to its obligations under the Manager Agreement and, in particular, to its obligation 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 where potential conflicts of interest may arise.

#### The Trustee

The Trustee may, from time to time, act as the depositary of other companies.

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

#### Transactions by affected persons

COLL contains provisions on conflicts of interest governing any transaction concerning the Funds which is carried out by or with any "affected person", which means the Funds, an associate of the Funds, the Manager, an associate of the Manager, the Trustee, an associate of the Trustee, any investment manager and any associate of any investment manager.

These provisions, among other things, enable an affected person: (a) to sell or deal in the sale of property to the Funds or the Trustee for the account of the Funds; (b) vest property in the Funds or the Trustee against the issue of Shares in the Funds; (c) purchase property from the Funds (or the Trustee) acting for the account of the Funds; (d) enter into a stock lending transaction in relation to the Funds; or (e) provide services for the Funds. Any such transactions with or for the Funds are subject to best execution on exchange, or independent valuation or arm's length requirements as set out in COLL. An affected person carrying out such transaction is not liable to account to the Trustee, the Manager, any other affected person, or to the holders of Shares or any of them for any benefits or profits thereby made or derived.

Investment of the property of the Funds may be made on arm's length terms through a member of an investment exchange (acting as principal) who is an affected person in relation to the Manager. Neither the Manager nor any such affected person will be liable to account to the Funds or to the Unitholders for any profit made or derived out of such dealings.

#### Determination by Manager of the terms of its appointment

The Manager is entitled at its own discretion to determine the terms of its appointment as such, and consequently amend the terms of the Manager Agreement referred to in the paragraph above. The Trustee, the Manager, or any investment manager or any associate of any of them will not be liable to account to the Funds or any other person, including the Unitholders or any of them, for any profit or benefit made or derived from or in connection with:

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

#### Lending by the Trustee

Investors should note that the Trustee may from time to time provide the Funds with a lending facility in accordance with the Regulations.

### **Best Execution**

Under the EU Markets in Financial Instruments Directive (MiFID) and COBS 11.2 of the Financial Conduct Authority Handbook, Liontrust is required to take all reasonable steps to obtain the best possible result (or “best execution”) when executing orders on behalf of its clients. These rules require firms to put in place an execution policy which sets out how it will obtain best execution for its clients and to provide appropriate information to its clients on its order execution policy. A copy of the Policy is available from the Manager on request.

### **Pricing Errors**

Where a pricing error occurs on the valuation of one of the funds, Liontrust will take no action if the impact is less than 0.50%. Where the impact of the pricing error is greater than 0.50% and is regarded as material, Liontrust will take such action as to ensure that unitholders are not disadvantaged as a result of the error. Notwithstanding the above, Liontrust reserves the right to apply a de-minimus on payments of less than £10 per unitholder before a compensation payment will be made.

### **Securities Financing Transactions Disclosures**

The Manager is, as “UCITS manager” of the Funds, subject to the provisions of the European Regulation on Reporting and Transparency of Securities Financing Transactions (“SFTR”). Amongst other things, SFTR sets out certain disclosure requirements regarding the Manager’s (and therefore the Investment Adviser’s) use of certain securities financing transactions:

(a) The Funds may use securities financing transactions (“SFT”, as defined in SFTR as a repurchase or reverse-repurchase transaction, securities or commodities lending and securities or commodities borrowing, a buy-sell back transaction or sell-buy back transaction or a margin lending transaction (in each case as further defined in SFTR)) for efficient portfolio management purposes and total return swaps (“TRS”). The limitations on their use are explained in the section of this Prospectus entitled “Investment Restrictions”. The Funds’ use of SFT and TRSs is consistent with its investment objective and policy and accordingly SFTs and TRSs may be used to reduce risk, reduce cost and/or generate additional capital or income with a risk level that is consistent with that of the Funds and the risk diversification rules laid down in the COLL Sourcebook.

(b) As is required by SFTR, the Manager will disclose in its annual report certain information regarding its use of SFTs and TRSs. Subject to the limitations referred to in (a) above, any assets of the Fund may be subject to SFTs or TRSs. 100% of the Fund’s assets may be the subject of any SFT or TRS with an expectation that at any time, no more than 20% of the Fund’s assets may be subject to such arrangements.

(c) As described in the section of this Prospectus headed “Investment Restrictions” SFTs and TRSs will only be entered into with “approved counterparties” as defined in the FCA Handbook.

(d) As collateral in connection with SFTs and TRSs, the Fund will accept cash and government-issued bonds of any maturity that comply with the following criteria:

(i) Liquidity: bond collateral must be liquid and able to be traded at a price that is reasonably close to its pre-sale valuation;

(ii) Valuation: bond collateral must be capable of being valued on a daily basis, and assets that exhibit high price volatility shall not be accepted as collateral unless suitably conservative haircuts are in place;

(iii) Issuer credit quality: collateral must be of relatively low credit risk when received;

(iv) Correlation: collateral must be expected not to display a high correlation with the performance of the counterparty; and

(v) Diversification: collateral that is in a currency of a G-7 country or issued by a G-7 country with a long-term rating of AA- or higher from Standard & Poors is not subject to diversification requirements. Other collateral from any country or single issuer must not, in aggregate from all recipients, be more than 20% of the Fund’s Net Asset Value.

Collateral received must be capable of being enforced by the Fund in the event of default without reference to or approval by the party providing the collateral.

(e) Exposures and collateral value will typically be marked to observable market values each business day. To the extent practicable, the prices will be determined from reputable pricing sources, reflecting recently traded prices. Where the Fund has a contractual entitlement to receive a material amount of collateral as variation margin then the Fund has a policy to request delivery of collateral.

The entitlement of the Fund to receive collateral will be determined as a matter of contract. The Fund will typically endeavour to negotiate terms that allow the Fund to collect variation margin in respect of mark-to-market movements in favour of the Fund. However, in keeping with normal commercial practice of large dealers in SFTs and TRSs, it is common for the Fund to have to agree to deliver initial margin to dealer counterparties on SFTs and TRSs. This initial margin amounts to a debt obligation of the dealer and is a credit risk on that dealer. Any collateral entitlement of the Fund is typically calculated net of the initial margin requirement, meaning that the aggregate collateral received on the SFTs and TRSs will typically be less than the mark-to-market value in favour of the Fund.

(f) The type of acceptable collateral as well as the diversification requirements are explained in the section of this Prospectus entitled “Investment Restrictions”.

(g) Any collateral obtained by the Funds pursuant to an SFT shall be valued in accordance with the Manager’s valuation policy detailed in the section of this Prospectus entitled “Valuation of Property” but subject to the Manager’s haircut policy as described in the section of this Prospectus entitled “Investment Restrictions”. Such haircut policy accounts for the fact that the valuation of the collateral or liquidity profile may deteriorate over time.

(h) The section of this Prospectus entitled “Specific Risk Factors” provides a description of the risks linked to the use of derivatives together with liquidity risk and counterparty risk.

(i) The assets of the Funds that are subject to any SFT and TRS and any collateral received in connection with such arrangements are maintained by held via a tri-party collateral manager or are otherwise held in a segregated collateral account at Euroclear.

(j) The Fund will have a significant credit and operational risk exposure to its counterparties which will require the Fund to pool collateral to support its obligations in connection with certain of its financing arrangements. This includes the credit risk created by the Fund delivering initial margin on SFTs and TRSs. Generally, counterparties will have the right to sell, pledge, re-hypothecate, assign, use or otherwise dispose of the collateral pooled by the Fund in connection with such transactions. Additionally, the Fund may lend securities on a collateralised or an uncollateralised basis.

(k) The reuse of collateral is limited by the COLL Sourcebook to certain asset classes. Further the reuse should not result in a change to the Funds’ investment objectives to add substantial risks to the Funds’ risk profile. The section of the Prospectus entitled “Investment Restrictions” sets out the relevant diversification requirements.

(l) As explained in the section of this Prospectus entitled “Derivatives – Efficient Portfolio Management”, the income received from SFTs will either be retained by the Fund or as in the case of stock lending is split between the Fund and the Manager for the administration of the stock lending on behalf of the Fund and the Global Sub-Custodians (related parties to the Trustee) who will manage the SFT activity.

## **Data Protection Notice**

The Manager is a Data Controller and Data Processor within the meaning of the Data Protection Acts and undertakes to hold, process and be responsible for the destruction of personal information provided by investors in confidence and in accordance with the Data Protection Acts.

By signing the application form, prospective investors consent to the recording of telephone calls made to and received from investors by the Manager, its delegates, its duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes.

Prospective investors should note that by completing the Application Form they are providing information to the Manager which may constitute personal data within the meaning of data protection legislation in the UK. This data will be used for the purposes of client identification and the subscription process, administration, transfer agency, statistical analysis, market research and to comply with any applicable legal or regulatory requirements, disclosure to the Manager (its delegates and agents) and, if an applicant’s consent is given, for direct marketing purposes.

Data may be disclosed and / or transferred to third parties including:

(a) regulatory bodies, tax authorities; and

(b) delegates, advisers and service providers of the Manager and their or the Manager’s duly authorised agents and any of their respective related, associated or affiliated companies wherever located (including to countries outside the EEA which may not have the same data protection laws as in the UK) for the purposes specified. For the avoidance of doubt, each service provider to the Manager (including the Investment Adviser, its delegates and its or their duly authorised agents and any of their respective related, associated or affiliated companies) may exchange the personal data, or information about the investors in the Funds, which is held by it with another service provider to the Manager.

Personal data will be obtained, held, used, disclosed and processed for any one or more of the purposes set out in the application form.

Investors have a right to obtain a copy of their personal data kept by the Manager and the right to rectify any inaccuracies in personal data held by the Company. As of 25 May 2018 being the date the General Data Protection Regulation (EU 2016/679) comes into effect, investors will also have a right to be forgotten and a right to restrict or object to processing in a number of circumstances. In certain limited circumstances a right to data portability may apply. Where investors give consent to the processing of personal data, this consent may be withdrawn at any time.

## APPENDIX 1

### Valuation of the Funds

For the Funds, the valuation will be in two parts: one on an issue basis, which will form the basis of the price at which units are issued (issue price) by the Funds; the other on a cancellation basis, which will form the basis of the price at which units are cancelled (cancellation price) by the Funds. The Manager is able to set a dealing spread between the maximum sale price (issue price plus the initial charge) and cancellation price, and to determine where dealing prices should lie within a range between the maximum sale price and the cancellation price.

#### Value of the property of the Funds

The Manager must prepare each valuation on two bases, reflecting the differing bid and offer valuations of underlying assets where it is normal for such differences to be quoted.

The value of the property of a Fund must be valued at fair value and shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions.

All the property of a Fund (including receivables) is to be included, subject to the following provisions.

“Dealing Costs” means any fiscal charges, commission or other charges payable in the event of the Fund carrying out the transaction in question, assuming that the commission and charges (other than fiscal charges) which would be payable by the Fund are the least that could reasonably be expected to be paid in order to carry out the transaction. On the issue basis, Dealing Costs excludes any initial charge on the sale of units in the Fund. On the cancellation basis, Dealing Costs includes any charge payable on redemption of units (taking account of any expected reduction), except where the Manager of the Fund is also the authorised fund manager, or an associate of the authorised fund manager, of the fund whose units or shares form part of that property.

Property which is not cash (or other assets identified 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:

Units or shares in a collective investment scheme:

- if a single price for buying and selling units or shares is quoted, at that price (plus the initial charge minus any expected discount (plus Dealing Costs including any SDRT provision)) for valuations on an issue basis but where the Manager of the Fund is also the manager or authorised corporate director of the collective investment scheme whose units or shares are held by the Fund, must not include an initial charge which would be payable in the event of a purchase by the Fund of those units or shares; and at that price (less Dealing Costs) on a cancellation basis; or
- if separate buying and selling prices are quoted, at the most recent maximum sale price less any expected discount (plus Dealing Costs) when valuing on an issue basis but where the Manager or an associate of the Manager is also the Manager or authorised corporate director of the collective investment scheme whose units are held by the Fund, the issue price shall be taken instead of the maximum sale price; and the most recent cancellation price less Dealing Costs on a cancellation basis; or
- 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, or if the most recent price available does not reflect the Manager's reasonable estimate of the value of the units or shares, at a value which, in the opinion of the Manager, is fair and reasonable.

Any other transferable security:

- if a single price for buying and selling the security is quoted, at that price (plus Dealing Costs) for valuations on an issue basis; and at that price (less Dealing Costs) on a cancellation basis; or

- if separate buying and selling prices are quoted, at the best available market dealing offer prices on the most appropriate market in a standard size (plus Dealing Costs) for valuations on an issue basis; and best available market dealing bid price on the most appropriate market in a standard size (less Dealing Costs) for valuations on a cancellation basis; or
- if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no price exists, or if the most recent price available does not reflect the Manager's reasonable estimate of the value of the security, at a value which, in the opinion of the Manager, is a fair and reasonable estimate of a buyer's price (plus Dealing costs) for valuations on an issue basis; and a fair and reasonable estimate of a seller's price (less Dealing Costs) for valuations on a cancellation basis.

Property other than units or shares in a collective investment scheme and other transferable securities:

- at a value which, in the opinion of the Manager, is a fair and reasonable estimate of a buyer's price (plus Dealing Costs) for valuations on an issue basis and a fair and reasonable estimate of a seller's price (less Dealing Costs) for valuations on a cancellation basis. The buyer's price or the seller's price is the consideration which would be paid or received by a buyer or seller, as appropriate, for an immediate transfer or assignment to him at arm's length.

Cash and amounts held in current and deposit accounts and in other time related deposits shall be valued at their nominal values for valuations on both an issued and cancellation basis.

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

- 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 on both an issue and cancellation basis but in the case of the calculation of the issue basis, deduct and in the case of the calculation of the cancellation basis add Dealing Costs. If the Property is an off-exchange derivative the method of valuation shall be agreed between the Manager and Trustee;
- if an off-exchange future, include at the net value of closing out, estimating the amount of profit or loss receivable or incurable by the Fund on closing out the contract and deducting minimum Dealing Costs in the case of profits and adding them back in the case of loss. If the Property is an off-exchange derivative in accordance with a valuation method, on both an issue and cancellation basis, agreed between the Manager and the Trustee;
- if any other forms of contingent liability transaction, include at the net value of margin on closing out (whether as a positive or negative value) on both an issue and cancellation basis. If the property is an off-exchange derivative, include at a valuation method agreed between the Manager and the Trustee.

In determining the value of the property of a Fund, all instructions given to issue or cancel units shall be assumed to have been carried out (and any cash paid or received) whether or not this is the case.

Subject to the next paragraph, 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 will not materially affect the final net asset amount.

Futures or contracts for differences which are not yet due to be performed, and written or purchased options which have not expired or been exercised, shall not be included in the above paragraph. All agreements are to be included under the above paragraph which are, or ought reasonably to have been, known to the person valuing the property.

Deduct an estimated amount for anticipated tax liabilities at that point in time including (as applicable and without limitation) capital gains tax (both realised and unrealised gains), income tax, corporation tax, value added tax and stamp duty reserve tax and any other fiscal charge not covered under this deduction.

Deduct an estimated amount for any liabilities payable out of the Fund property and any tax thereon treating periodic items as accruing from day to day.



Deduct the principal amount of any outstanding borrowings whenever repayable and any accrued but unpaid interest on borrowings.

Deduct the value of any option written (if the premium for writing the option has become part of the scheme property).

Deduct, in the case of a margined contract, any amount reasonably anticipated to be paid by way of variation margin (that is the difference in price between the last settlement price, whether or not variation margin was then payable, and the price of the contract at the valuation point).

Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable and any stamp duty reserve tax provision anticipated to be received.

Add any other credits or amounts due to be paid into the property of the Fund.

Add, in the case of a margined contract, any amount reasonably anticipated to be received by way of variation margin (that is the difference in price between the last settlement price, whether or not variation margin was then receivable, and the price of the contract at the valuation point).

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

Add a sum representing any interest or any income accrued due or deemed to have accrued but not received.

Property which is a derivative constituting a contingent liability transaction shall be treated as follows:

- i. if a written option (and the premium for writing the option has become part of the scheme property) include an amount equivalent to the value net of premium on closing out the contract (whether as a positive or negative value). On expiry, where the contract remains unexercised and is “out-of-the-money”, no value will be attributable to the contract, other than by way of the premium received or receivable;
- ii. if a purchased option (and the premium for purchasing the option has been paid from the scheme property) include an amount equivalent to the value net of premium on closing out the contract (estimated on the basis of writing an option of the same series on the best terms then available on the most appropriate market on which such options are traded.) On expiry, where the contract remains unexercised and is “out-of-the money”, no value will be attributable to the contract, other than by way of the premium paid or payable;
- iii. if an exchange-traded future or any other form of contingent liability transaction, include at the value net of margin on closing out the contract (estimated on the basis of the amount of variation margin (whether receivable or payable by the Fund on closing out the contract) on the best terms then available on the most appropriate market on which such contracts are traded; and
- iv. if an off-exchange future or contract for differences (“OTC derivatives”) or forward foreign exchange contract, include at the net value of closing out the contract (estimated on the basis of the amount of profit or loss receivable or payable by the Fund on closing out the contract in accordance with the valuation methods in COLL 5.2.23R).

## APPENDIX 2

### Eligible Markets

The following is a list of markets which the Manager deems to be Eligible Securities and Derivative Markets in which the following Funds may invest or deal:

- a. London Stock Exchange (for all Funds)
- b. Alternative Investment Market (for Liontrust Macro Equity Income Fund, Liontrust UK Smaller Companies Fund, Liontrust Special Situations Fund, Liontrust UK Growth Fund, Liontrust Global Income Fund and Liontrust UK Micro Cap Fund only)
- c. NYSE Euronext - LIFFE (for Liontrust European Income Fund, Liontrust European Enhanced Income Fund, Liontrust FTSE 100 Tracker Fund and Liontrust Macro UK Growth Fund only)

#### **Liontrust UK Growth Fund**

#### **Liontrust Special Situations Fund**

In addition, the property of the two Funds listed above may be invested in any Eligible Market in an EEA member state and Switzerland on which transferable securities admitted to official listing are dealt in or traded and any other market which the Manager following consultation with the Trustee has decided complies with the requirements for an Eligible Market as set out in the COLL Sourcebook.

#### **Liontrust European Growth Fund**

Liontrust European Growth Fund may invest or deal in the following markets:

Austria	Vienna Stock Exchange
Belgium	Euronext
Denmark	Copenhagen Stock Exchange
Finland	Helsinki Stock Exchange
France	Euronext
Germany	Deutsche Bourse (Frankfurt)
Ireland	Irish Stock Exchange
Italy	Italian Stock Exchange
Luxembourg	Luxembourg Stock Exchange
Netherlands	Euronext
Norway	Oslo Stock Exchange
Portugal	Euronext
Spain	Madrid Stock Exchange
Sweden	Stockholm Stock Exchange
Switzerland	SIX Swiss Exchange
UK	London Stock Exchange

#### **Liontrust European Income Fund, Liontrust European Enhanced Income Fund, Liontrust Macro Equity Income Fund and Liontrust Macro UK Growth Fund**

The Liontrust European Income Fund, Liontrust European Enhanced Income Fund, Liontrust Macro Equity Income Fund and Liontrust Macro UK Growth Fund may deal through securities and derivatives markets which are regulated markets (as defined in the glossary to the FCA Handbook) or markets established in an EEA State which are regulated, operate regularly and are open to the public (excluding Cyprus and Slovenia).

In addition, Liontrust European Income Fund, Liontrust European Enhanced Income Fund, Liontrust Macro Equity Income Fund and Liontrust Macro UK Growth Fund may also deal through the securities markets and derivatives markets indicated below:

United States of America	NYSE Euronext New York
United States of America	The NASDAQ Stock Market (NASDAQ)
United States of America	NYSE Amex Equities
Australia	Australian Securities Exchange (ASX)
Canada	Toronto Securities Exchange

Canada	TSX Venture Exchange
Hong Kong	Hong Kong Stock Exchange
Korea	Korea Exchange (KRX)
Mexico	Bolsa Mexicana de Valores (BMV)
New Zealand	New Zealand Stock Exchange (NZX)
Singapore	Singapore Exchange (SGX)
South Africa	JSE Limited
Switzerland	SIX Swiss Exchange (SWX)
Thailand	The Stock Exchange of Thailand (SET)
Turkey	Istanbul Stock Exchange
United Kingdom	Alternative Investment Market of the London Stock Exchange (AIM)

### **Liontrust Asia Income Fund and Liontrust Global Income Fund**

With the exception of permitted investments in unlisted securities and open-ended collective investment schemes investment by Liontrust Asia Income Fund and Liontrust Global Income Fund is restricted to the following stock exchanges and markets:

- (i) without restriction in any stock exchange which is:
- located in any Member State of the European Union; or
  - located in a Member State of the European Economic Area (EEA) (Norway, Iceland and Liechtenstein)
  - located in any of the following countries:-

Australia  
Canada  
Japan  
New Zealand  
Hong Kong  
Switzerland  
United States of America

- (ii) without restriction in any of the following:-

Argentina	Bolsa de Comercio de Buenos Aires
Argentina	Bolsa de Comercio de Cordoba
Argentina	Mercado Abierto Electronico S.A.
Bahrain	Bahrain Stock Exchange
Bermuda	The Bermuda Stock Exchange
Bangladesh	Dhaka Stock Exchange
Botswana	Botswana Stock Exchange
Brazil	Bolsa de Valores do Rio de Janeiro
Brazil	Bolsa de Valores de Sao Paulo
Bulgaria	First Bulgarian Stock Exchange
Chile	Bolsa de Comercio de Santiago
Chile	Bolsa Electronica de Chile
China, Peoples' Republic of	Shanghai Securities Exchange
China, Peoples' Republic of	Shenzhen Stock Exchange
Colombia	Bolsa de Valores de Colombia
Croatia	Zagreb Stock Exchange
Egypt	Cairo and Alexandria Stock Exchange
Ghana	Ghana Stock Exchange
India	Bangalore Stock Exchange
India	Calcutta Stock Exchange
India	Delhi Stock Exchange
India	The Stock Exchange, Mumbai
India	National Stock Exchange of India
Indonesia	Jakarta Stock Exchange

Israel	Tel-Aviv Stock Exchange
Jordan	Amman Stock Exchange
Kazakhstan (Rep. Of)	Kazakhstan Stock Exchange
Kenya	Nairobi Stock Exchange
Korea	Korea Stock Exchange
Korea	KOSDAQ
Lebanon	Bourse de Beyrouth
Malaysia	Bursa Malaysia
Mauritius	Stock Exchange of Mauritius
Mexico	Bolsa Mexicana de Valores
Morocco	Societe de la Bourse des Valeurs de Casablanca
Namibia	Namibian Stock Exchange
Nigeria	Nigerian Stock Exchange
Oman	Oman Stock Exchange
Pakistan	Pakistan Stock Exchange
Palestine	Palestine Stock Exchange
Peru	Bolsa de Valores de Lima
Philippines	Philippine Stock Exchange
Qatar	Qatar Stock Exchange
Romania	Bucharest Stock Exchange
Russian Federation	Moscow Stock Exchange
Russian Federation	MICEX
Russian Federation	RTS1
Russian Federation	RTS2
Saudi Arabia	Saudi Stock Exchange
Serbia	Belgrade Stock Exchange
Singapore	Singapore Exchange
South Africa	JSE Securities Exchange
Sri Lanka	Colombo Stock Exchange
Taiwan (Republic of China)	Taiwan Stock Exchange Corporation
Taiwan (Republic of China)	Gre Tai Securities Market
Thailand	Stock Exchange of Thailand
Trinidad & Tobago	Trinidad & Tobago Stock Exchange
Tunisia	Bourse des Valeurs Mobilieres de Tunis
Turkey	Istanbul Stock Exchange
Ukraine	Ukrainian Stock Exchange
United Arab Emirates	Abu Dhabi Stock Exchange
United Arab Emirates	Dubai International Financial Exchange
Uruguay	Bolsa de Valores de Montevideo
Venezuela	Venezuela Electronic Stock Exchange
Venezuela	Caracas Stock Exchange
Venezuela	Maracaibo Stock Exchange
Vietnam	Ho Chi Minh City Securities Trading Centre
Zambia	Lusaka Stock Exchange
Zimbabwe	Zimbabwe Stock Exchange

(iii) without restriction in any of the following:

the market organised by the International Capital Market Association;

the market conducted by the “listed money market institutions”, as described in the Bank of England publication “The Regulation of the Wholesale Cash and OTC Derivatives Markets in Sterling, Foreign Exchange and Bullion” dated April, 1988 (as amended from time to time);

AIM - the Alternative Investment Market in the United Kingdom, regulated and operated by the London Stock Exchange;

the French Markets for Titres de Créances Négotiables (the Over-the-Counter markets in negotiable debt instruments);

the Over-the-Counter market in the United States of America regulated by the National Association of

Securities Dealers Inc.;

NASDAQ in the United States of America;

the Over-the-Counter market in Japan regulated by the Securities Dealers Association of Japan;

the market in US government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York; and

the over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada.

- (iv) In addition to those markets listed above on which financial derivative instruments are traded, the following regulated derivatives markets:

All derivatives exchanges on which permitted financial derivative instruments may be listed or traded:

- in a Member State;
- in a Member State in the European Economic Area (the European Union, Norway, Iceland and Liechtenstein);

in Asia, on the

- Bursa Malaysia Derivatives Board
- Hong Kong Exchanges & Clearing;
- Jakarta Futures Exchange;
- Korea Futures Exchange;
- Korea Stock Exchange;
- Kuala Lumpur Options and Financial Futures Exchange;
- National Stock Exchange of India;
- Osaka Mercantile Exchange;
- Osaka Securities Exchange;
- Shanghai Futures Exchange (SHFE);
- Singapore Commodity Exchange;
- Singapore Exchange;
- Stock Exchange of Thailand;
- Taiwan Futures Exchange;
- Taiwan Stock Exchange;
- The Stock Exchange, Mumbai;
- Tokyo International Financial Futures Exchange;
- Tokyo Stock Exchange;

in Australia, on the

- Australian Stock Exchange;
- Sydney Futures Exchange;

in Brazil on the Bolsa de Mercadorias & Futuros (BM&F);

in Israel on the Tel-Aviv Stock Exchange;

in Mexico on the Mexican Derivatives Exchange (MEXDER)

in South Africa on the South African Futures Exchange (Safex);

in Switzerland on Eurex (Zurich)

in the United States of America, on the

- American Stock Exchange;
- Chicago Board of Trade;
- Chicago Board Options Exchange;
- Chicago Mercantile Exchange;

- Eurex US;
- International Securities Exchange;
- New York Futures Exchange;
- New York Board of Trade;
- New York Mercantile Exchange;
- Pacific Stock Exchange;
- Philadelphia Stock Exchange;

in Canada on the

- Bourse de Montreal;
- Winnipeg Commodity Exchange (WCE).

- (v) for the purposes only of determining the value of the assets of a Fund, the term “Recognised Exchange” shall be deemed to include, in relation to any futures or options contract, any organised exchange or market on which such futures or options contract is regularly traded.

**APPENDIX 3  
SUB-CUSTODIANS**

<b>Country/Market</b>	<b>Sub - Custodian</b>	<b>Location</b>
<b>Argentina</b>	Citibank N.A., Argentina	Buenos Aires
<b>Australia</b>	The Hongkong and Shanghai Banking Corporation Limited	Parramatta, NSW
<b>Austria</b>	UniCredit Bank Austria AG	Vienna
<b>Bahrain</b>	HSBC Bank Middle East Limited	Bahrain
<b>Bangladesh</b>	The Hongkong and Shanghai Banking Corporation Limited	Dhaka
<b>Belgium</b>	The Bank of New York Mellon SA/NV	Brussels
<b>Belgium</b>	Citibank Europe Plc, UK branch	London
<b>Bermuda</b>	HSBC Bank Bermuda Limited	Hamilton
<b>Botswana</b>	Stanbic Bank Botswana Limited	Gaborone
<b>Brazil</b>	Citibank N.A., Brazil	Sao Paulo
<b>Brazil</b>	Itau Unibanco S.A.	Sao Paulo
<b>Bulgaria</b>	Citibank Europe plc, Bulgaria Branch	Sofia
<b>Canada</b>	CIBC Mellon Trust Company (CIBC Mellon)	Toronto
<b>Cayman Islands</b>	The Bank of New York Mellon	New York
<b>Channel Islands</b>	The Bank of New York Mellon	New York
<b>Chile</b>	Banco de Chile	Santiago
<b>Chile</b>	Itau Corpbanca S.A.	Santiago
<b>China</b>	HSBC Bank (China) Company Limited	Shanghai
<b>Colombia</b>	Cititrust Colombia S.A. Sociedad Fiduciaria	Bogota
<b>Costa Rica</b>	Banco Nacional de Costa Rica	San José
<b>Croatia</b>	Privredna banka Zagreb d.d.	Zagreb



<b>Cyprus</b>	BNP Paribas Securities Services	Athens
<b>Czech Republic</b>	Citibank Europe plc, organizacni slozka	Prague
<b>Denmark</b>	Skandinaviska Enskilda Banken AB (Publ)	Stockholm
<b>Egypt</b>	HSBC Bank Egypt S.A.E.	Cairo
<b>Estonia</b>	SEB Pank AS	Tallinn
<b>Eswatini</b>	Standard Bank Swaziland Limited	Mbabane
<b>Euromarket</b>	Clearstream Banking S.A	Luxembourg
<b>Euromarket</b>	Euroclear Bank	Brussels
<b>Finland</b>	Skandinaviska Enskilda Banken AB (Publ)	Stockholm, Sweden
<b>France</b>	The Bank of New York Mellon SA/NV	Brussels
<b>Germany</b>	The Bank of New York Mellon SA/NV	Frankfurt am Main
<b>Ghana</b>	Stanbic Bank Ghana Limited	Accra
<b>Greece</b>	BNP Paribas Securities Services	Athens
<b>Hong Kong</b>	The Hongkong and Shanghai Banking Corporation Limited	Hong Kong
<b>Hungary</b>	Citibank Europe plc. Hungarian Branch Office	Budapest
<b>Iceland</b>	Landsbankinn hf.	Reykjavik
<b>India</b>	Deutsche Bank AG	Mumbai
<b>India</b>	The Hongkong and Shanghai Banking Corporation Limited	Mumbai
<b>Indonesia</b>	Deutsche Bank AG	Jakarta
<b>Ireland</b>	The Bank of New York Mellon	New York
<b>Israel</b>	Bank Hapoalim B.M.	Tel Aviv
<b>Italy</b>	The Bank of New York Mellon SA/NV	Brussels

<b>Japan</b>	Mizuho Bank, Ltd.	Tokyo
<b>Japan</b>	MUFG Bank, Ltd.	Tokyo
<b>Jordan</b>	Standard Chartered Bank, Jordan Branch	Jordan
<b>Kazakhstan</b>	Citibank Kazakhstan Joint-Stock Company	Almaty
<b>Kenya</b>	Stanbic Bank Kenya Limited	Nairobi
<b>Kuwait</b>	HSBC Bank Middle East Limited, Kuwait	Safat
<b>Latvia</b>	AS SEB banka	Kekavas novads
<b>Lithuania</b>	AB SEB bankas	Vilnius
<b>Luxembourg</b>	Euroclear Bank	Brussels
<b>Malawi</b>	Standard Bank PLC	Lilongwe
<b>Malaysia</b>	Deutsche Bank (Malaysia) Berhad	Kuala Lumpur
<b>Malta</b>	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main	Frankfurt am Main, Germany
<b>Mauritius</b>	The Hongkong and Shanghai Banking Corporation Limited	Ebene
<b>Mexico</b>	Banco S3 México S.A.	Ciudad de México
<b>Mexico</b>	Citibanamex	Colonia Santa Fe
<b>Morocco</b>	Citibank Maghreb S.A.	Casablanca
<b>Namibia</b>	Standard Bank Namibia Limited	Windhoek
<b>Netherlands</b>	The Bank of New York Mellon SA/NV	Brussels, Belgium
<b>New Zealand</b>	The Hongkong and Shanghai Banking Corporation Limited	Auckland
<b>Nigeria</b>	Stanic IBTC Bank Plc.	Lagos
<b>Norway</b>	Skandinaviska Enskilda Banken AB (Publ)	Stockholm, Sweden
<b>Oman</b>	HSBC Bank Oman S.A.O.G.	Sultanate of Oman

<b>Pakistan</b>	Deutsche Bank AG	Karachi
<b>Peru</b>	Citibank del Peru S.A.	Lima
<b>Philippines</b>	Deutsche Bank AG	Makati City
<b>Poland</b>	Bank Polska Kasa Opieki S.A.	Warszawa
<b>Portugal</b>	Citibank Europe Plc	Dublin
<b>Qatar</b>	HSBC Bank Middle East Limited, Doha	Doha
<b>Romania</b>	Citibank Europe plc Dublin, Romania Branch	Bucharest
<b>Russia</b>	PJSC ROSBANK	Moscow
<b>Saudi Arabia</b>	HSBC Saudi Arabia	Riyadh
<b>Serbia</b>	UniCredit Bank Serbia JSC	Belgrade
<b>Singapore</b>	DBS Bank Ltd	Singapore
<b>Slovak Republic</b>	Citibank Europe plc, pobočka zahraničnej banky	Bratislava
<b>Slovenia</b>	UniCredit Banka Slovenia d.d.	Ljubljana
<b>South Africa</b>	Standard Chartered Bank	Johannesburg
<b>South Africa</b>	The Standard Bank of South Africa Limited	Johannesburg
<b>South Korea</b>	The Hongkong and Shanghai Banking Corporation Limited	Seoul
<b>South Korea</b>	Deutsche Bank AG	Seoul
<b>Spain</b>	Banco Bilbao Vizcaya Argentaria, S.A.	Bilbao
<b>Spain</b>	Santander Securities Services, S.A.U.	Madrid
<b>Sri Lanka</b>	The Hongkong and Shanghai Banking Corporation Limited	Colombo
<b>Sweden</b>	Skandinaviska Enskilda Banken AB (Publ)	Stockholm
<b>Switzerland</b>	Credit Suisse (Switzerland) Ltd	Zurich

<b>Switzerland</b>	UBS Switzerland AG	Zurich
<b>Taiwan</b>	HSBC Bank (Taiwan) Limited	Taipei City
<b>Tanzania</b>	Stanbic Bank Tanzania Limited	Dar es Salaam
<b>Thailand</b>	The Hongkong and Shanghai Banking Corporation Limited	Bangkok
<b>Tunisia</b>	Union Internationale de Banques	Tunis
<b>Turkey</b>	Deutsche Bank A.S.	Istanbul
<b>U.A.E.</b>	HSBC Bank Middle East Limited, Dubai	Dubai
<b>U.K.</b>	Depository and Clearing Centre (DCC) Deutsche Bank AG, London Branch	London
<b>U.K.</b>	The Bank of New York Mellon	New York
<b>U.S.A.</b>	The Bank of New York Mellon	New York
<b>U.S.A. Precious Metals</b>	HSBC Bank, USA, N.A	New York
<b>Uganda</b>	Stanbic Bank Holdings Limited	Kampala
<b>Ukraine</b>	JSC "Citibank"	Kiev
<b>Uruguay</b>	Banco Itaú Uruguay S.A.	Montevideo
<b>Vietnam</b>	HSBC Bank (Vietnam) Ltd	Ho Chi Minh City
<b>WAEMU</b>	Société Générale Côte d'Ivoire	Abidjan 01, Ivory Coast
<b>Zambia</b>	Stanbic Bank Zambia Limited	Lusaka
<b>Zimbabwe</b>	Stanbic Bank Zimbabwe Limited	Harare