

# **Slater Recovery Fund**

## **Prospectus**

Prepared in accordance with the Collective Investment Schemes Sourcebook  
Dated and valid as at: 7<sup>th</sup> August 2017

*This document is important and you should read all the information contained in it. If you are in any doubt as to the meaning of any information contained in this document you should consult your authorised Financial Adviser.*

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## **Important information**

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

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

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

Unitholders are deemed to have taken notice of the provisions of the Trust Deed which is binding on each of the Unitholders. A copy of the Trust Deed is available on request from Slater Investments Limited.

This Prospectus has been issued for the purpose of section 21 of the Financial Services and Markets Act 2000 by Slater Investments Limited.

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

This Prospectus is based on information, law and practice at the "valid as at date" which is on the front cover and below. The Company cannot be bound by an out of date prospectus when it has issued a new prospectus and investors should check with the Manager that this is the most recently published prospectus.

## **US Tax Reporting**

The Scheme is required to comply with certain reporting requirements in order to avoid a 30% US withholding tax on interest income and the proceeds of sales of US securities and other US financial instruments. Complying with such requirements may require the Scheme to request certain information and documentation from Unitholders, and to agree to provide such information and documentation to the IRS if requested to do so. Any Unitholder that fails to provide the required information may be subject to a compulsory redemption of their shares and/or mandatory penalties.

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

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

This Prospectus is dated and valid as at 7<sup>th</sup> August 2017.

## **1 DEFINITIONS**

<b>The "Act"</b>	the Financial Services and Markets Act 2000 as amended, restated, re-enacted or replaced.
<b>"Administrator and Registrar"</b>	means the entity from time to time appointed by the Manager to provide administration and registrar services in respect of the Scheme, being JTC Fund Services (UK) Limited as at the date of this Prospectus;
<b>The "Collective Investment Sourcebook" or "COLL"</b>	the rules contained in the Collective Investment Schemes Sourcebook and made by the FCA pursuant to section 247 of the Act, as amended, restated, re-enacted or replaced.
<b>The "Custodian"</b>	means the entity from time to time appointed by the Trustee to act as custodian of the scheme property, being RBC Investor Services Trust as at the date of this Prospectus;
<b>"FCA"</b>	Financial Conduct Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS and any successor entity.
<b>The "Manager"</b>	Slater Investments Limited, the authorised fund manager of the Scheme.
<b>The "Scheme"</b>	Slater Recovery Fund <sup>1</sup> .
<b>"Transfer Agent"</b>	means the entity appointed by the Administrator and Registrar (with the permission of the Manager) to provide transfer agency services in respect of the Scheme, being FNZ TA Services Limited as at the date of this Prospectus.
<b>The "Trust Deed"</b>	the trust deed constituting the Scheme as amended by any supplemental deeds.

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<sup>1</sup> The Scheme was previously known as the MFM Slater Recovery Fund. The name of the Scheme was changed on 7<sup>th</sup> August 2017

<b>The "Trustee"</b>	National Westminster Bank plc, the trustee and depositary of the Scheme.
<b>"Unit"</b>	an income or an accumulation Unit in the Scheme.
<b>"Unitholder"</b>	a holder of Units in the Scheme.
<b>"UCITS Directive"</b>	the Europe Parliament and Council Directive of 13 July 2009 on the co-ordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, (UCITS) (No 2009/65/EC) as amended from time to time.
<b>"UCITS Scheme"</b>	a collective investment Scheme authorised by the FCA which complies with the conditions necessary for it to enjoy the benefits and rights conferred by the UCITS Directive.

## 2 THE MANAGER

<b>Name</b>	Slater Investments Limited.
<b>Corporate form</b>	Private limited company.
<b>Country of incorporation</b>	Incorporated in England and Wales.
<b>Holding company</b>	The Manager's ultimate holding company is Northglen Investments Limited, which is incorporated in England and Wales.
<b>Registered office and head office</b>	Nicholas House, 3 Laurence Pountney Hill, London, EC4R 0EU
<b>Date of incorporation</b>	19 October 1993.
<b>Share capital</b>	Issued and paid up share capital of £54,722.
<b>Directors</b>	Mr Mark William Slater Mr Ralph Peter Baber
<b>Authorisation</b>	Authorised and regulated by the Financial Conduct Authority.
<b>Remuneration Policy</b>	<p>The Manager applies a staff remuneration policy consistent with the principles outlined in the Undertakings for Collective Investment in Transferable Securities Directive (UCITS) (No.2009/65/EC), as amended, the Alternative Investment Fund Managers Directive (AIFMD) (No. 2011/61/EU), as amended, and the FCA Handbook of Rules and Guidance.(the "<b>Remuneration Policy</b>").</p>

The Remuneration Policy is designed to ensure that the Manager's remuneration practices are consistent with and promote sound and effective risk management, do not encourage risk taking and are consistent with the risk profile of the Schemes. The Manager considers the Remuneration Policy to be appropriate to the size, internal operations, nature scale and complexity of the Schemes and in line with the risk profile, risk appetite and the strategy of the Schemes.

The matters covered by the Remuneration Policy include:

- an assessment of the individual member of staff's performance;
- any restrictions on the awarding of guaranteed variable remuneration;
- the balance between fixed and variable remuneration;
- any payment of remuneration in the form of units or shares in the Schemes;
- any mandatory deferral periods for the payment of some or all of the variable remuneration component;
- the reduction or cancellation of remuneration in the case of under-performance.



The Remuneration Policy will apply to the fixed and variable (if any) remuneration received by the identified staff.

Details of the up-to-date Remuneration Policy, including a description of how remuneration and benefits are calculated, the identity of the persons responsible for awarding the remuneration and benefits is available on the Manager's website: [www.slaterinvestments.com](http://www.slaterinvestments.com). The Manager will provide paper copies free of charge upon written request to its operating address.

### **Delegated functions**

In accordance with COLL, the Manager is permitted to delegate certain functions (but not responsibility for such functions) to third parties. The Manager has therefore delegated the administrative and registrar function in relation to the Scheme to the Administrator and Registrar, JTC Fund Services (UK) Limited. The Administrator and Registrar has further sub-delegated (with the Manager's permission) the transfer agency function to the Transfer Agent, FNZ TA Services Limited. In accordance with the requirements in COLL, the Manager may terminate this agreement at any time with immediate effect where it is in the interests of the Unitholders to do so. Further details in respect of the Manager's delegated functions are set out below.

### **Other collective investment schemes**

The Manager is also the authorised fund manager of the collective investment schemes set out in Appendix D.

## **3 THE TRUSTEE**

### **Name**

National Westminster Bank plc.

### **Corporate form**

a public limited company incorporated in England and Wales with company registration number 00929027.

### **Holding company**

The Trustee's ultimate holding company is Royal Bank of Scotland plc, which is incorporated in Scotland.

### **Registered office and head office**

135 Bishopsgate, London, EC2M 3UR.

### **Principal business activity**

Provision of financial services, including trustee and depositary services.

### **Authorisation**

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

### **Appointment as depositary**

Pursuant to the agreement dated 7<sup>th</sup> August 2017 between the Scheme, the Manager and the Trustee (the "**Depositary Services Agreement**"), and for the purposes of and in compliance with COLL, the Trustee has been appointed as depositary of the

Scheme. As depositary, the Trustee is required to carry out certain duties specified in COLL (as set out in more detail below). The appointment of the Trustee as depositary under the Depositary Services Agreement may be terminated (without cause) by not less than 6 months written notice, provided that the Depositary Services Agreement does not terminate until a replacement Trustee has been appointed.

The fees to which the Trustee is entitled are set out below under the heading “Other Charges and Expenses”.

### **Depositary Duties of the Trustee**

The Trustee provides services to the Scheme as set out in the Depositary Services Agreement and, in doing so, shall comply with COLL. The Trustee’s duties include the following:

- (i) ensuring that the Scheme’s cash flows are properly monitored and verified, and that all payments made by or on behalf of applicants upon the subscription to units of the Schemes have been received.
- (ii) safekeeping of the Scheme Property, which includes (i) holding in custody all financial instruments that may be held in custody; and (ii) verifying the ownership of other assets and maintaining records accordingly.
- (iii) ensuring that issues, redemptions and cancellations of the units of each Scheme are carried out in accordance with the Trust Deed, the Prospectus and COLL.
- (iv) ensuring that in transactions involving Scheme Property any consideration is remitted to the Schemes within the usual time limits.
- (v) ensuring that the value of the units of the Schemes is calculated in accordance with COLL.
- (vi) carrying out the instructions of the Manager unless they conflict with the Trust Deed, the Prospectus or COLL.
- (vii) ensuring that a Scheme’s income is applied in accordance with COLL.

### **Delegation of safekeeping function**

Subject to the Depositary Services Agreement and COLL, the Trustee may delegate (and authorise its delegate to sub-delegate) its safekeeping functions.

The Trustee has delegated safekeeping of the Scheme Property to the Custodian, RBC Investor Services Trust. In turn, the Custodian has delegated the custody of assets in certain markets in which the Scheme may invest to various sub-delegates (“**Sub-Custodians**”).

A list of Sub-Custodians is set out in Appendix E. Unitholders should note that the list of Sub-Custodians is updated only at each annual Prospectus review.

## **Conflicts**

Actual or potential conflicts of interest may arise between the Scheme, the unitholders or the Manager and the Trustee. For example, such actual or potential conflict may arise because the Trustee is part of a legal entity or is related to a legal entity which provides other products or services to the Scheme. The Trustee may have a financial or business interest in the provision of such products or services, or receives remuneration for related products or services provided to the Scheme, or may have other clients whose interests may conflict with those of the Scheme, the unitholders or the Manager.

The Trustee and any of its affiliates or delegates may effect, and make a profit from, transactions in which the Trustee (or its affiliates, or another client of the Trustee or its affiliates) has (directly or indirectly) a material interest or a relationship of any description and which involves or may involve a potential conflict with the Trustee's duty to the Scheme. This includes, for example, circumstances in which the same entity as the Trustee or any of its affiliates or connected persons: provides fund services (including administration, fund accounting and middle office services), securities lending and/or collateral management services, foreign exchange services, credit facilities, transaction, execution, lending, settlement or prime services to the Scheme and/or to other funds or companies; acts as financial adviser, distributor, broker, market maker, banker, sub-custodian, derivatives counterparty or otherwise provides services to an issuer of the investments of the Scheme in question; acts in the same transaction as agent for more than one client; has a material interest in the issue of the investments of the Scheme; or earns profits from or has a financial or business interest in any of these activities.

The Trustee will ensure that any such additional services provided by it or its affiliates are on terms which are not materially less favourable to the Scheme than if the conflict or potential conflict had not existed.

The Trustee has a conflict of interest policy in place to identify, manage and monitor on an on-going basis any potential conflict of interest.

From time to time actual or potential conflicts of interest may arise between the Trustee and its delegates, for example, where a delegate is an affiliate of the Trustee, the Trustee may have a financial or business interest in that delegate.

Included in the Trustee's conflict of interest policy are procedures to identify, manage and monitor on an on-going basis any potential conflict of interest involving its delegates.

**Liability of the Trustee as depositary** In general, the Trustee is liable for losses suffered by the Scheme as a result of its negligence or wilful default to properly fulfil its obligations. Subject to the paragraph below, and pursuant to the Depositary Services Agreement, the Trustee will be liable to the Scheme for the loss of financial instruments of the Scheme which are held in custody. The Trustee will not be indemnified out of the scheme property for the loss of financial instruments.

The liability of the Trustee will not be affected by the fact that it has delegated safekeeping to a third party.

The Trustee will not be liable where the loss of financial instruments arises as a result of an external event beyond the reasonable control of the Trustee, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Trustee shall not be liable for any indirect, special or consequential loss.

In the event there are any changes to the Trustee's liability under COLL, the Manager will inform Unitholders of such changes without delay.

Unitholders have no personal right to directly enforce any rights or obligations under the Depositary Services Agreement.

#### **Updated Information**

Up to date information regarding the name of the Trustee, any conflicts of interest and delegations of the Trustee's safekeeping functions will be made available to Unitholders upon written request to the Manager.

#### **4 THE ADMINISTRATOR AND REGISTRAR**

**Name** JTC Fund Services (UK) Limited

**Address** 7th Floor, 9 Berkeley Street, London, W1J 8DW.

**Authorisation** Authorised and regulated by the Financial Conduct Authority.

**Terms of appointment** The Administrator and Registrar has, with the agreement of the Manager, sub-delegated the transfer agency function the Transfer Agent to FNZ TA Services Limited, whose principal place of business is at Level 5, 67 Lombard Street, London, EC3V 9LJ. FNZ TA Services Limited is an appointed representative of FNZ (UK) Ltd, which is authorised and regulated by the FCA.

**The Register** The register of Unit holders for the Scheme (the "**Register**") is kept and may be inspected at the Transfer Agent's principal place of business address at Level 5, 67 Lombard Street, London, EC3V 9LJ.

## 5 THE AUDITOR

<b>Name</b>	Barlow Andrews
<b>Address</b>	78 Chorley New Road, Bolton, Lancashire, BL1 4BY.

## 6 SUMMARY OF INFORMATION RELATING TO THE SCHEME

<b>Established and authorised by the FCA</b>	2 April 2002
<b>FCA product reference number</b>	200013
<b>Investment objectives</b>	The investment objective of the Scheme is to achieve capital growth.
<b>Current investment policy</b>	The Scheme will invest in companies both in the UK and overseas but concentrating mainly or, where appropriate, exclusively on UK shares. Other investments including bonds, warrants and options, within the limits imposed by the trust deed may be used where it is considered that they meet the investment objective. It is also intended where appropriate to take advantage of underwritings and placings. At times it may be appropriate for the Scheme not to be fully invested but to hold cash and near cash. The Scheme has powers to borrow as specified in COLL and may invest in derivatives and forward transactions for hedging purposes only.
<b>Units</b>	Class A, Class B and Class P income and accumulation units (currently only accumulation Units are available).
<b>Accounting and record date</b>	30 November.
<b>Annual management charge</b>	Class A Units: 1.5%, Class B Units: 1.0%, Class P Units: 0.75%
	The annual management charge accrues daily and is payable monthly in advance. This charge is calculated by reference to the net asset value of the Scheme on the last valuation day of the preceding month and is payable out of the scheme property attributable to the Scheme. It is payable within seven days of the relevant valuation day. The charge is calculated separately in relation to each class of unit issued by the Scheme as a percentage rate per annum of the total value of the units of entitlement in the property of the Scheme represented by the class on the relevant valuation date.
	Any increase in the annual management charge is subject to 60 days' prior written notice in accordance with COLL.
	The Administrator and Registrar's fees (which shall include the Transfer Agent's fees) will be paid by the Manager.
<b>Initial charge</b>	Class A Units: 5.25%, Class B Units: 1.00%, Class P Units: 1.00%.

This charge is included in the offer price of Units.

Any increase in the initial charge is subject to 60 days' prior written notice in accordance with COLL

<b>Redemption Charge</b>	The Manager is entitled under the Trust Deed to make a charge on the redemption of units in the Scheme but currently does not intend to introduce such a charge.
<b>Interim accounting and record dates</b>	31 May
<b>Distribution/allocation dates</b>	31 January and 31 July
<b>Grouping periods</b>	1 December to 31 May (First Grouping Period) and 1 June to 30 November (Second Grouping Period).
<b>Dates for publication of the annual and interim long reports</b>	31 January and 31 July respectively. The Manager will issue long reports on each of these dates.
<b>Valuation day and time</b>	12 noon on each business day excluding the last business day before 25 December and the last business day of the year.
<b>Category of authorised unit trust scheme</b>	A UCITS Scheme which complies with COLL.
<b>Typical investor</b>	The Scheme may be marketed to all classes of investor. However, a typical investor will understand the risks involved in investing in Units in the Scheme and the associated risks which are set out on page 16. It is anticipated that retail investors will have received advice from an appropriately qualified adviser. Class A Units are intended for direct retail investors. Class B Units are intended for larger investors investing via an intermediary or financial adviser. Class P Units are intended for large institutional investors and platforms. In each case investors in the relevant classes will, subject to the Manager's discretion, need to meet the applicable investment requirements set out in Section 15 below.

## **7 THE CONSTITUTION OF THE SCHEME**

### **General**

The Scheme is an authorised unit trust scheme established by a Trust Deed dated 25 March 2002. It is a UCITS Scheme which complies with COLL.

The base currency of the Scheme is pounds sterling. It is not intended that the Scheme will invest in any immovable property or tangible movable property.

Unitholders are not liable for the debts of the Scheme.

### **Investment limits**

The Scheme has the investment powers applicable to a UCITS Scheme as set out in COLL, but subject to its investment objective and policy and certain restrictions which are set out in the Trust Deed. The limitations are set out in further detail in Appendix A of this Prospectus.

## **8 SUSPENSION AND TERMINATION**

### **Suspension of the Scheme**

The Manager may with the prior agreement of the Trustee, and must without delay, if the Trustee so requires, temporarily suspend the issue, cancellation, sale, redemption and exchange of any units in the Scheme ("dealing") where due to exceptional circumstances it is in the interests of all unitholders in the Scheme.

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

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

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

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

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

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

### **Winding up of a Scheme**

A Scheme will be wound up upon the happening of any of the events relevant to the Scheme set out in COLL which include, without limitation:

- i) the order declaring the relevant Scheme to be an authorised Unit Trust Scheme being revoked;
- ii) the passing of an extraordinary resolution winding up the Scheme (provided the FCA's prior consent to the resolution has been obtained by the Manager or Trustee);

- iii) 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, inter alia, that, on the conclusion of the winding up of the Scheme, the FCA will agree to that request; and
- iv) pursuant to a Scheme of arrangement which is to result in the Scheme being left with no property.

### **Manner of winding up**

The procedure for winding up is as follows.

- i) If the Unitholders pass an extraordinary resolution approving the amalgamation of the Scheme with another body or Scheme, the Trustee will wind up the Scheme in accordance with that resolution or the terms of the approved amalgamation.
- ii) In any other case the Trustee will, as soon as practicable after the Scheme falls to be wound up, sell the property of the Scheme. After paying out of the Scheme all liabilities of the winding up the Trustee will distribute the proceeds to the Unitholders and the Manager proportionate to their interests in the Scheme. The Manager can ask for any evidence he feels is necessary or appropriate to show an entitlement to Units and can withhold payment for those Units until it is provided.
- iii) Any unclaimed net proceeds or other cash held by the Trustee after the expiry of twelve months from the date on which the same became payable will be paid by the Trustee into court. The Trustee has a right to receive from the money paid into court any expenses incurred by him in making that payment into court.
- iv) Where the Trustee and one or more Unitholders agree, the Trustee does not have to realise the property of the Scheme proportionate to the entitlement of that or those Unitholders. Instead the Trustee may distribute that part in the form of property. Before distributing that property the Trustee will make such adjustments or retain such provision as appears to the Trustee to be appropriate to ensuring that, a proportionate share of the liabilities and costs is borne by that or those Unitholders.
- v) When the winding up is complete, the Trustee shall notify the FCA in writing of that fact. At the same time, the Manager or Trustee shall request the FCA to revoke the order of authorisation under section 256 of the Act (as appropriate).

## **9 CHARACTERISTICS OF UNITS IN THE SCHEMES**

The Trust Deed authorises the issue of Class A, Class B and Class P income and accumulation Units. At the date of this Prospectus, only Class A, Class B and Class P accumulation Units are in issue.

All Units represent one undivided share in the property of the Scheme.

An income Unit is a Unit in respect of which net income, if any, is to be distributed. An accumulation Unit is a Unit in respect of which net income if any, is accumulated and not distributed. Instead any income is automatically reinvested and retained in the property of the Scheme and is reflected in the price of a Unit.



## **Title to Units**

Each Unitholder is entitled to participate in the property of the Scheme and the income thereof. A Unitholder's right in respect of the Scheme as represented by his Units is that of a beneficial interest under the trust.

Title to Units will be evidenced in the Register. No certificates will be issued to Unitholders. A Unitholder's contract note will be evidence of title to his Units, although the Register will ultimately be conclusive evidence. The Register can be inspected by Unitholders at the principal place of business of the Transfer Agent at Level 5, 67 Lombard Street, London, EC3V 9LJ.

The Administrator and Registrar may charge a fee for issuing any document recording or amending an entry on the register, otherwise than on the issue or sale of Units. Events such as the death of the Unitholder and registration of a grant of probate or letter of administration in respect of deceased's Unitholder's Units are examples of when this will apply.

## **10 VOTING RIGHTS**

A meeting of Unitholders duly convened and held in accordance with COLL shall be competent and by extraordinary resolution may approve any modification alteration or addition to the provisions of either the Trust Deed or the Prospectus which the Manager and the Trustee have agreed to be a fundamental change in accordance with COLL. This would include, without limitation, any proposal for a Scheme of arrangement and certain changes to a Scheme's investment objective and/or investment policy.

At a meeting of Unitholders, the quorum for the transaction of business is two Unitholders, present in person or by proxy. On a show of hands every Unitholder who (being an individual) is present in person or (being a corporation) is present by one of its officers as its proxy shall have one vote. On a poll every Unitholder who is present in person or by proxy will have one vote for every Income Unit (if any are in issue) of which he or it is the holder and the same number of votes (including fractions of a vote) for every Accumulation Unit of which he or it is the holder as the number of undivided shares (including fractions) in the Scheme represented by one Accumulation Unit.

In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other holders and for this purpose seniority is determined by the order in which the names stand in the Register of Holders. On a poll, votes may be given either personally or by proxy. Although different rights do not attach to the different classes of Units if the Trustee is of the view that any extraordinary resolution is one in relation to which there is or might be a conflict of interest between the holders of Accumulation Units and Income Units (if any are in issue), separate meetings of those Unitholders shall be held.

The Unitholders may request the convening of a general meeting by requisition pursuant to and in accordance with COLL. Unitholders in general meeting may, amongst other things, pass a resolution to remove the Manager.

## **11 MANDATORY REDEMPTION OF UNITS**

If the Manager reasonably believes that any Units are owned directly or beneficially in circumstances which:

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

- (b) may (or may if other shares are acquired or held in like circumstances) result in the Company incurring any liability to taxation or suffering any other adverse consequences (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory),

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

## **12 DETERMINATION AND DISTRIBUTION OF INCOME**

The Trust Deed permits grouping of Units for equalisation purposes. Group 1 Units are those purchased prior to the commencement of a particular distribution period and Group 2 Units are those purchased during a distribution period.

The distribution periods for the Scheme are detailed within the section of this document headed "Summary of Information Relating to the Scheme". Units purchased within these periods will be Group 2 Units. At the next distribution they become Group 1 Units.

Equalisation applies only to Group 2 Units. It is the average amount of income included in the purchase price of all Group 2 Units and is refunded to Unitholders of these Units as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of Units for capital gains tax purposes.

As the Scheme only has accumulation Units in issue, the income of the Scheme is added to the value of the Units.

The income available for distribution or accumulation in relation to the Scheme is determined in accordance with COLL. Broadly it comprises all sums deemed by the Scheme, after consultation with the Auditor, to be in the nature of income received or receivable for the account of the Scheme and attributable to the Scheme in respect of the accounting period concerned, after deducting net charges and expenses paid or payable out of such income and after making such adjustments as the Manager considers appropriate, after consulting the auditors in accordance with COLL, in relation to taxation and other matters.

Income relating to the Scheme is allocated as it accrues or is received in proportion to the Units of entitlement in the property of the Scheme. If a distribution of income remains unclaimed for a period of six years after it has become due, it will be forfeited and will revert to the capital of the Scheme.

## **13 OTHER CHARGES AND EXPENSES**

### **Remuneration of the Trustee**

#### Periodic fee

The Trustee receives for its own account a periodic fee which accrues daily and is payable monthly in advance. This periodic fee is calculated by reference to the net asset value of the Scheme on the last valuation day of the preceding month and is payable out of the scheme property attributable to the Scheme. It is payable within seven days of the relevant valuation day. The periodic fee is calculated separately in relation to each class of unit issued by the Scheme as a percentage rate per annum of the

total value of the units of entitlement in the property of the Scheme represented by the class on the relevant valuation date.

The rate of the periodic fee is agreed between the Scheme, the Manager and the Trustee and is currently 0.03% per annum on the value of Scheme and is calculated by reference to the net asset value of the Scheme on the last valuation day of the preceding month.

The Trustee's fee may be changed in accordance with COLL. If it does change, the Manager will inform the Unitholders in accordance with COLL.

### Custody and transaction fees

In addition to the periodic fee referred to above, the Trustee is entitled to be paid a custody charge in relation to the safe-keeping of the Scheme's assets ("**Custody Charges**"). The Custody Charges are variable depending upon the specific custody arrangements for each type of asset. The Custody Charges currently range from between 0.006% and 1.08% of the relevant asset values per annum, subject to an annual minimum charge of:

- £2,000 if the Scheme has a net asset value below £20 million; or
- £4,000 if the Scheme has a net Asset Value of (or in excess of) £20 million.

The Custody Charges accrue and are payable as agreed from time to time between the Trustee and the Manager.

The Trustee is also entitled to be paid custody transaction charges in relation to processing transactions in the Scheme's assets ("**Custody Transaction Charges**"). The Custody Transaction Charges vary depending on the country and the type of transaction involved. The Custody Transaction Charges currently range from between £3 to £108 per transaction.

The Custody Transaction Charges accrue at the time the transactions are effected and are payable as soon as reasonably practicable, and in any event not later than the last Business Day of the month when such charges arose or as otherwise agreed between the Trustee and the Manager.

### **Expenses**

The Trustee is entitled to be reimbursed out of the property of the Scheme for:

- a) expenses properly incurred in performing duties imposed on it; or
- b) exercising powers conferred on it, by COLL together with any VAT payable. The relevant duties may include, without limitation:
  - delivery of stock to the Trustee, Custodian or Sub-Custodian (where relevant);
  - custody of assets;
  - collection of income;
  - submission of tax returns;
  - handling tax claims;
  - preparation of the Trustee's annual report;
  - such other duties as the Trustee is required by Law to perform.

In addition, the Trustee may be paid the following expenses or disbursements (plus VAT):

- i) All expenses of registration of assets in the name of the Trustee or its nominees or agents, of acquiring, holding, realising or otherwise dealing with any assets; of custody of documents; of insurance of documents and of collecting income or capital; of opening bank accounts, effecting currency transactions and transmitting money; relating to borrowings or other permitted transactions; of obtaining advice, including legal, accountancy or other advice, of conducting legal proceedings; of communicating with holders, the Manager, the Custodian (or Sub-Custodian), the Administrator and Registrar, the Transfer Agent or other persons in respect of the Scheme, relating to any enquiry by the Trustee into the conduct of the Manager and any report to holders; or otherwise relating to the performance by the Trustee of its duties or the exercise by the Trustee of its powers; and
- ii) All charges of nominees or agents in connection with any of the matters referred to at (i) above; and
- iii) Any other costs, disbursements or expenses accepted under the laws of England and Wales from time to time as being properly chargeable by Trustees.

If any person, at the request of the Trustee in accordance with COLL, provides services including but not limited to those of a custodian of property of the Scheme, the expenses and disbursements hereby authorised to be paid to the Trustee out of the property of the Scheme shall extend to the remuneration of such persons as approved by the Trustee and the Manager.

Certain other expenses are also permitted by COLL and by the Trust Deed to be paid out of the property of the Scheme. At present these comprise in relation to the Scheme:-

- i) Broker's commission, fiscal charges and other disbursements which are:
  - a) Necessary to be incurred in effecting transactions for the Scheme, and
  - b) Normally shown in contract notes, confirmation notes and difference accounts as appropriate.
- ii) Interest on any borrowings permitted under the Trust Deed and all charges incurred in negotiating, entering into, varying, carrying into effect with or without variation, maintaining and terminating the borrowing arrangements:
- iii) Taxation and duties payable in respect of the property of the Scheme, the Trust Deed or the issue of Units.
- iv) Any costs incurred in modifying the Trust Deed, constituting the Scheme, including costs incurred in respect of meetings of Unitholders convened for the purpose, where the modification is:
  - a) Necessary to implement any change in the law (including changes in COLL),
  - b) Necessary as a direct consequence of any change in the law (including changes in COLL), or
  - c) Expedient having regard to any fiscal enactment and which the Managers and the Trustee agree is in the interests of the Unitholders, or

- d) To remove from the Trust Deed constituting the Scheme obsolete provisions.
- v) Any costs incurred in respect of meetings of Unitholders convened on a requisition by Unitholders not including the Manager or an associate of the Manager.
- vi) The expenses of the Trustee in convening a meeting of Unitholders convened by the Trustee alone.
- vii) The audit fees of the auditor and VAT thereon and any expenses of the auditor.
- viii) The fees of the Financial Conduct Authority under Schedule 1, Part III of the Act or the corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which Units in the Trust are or may be marketed.
- ix) Any payment permitted by COLL in connection with liabilities on a transfer of assets.

VAT on any fees, charges or expenses will be chargeable out of the property of the Scheme where applicable.

## **14 ISSUE AND REDEMPTION OF UNITS**

### **Dealing**

Units in the Scheme may be bought or sold on any day the Manager is open for business. These “business days” are normally Monday to Friday each week between 9.00 am and 5.00 pm. Business days do not include:

- bank and public holidays;
- the afternoon of the last Business Day before 25 December;
- the afternoon of the last Business Day of the year; and
- any other day at the Manager's discretion.

Units may be bought and sold by written instructions to the Transfer Agent at FNZ TA Services Limited, Level 5, 67 Lombard Street, London, EC3V 9LJ. The Manager may also, at its sole discretion, accept instructions by telephone or by facsimile on such terms as it may specify.

Instructions accepted on any day will be dealt at the next valuation point following receipt of such instructions.

### **Buying Units**

Units will be allocated at not more than the offer price applicable at the next valuation point following receipt of instructions.

Save where the Manager, in exceptional circumstances, agrees to a lower figure, the following minima, apply to the Units in the Scheme:

<b>Unit Class</b>	<b>Minimum Initial Investment</b>	<b>Minimum Subsequent Investment</b>
Class A	£3,000	£500
Class B	£100,000	£50,000
Class P	£5,000,000	£1,000

A contract note giving details of the transaction will be issued on the next business day following purchase.

Unit certificates will not be issued. The contract note will be evidence of title although the register would ultimately be conclusive evidence.

### **In specie application**

The Manager may, by special arrangement and at its discretion, agree to arrange for the issue of Units in exchange for assets other than cash but only if the Trustee is satisfied that acquisition of the assets in exchange for the Units to be issued is not likely to result in any material prejudice to the interests of Unitholders or potential Unitholders of the Scheme.

### **Selling Units**

The Manager will normally buy back Units from registered holders free of commission, at not less than the bid price applicable at the next valuation point following receipt of instructions.

A contract note will be issued to confirm the transaction. Payment of the amount due will be issued by the close of the fourth business day following the later of:

- a) the valuation point immediately after the request to redeem; or
- b) the time when the Manager has all duly executed instruments and authorisations to effect transfer of title to the Units.

The following minima apply to Units in the Scheme, save where the Manager at its discretion may agree otherwise:

<b>Unit Class</b>	<b>Minimum Holding</b>	<b>Minimum Redemption</b>
Class A	£3,000	£500
Class B	£100,000	£500
Class P	£5,000,000	£500

### **In specie redemption**

Where a Unitholder requests redemption of a number of Units, the Manager may at its discretion, by serving a notice of election on the Unitholder not later than the close of business on the second business day following the day of receipt of the request, elect that the Unitholder shall not be paid the redemption price of his Units but instead there shall be a transfer to that holder of property of the relevant Scheme having the appropriate value. Where such a notice is so served on a Unitholder, the Unitholder may serve a further notice on the Manager not later than the close of business on the fourth business day following the day of receipt by the Unitholder of the first mentioned notice requiring the Manager, instead of arranging for a transfer of property, to arrange for a sale of that property and the payment to the Unitholder of the net proceeds of that sale. The selection of Scheme property to be transferred (or sold) is made by the Manager in consultation with the Trustee, with a view to achieving no more advantage or disadvantage to the Unitholder requesting redemption of his Units than to

continuing Unitholders. The Manager may retain out of the property to be transferred (or the proceeds of sale) property or cash of value or amount equivalent to any SDRT to be paid in relation to the cancellation of the Units.

### **Electronic Communication of Transfer / Renunciation of Title to Funds**

The Manager may accept instructions to transfer or renounce title to units by electronic communication in certain, limited circumstances following our prior agreement which will only be given on a case by case basis. In such circumstances, the Manager will accept electronic communication only where the Manager can satisfy itself that the communication is from the unitholder and is genuine.

### **Switching/convertng Units**

Unitholders in the Scheme are permitted to switch all or some of their Units between different types or classes. This includes switching from income to accumulation Units, or between Class A, Class B and Class P Units where applicable, and subject to the restrictions on holding each class of Unit described in this section 15. Such switches of Unit class or Unit type can be carried out at no charge. Instructions to switch Units must be received by the Manager in writing, via the Transfer Agent, at the address above under “dealing”. Instructions may also be received, at the Manager's sole discretion, by telephone or email. Units will be switched at the next available valuation point following receipt and acceptance of the instruction. The number of new Units received will be determined by the price of old and new Units at the valuation point when the switch is carried out.

**Switches between Unit classes in the Scheme are not treated as a disposal for UK tax purposes. In no circumstances will a Unitholder who switches Units in once class for Units in any other class, be given a right by law to cancel or withdraw from the transaction.**

### **Deferred Redemption**

In times of high levels of redemption, the Manager may, with the prior agreement of the Trustee, or shall if the Trustee so requires, permit deferral of redemptions to the next valuation point where the total value of the redemptions requested together represent over 10% of the Scheme's net asset value. Subject to sufficient liquidity being raised at the next valuation point all redemption requests relating to the earlier valuation point will be completed before those relating to the later valuation point.

## **15 VALUATION OF THE SCHEME**

The property of the Scheme will normally be valued each business day at 12 noon in order to calculate the prices at which Units can be created, cancelled, bought and sold. Business day has the same meaning as in the dealing section under the ‘Issue and Redemption of Units’ heading.

The property of each Scheme will be valued on both a bid and offer basis and also on a mid-market basis for calculation of the Manager's fee.

The bid and offer basis is calculated using the best bid/offer prices of securities either traded or ordered, as at each valuation point.

The Manager may carry out valuations at a time that is not a valuation point and must inform the Trustee if it does so.

Details of how the value of the property of the Scheme is determined in relation to each purpose for which such property must be valued are set out in Appendix C to this Prospectus.

## **16 PRICING BASIS**

The Manager deals at a forward price; that is to say at the price ruling at the next valuation point.

Prices are calculated on a dual basis in accordance with COLL which sets out a minimum and a maximum price range.

The minimum price at which Units may be sold back to the Manager (bid price/selling price) is arrived at by valuing the assets on the basis of the amount that the Scheme would receive if the assets were sold (market prices less dealing costs and expenses) and dividing the result by the number of Units in existence. This minimum price is also known as “cancellation” price and is the lowest price that the Manager can fix as the bid price.

The maximum price at which Units may be sold by the Manager (offer price/buying price) is arrived at by valuing the assets of the Scheme on the basis of the cost of acquiring those assets (i.e. market prices, dealing costs, stamp duty etc.), dividing this by the number of Units in existence and adding on the Manager’s initial management charge.

The Manager sets the bid (sell) and offer (buy) prices within this permitted range.

### **Definition of a Large Deal**

Deals of more than £15,000 will be considered “large deals” for the purposes of COLL. This allows the Manager the right to give cancellation price (minimum bid) on redemption deals over £15,000 by any person as principal, either as a single transaction, or as a series of transactions totalling over £15,000 in value, in one dealing period in the Scheme.

### **Rounding**

Units will be rounded to three decimal places.

## **17 PUBLICATION OF PRICES**

The bid and offer prices of Units are published in the Financial Times. In addition, all prices can be obtained from our website [www.slaterinvestments.com](http://www.slaterinvestments.com) or by calling 020 7220 9460. The cancellation prices last notified to the Trustee are available on request from the Manager. The Manager is not responsible for any errors in publication or non-publication.

## **18 TAXATION OF THE SCHEME**

### **A. Income**

The Scheme is liable to corporation tax on its taxable income, less its expenses of management. Corporation tax will be payable for a financial year at a special rate applicable to authorised Unit trusts (currently 20%). For corporation tax purposes, a financial year runs from 1 April to 31 March. Where an accounting period of the Scheme falls into two financial years for which different rates apply, there will be an apportionment of income between them for tax purposes.

If, for an accounting period, management expenses exceed the Scheme’s taxable income then the Scheme generates a tax loss for that period.

### **B. Chargeable gains**

The Scheme is exempt from corporation tax on its chargeable gains.



## **Taxation of the Unitholder**

### **A. Income**

The Scheme will generally make dividend distributions which broadly reflect any income arising from its investments. Dividend distributions by the Scheme are made without deduction of income tax. The first £5,000 of dividend distributions received by individual investors in any tax year are not subject to income tax. Dividend distributions received in excess of this amount should be reported on the individual investor's Self-Assessment Tax Return. For distribution amounts in excess of £5,000 in any tax year, individual investors liable to income tax at the basic rate will have an additional liability to income tax equal to 7.5% of the dividend distribution to the extent that such sum, when treated as the top slice of his income, falls above the threshold for basic rate tax. Higher rate taxpayers will have a further liability to income tax equal to 32.5% of the dividend distribution to the extent that such sum, when treated as the top slice of his income, falls above the threshold for higher rate tax. Additional rate taxpayers will have a further liability to income tax equal to 38.1% of the dividend distribution to the extent that such sum, when treated as the top slice of his income, falls above the threshold for the additional rate of tax.

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

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

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

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

### **B. Chargeable gains**

Capital gains made by individual Unitholders who are resident in the UK for tax purposes on the sale, disposal or as a result of any other chargeable event will be tax free if they fall within an individual's annual capital gains exemption. For the tax year 2017/2018, the first £11,300 of an individual's chargeable gains (that is after deduction of allowable losses) from all sources will, therefore, be exempt from capital gains tax. Subject to their personal circumstances, gains in excess of this amount are taxed at 10% for basic rate taxpayers and 20% for higher and additional rate taxpayers.

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

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

THE ABOVE IS ONLY A SUMMARY OF THE RELEVANT TAX POSITION AND IS NOT EXHAUSTIVE. IT ASSUMES AN INDIVIDUAL i.e. NON-CORPORATE UNITHOLDER. IT DOES NOT TAKE ACCOUNT OF INDIVIDUAL CIRCUMSTANCES AND INDIVIDUALS MUST CONSULT THEIR OWN TAX ADVISERS IN CASES OF DOUBT.

### **Stamp Duty Reserve Tax**

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

In the event of a change to UK law on SDRT, the Manager reserves the right to make a SDRT charge to the Unitholders or to the Scheme. A notification to Unitholders will be made in the event of such a change.

### **Individual Savings Accounts (“ISAs”)**

At the date of publication of the Scheme Particulars the Scheme satisfied the eligibility requirements to be qualifying investments for a stocks and shares component of an ISA.

### **Money Laundering**

The Manager is subject to the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007 which implemented the EC Money Laundering Directive. The Manager is also subject to additional requirements imposed by the FCA which require all firms carrying on investment business to deter criminals from using the facilities for money laundering.

In certain circumstances Unitholders may be asked to provide some proof of identity when buying or selling Units. In the latter case, the Managers cannot pay the proceeds of redemption or income from Units until satisfactory evidence has been received.

The Manager will, where possible, verify identity using information from credit reference agencies. Where this is not possible or where the Manager decides, at its own discretion, that it is appropriate further documentation will be requested.

## **19 OTHER INFORMATION**

1. Copies of the Trust Deed, any supplemental deeds, the Prospectus, the latest Key Investor Information Document and the most recent Manager’s annual and half yearly long reports may be inspected at and obtained from the Manager at the address given above. The Prospectus, the latest Key Investor Information Document and the most recent Manager’s annual and half yearly long reports are also available at [www.slaterinvestments.com](http://www.slaterinvestments.com).

2. The Manager may from time to time communicate with Unitholders. All notices or documents required to be served on Unitholders shall be served by post to the address of such Unitholders as evidenced on the Register or electronically.
3. Any Unitholder wishing to make a complaint may in the first instance contact the Manager or complain direct to the Financial Ombudsman Service, Exchange Tower, London E14 9SR.
4. For security, telephone calls to the Unit trust administration area and the sales and marketing area may be recorded.
5. All profits and/or losses which the Manager makes in connection with the sale and repurchase of Units will be retained by the Manager.
6. The Manager is under no obligation to account to the Trustee or to the Unitholders (or any of them) for any profits made by the Manager on the issue of Units in the Schemes or on the re-issue or cancellation of Units previously redeemed by the Manager.
7. The Manager will provide upon the request of a Unitholder further information relating to:
  - a) the quantitative limits applying in the risk management of the Scheme;
  - b) the methods used in relation to (a) and
  - c) any recent development of the risk and yields of the main categories of investment.
8. In accordance with COLL the Manager has in place a number of policies which set out how it operates and manages the Scheme in a number of key areas. The Manager's voting policy (which sets out how and when voting rights attached to the Scheme's investments are to be exercised), execution policy (which sets out the procedures to be followed when transactions are carried out on behalf of the Scheme) and inducement policy (which sets out the types of payments, including fees, commissions and non-monetary benefits, which may, where permitted by the COLL, be received or made by a third party in respect of the Scheme) are available on request from the Manager.

## **20 RISK WARNINGS**

The following risk factors should be considered before making your investment decision:

1. The Scheme invests in assets involving various degrees of risk. The nature of these risks is implicit to the Scheme's investment objective and reference should also be made to the Key Investor Information Document and promotional material. An authorised Financial Adviser should be consulted for specific advice on the suitability of investing in the Scheme, an investment in which should be seen as a long-term commitment.
2. It should also be noted that the value of an investment, and its related income, can go down as well as up and past performance cannot be seen as a guide to future performance. Investments and the income derived from them can fall as well as rise and the investor may not get back the amount originally invested.
3. The Manager's preliminary charge that applies to this Scheme means that charges and expenses are not made uniformly throughout the life of the investment.

4. If you have any doubts about the suitability of an investment, please contact a financial adviser. Please note Slater Investments Limited does not provide investment advice.
5. Whilst equity investments carry potential for attractive returns over the longer term, the volatility of these returns can also be relatively high.
6. Changes in exchange rates between currencies may cause the value of both the capital and income of your investment to increase and diminish.
7. Inflation may affect the real value of your savings and investments, which may reduce the buying power of the money you have saved and your investments.
8. Where cancellation rights are applicable, if you choose to exercise your cancellation rights and the value of your investment falls before notice of cancellation is received by us in writing, a full refund of the original investment may not be provided but rather the original amount less the fall in value.
9. ISA Investments - The favourable tax treatment of ISAs may not be maintained indefinitely. If you are unsure of your tax position you should consult a tax adviser. A tax reclaim of 20% is available on interest distributions until further notice.
10. The Scheme may invest in smaller companies which carry a higher degree of risk than funds investing in larger companies. The shares of smaller companies may be less liquid and their performance more volatile over short periods. The Scheme can also invest in smaller companies listed on the Alternative Investment Market (AIM) which also carry the risks described above.
11. In certain circumstances, for hedging purposes to reduce or eliminate risk arising from fluctuations in interest or exchange rates and in the price of investments, the Scheme may enter into certain derivatives transactions, including, without limitation, forward transactions, futures and options. The value of these investments may fluctuate significantly. By holding these types of investments there is a risk of capital depreciation in relation to certain assets of the Scheme. There is also the potential for capital appreciation of such assets.

21 PAST PERFORMANCE

**Slater Recovery Fund**

1<sup>st</sup> October 11 – 30<sup>th</sup> September 16, Bid to Bid, UK Basic Rate, Based in UK Sterling

**Net Income Reinvested**

<b>Name</b>	<b>% Growth 01 Oct 15 to 30 Sept 16</b>	<b>% Growth 01 Oct 14 to 30 Sept 15</b>	<b>% Growth 01 Oct 13 to 30 Sept 14</b>	<b>% Growth 01 Oct 12 to 30 Sept 13</b>	<b>% Growth 01 Oct11 to 30 Sept 12</b>
Slater Recovery Fund (Class A Units)	3.16	11.33	20.94	11.09	-1.68

Source: Morningstar's Micropal

**The value of your units may go down as well as up. Past performance is not a guide to future performance.**

## **Appendix A Investment and Borrowing Powers**

The Manager may exercise, in relation to the Scheme the full authority and powers permitted by COLL applicable to a UCITS Scheme. However, this is subject to the applicable investment limits and restrictions set out in COLL, the Trust Deed, this Prospectus and the Scheme's investment objective and policy.

### ***Transferable Securities***

Up to 100% of the Scheme property of the Scheme may consist of transferable securities which meet the following criteria:

- the potential loss which the Scheme may incur with respect to the holding the transferable security is limited to the amount paid for it;
- 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;
- reliable valuation is available for the transferable securities as follows:
  - a) 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;
  - b) 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 independent research;
- appropriate information is available for the transferable security as follows:
  - a) 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;
  - b) in the case of a transferable security not admitted to or dealt ion 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;
- it is negotiable; and
- 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 not to compromise the ability of the Manager to comply with its obligation to redeem shares at the request of any qualifying unitholder; and to be negotiable.

### ***Closed End Funds Constituting Transferable Securities***

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

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

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

Not more than 10% in value of the scheme property of the Scheme may consist of transferable securities which are not admitted to or dealt in an eligible market.

Not more than 5% in value of the Scheme property of the Scheme may consist of transferable securities issued by any single body. This limit may be raised to 10% in respect of up to 40% in value of the Scheme property attributable to a Scheme.

Not more than 20% in value of the Scheme property of the Scheme is to consist of transferable securities issued by the same group.

Up to 5% in value of the Scheme property of the Scheme may consist of warrants. Warrants may only be held if it is reasonably foreseeable that the exercise of the rights conferred by the warrants will not contravene COLL. Securities on which any sum is unpaid may be held provided that it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the relevant Scheme at any time when the payment is required without contravening COLL.

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

Up to 5% in value of the property of the Scheme may consist of units and/or shares in collective investment schemes.

Not more than 5% in value of the property of the Scheme may consist of units or shares in any one collective investment scheme.

The Scheme must not invest in units or shares of a collective investment scheme (the “**second scheme**”) unless the second scheme satisfies the conditions referred to below and provided that no more than 30% of the value of the scheme property attributed to the Scheme is invested in second schemes within categories (b) to (e) below.

The second scheme must fall within one of the following categories:

- a) A scheme which satisfies the conditions necessary for it to enjoy the rights conferred by the UCITS Directive;
- b) A scheme which is recognised under the provisions of section 270 of the Financial Services and Markets Act 2000 (Schemes authorised in designated countries or territories);
- c) A scheme which is authorised as a non-UCITS retail Scheme (as defined in COLL) and in respect of which the requirements of article 19(1)(e) of the UCITS Directive are met;
- d) A scheme which is authorised in another EEA State (and in respect of which the requirements of article 19(1)(e) of the UCITS Directive are met);

- e) A scheme which is authorised by the competent authority of an OECD member country (other than another EEA State) which has:
  - i signed the IOSCO Multilateral Memorandum of Understanding; and
  - ii approved the scheme's management company, rules and depositary/custody arrangements.

The second scheme must comply, where relevant, with those COLL provisions regarding investment in other group schemes and associated schemes (referred to below).

The second scheme must have terms which prohibit more than 10% in value of the scheme property consisting of units/shares in collective investment schemes.

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

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

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

Up to 100% of the scheme property of the Scheme may consist of cash or near cash to enable:

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

Cash forming part of the property of a Scheme may be placed in any current or deposit account with the Trustee, the Manager or any investment adviser or any associate of any of them provided it is an eligible institution or approved bank and the arrangements are at least as favourable to the Scheme as would be those of any comparable arrangements effected on normal commercial terms negotiated at arm's length between two independent parties.

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

Up to 100% of the scheme property of the Scheme may consist of transferable securities or approved money market instruments ("such securities") issued by: (i) an EEA State; (ii) a local authority of an EEA State; (iii) a non-EEA State; or (iv) a public international body to which one or more EEA States belongs, provided no more than 35% in value of the scheme property attributable to such securities is invested in such securities issued by any one body. There is no limit on the amount which may be invested in such securities or in any one issue.



## *Derivatives*

The Scheme may use its property to enter into transactions for the purposes of hedging. The Manager does not anticipate the intended use of derivatives and forward transactions to have any detrimental effect on the overall risk profile of the Scheme. Permitted hedging transactions (excluding stock lending transactions) are transactions in derivatives (i.e. options, futures or contracts for differences) dealt in or traded on approved derivatives markets; off-exchange options or contracts for differences resembling options, or synthetic futures in certain circumstances.

The Scheme may enter into approved derivatives transactions on eligible derivatives markets. Eligible derivatives markets are derivatives markets which the Manager, after consultation with the Trustee, has decided are appropriate for the purpose of investment of or dealing in the Scheme Property with regard to the relevant criteria set out in the FCA Regulations and the guidance on eligible markets issued by the FCA (as amended from time to time).

Any forward transaction must be with an approved counterparty. A derivatives or forward transaction which would or could lead to delivery of Scheme Property to the Trustee in respect of the Scheme may be entered into only if such Scheme Property can be held by the Scheme and the Manager reasonably believes that delivery of the property pursuant to the transaction will not lead to a breach of the FCA Regulations.

There is no limit on the amount of the Scheme Property which may be used for hedging, but the transactions must satisfy three broad requirements as set out below.

1. A transaction must be reasonably believed by the Manager to be economically appropriate for the efficient portfolio management of the Scheme. This means that for transactions undertaken to reduce risk or cost (or both), the transaction alone or in combination will diminish a risk or cost of a kind or level which it is sensible to reduce, and, for a transaction undertaken to generate additional capital or income, the Scheme is certain (or barring events which are not reasonably foreseeable) to derive a benefit from the transaction.
2. The purpose of the hedging transaction must be to achieve one of the following aims:
  - a) reducing risk;
  - b) reducing cost; or
  - c) generating additional capital or income for the Scheme with no, or an acceptably low, level of risk. There is an acceptably low level of risk in any case where the Manager reasonably believes that the Scheme is certain (or certain barring events which are not reasonably foreseeable) to derive a benefit.
3. Each hedging transaction must be fully covered by cash, near cash or other property sufficient to meet any obligation which could arise.

Hedging transactions generally and also hedging transactions against either price or currency fluctuations may include, for example, the purchase or writing of traded options or certain instruments other than traded options which are traded on or under the rules of an approved options and futures market or instruments utilised to hedge against fluctuations in exchange rates.

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

Derivatives transactions must either be in approved derivatives (being a derivative which is traded or dealt in on an eligible derivatives market as set out above) or an over the counter derivative with an approved counterparty in accordance with COLL.

A transaction in a derivative must not cause the Scheme to diverge from its investment objectives as stated in the Instrument and the most recently published version of this prospectus. The underlying assets of a transaction in a derivative may only consist of any one or more of the following:

- transferable securities;
- approved money market instruments;
- deposits;
- derivatives;
- collective investment schemes;
- financial indices;
- interest rates;
- foreign exchange rates; and
- currencies.

A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more transferable securities, approved money market instruments, units in collective investment schemes or derivatives provided that a sale is not to be considered as uncovered if the conditions in the section “requirement to cover sales” are satisfied.

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

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

- (i) that property can be held for the account of the Scheme; and
- (ii) the Manager having taken reasonable care determines that delivery of the property under the transaction will not occur or will not lead to a breach of COLL.

The Scheme may not undertake transactions in derivatives on commodities.

### **Requirement to cover sales**

No agreement by or on behalf of the Scheme to dispose of property or rights may be made unless:

- (a) the obligation to make the disposal and any other similar obligations could immediately be honoured by the Scheme by delivery of property or the assignment of rights (or, in Scotland, assignation), and the property; and

- (b) rights above are owned by the Scheme at the time of the agreement.

This requirement does not apply to a deposit. FCA guidance states that the requirement set out at (a) above can be met where:

- (a) the risks of the underlying financial instrument of a derivative can be appropriately represented by another financial instrument which is highly liquid;
- (b) the Manager or the Trustee has the right to settle the derivative in cash, and cover exits within the scheme property which falls within one of the following asset classes:
  - (i) cash;
  - (ii) liquid debt instruments (e.g. government bonds of first credit rating) with appropriate safeguards (in particular, haircuts); or
  - (iii) other highly liquid assets having regard to their correlation with the underlying of the financial derivative instruments, subject to appropriate safeguards (haircuts where relevant).

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

### **Over-the-counter ("OTC") transactions in derivatives**

Any transaction in an OTC derivative must be:

- (a) with an approved counterparty: A counterparty to a transaction in derivatives is approved only if the counterparty is an eligible institution or an approved bank or a person whose permission (including any requirements or limitations) as published in the FCA register, or whose home state authorisation, permits it to enter into such transactions as principal off exchange;
- (b) on approved terms: The terms of a transaction in derivatives are approved only if the Manager:
  - (i) carries out at least daily a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and which does not rely only on market quotations by the counterparty; and
  - (ii) can enter into one or more further transactions to sell, liquidate or close out that transaction at any time, at its fair value;
- (c) 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:
  - (i) on the basis of 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 which the Manager and the Trustee have agreed uses an adequate recognised methodology; and

- (d) 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 scheme property and which is adequately equipped for such a purpose.

For the purposes of paragraph (b) above, "fair value" is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arms' length transaction.

The Trustee must take reasonable care to ensure that the Manager has systems and controls that are adequate to ensure compliance with (a) to (d) above.

For the purposes of paragraph (b) the Manager must: (a) establish, implement and maintain arrangements and procedures which ensure appropriate, transparent and fair valuation of the exposure of the Scheme to OTC derivatives; and (b) ensure that the fair value of OTC derivatives is subject to adequate, accurate and independent assessment. Such arrangements and procedures must be adequate and proportionate to the nature and complexity of the OTC derivative concerned and adequately documented.

### **Derivative exposure**

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

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

Cover used in respect of one transaction in derivatives or forwards transactions should not be used for cover in respect of another transaction in derivatives or a forward transaction.

### **Cover for transaction in derivatives and forward transactions**

Global exposure relating to derivatives and forward transactions held in the Scheme must not exceed the net value of the scheme property. Global exposure of the Scheme must be calculated on an at least daily basis, and must take into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions and includes underwriting commitments.

Property the subject of a transaction under COLL 5.4 (stock lending) is only available for cover if the Manager has taken reasonable care to determine that it is obtainable (by return or re-acquisition) in time to meet the obligation for which cover is required.

The global exposure of the Scheme must be calculated either as (i) the incremental exposure and leverage generated through the use of derivatives and forward transactions (including embedded derivatives), which may not exceed 100% of the net value of the scheme property; or (ii) the market risk of the scheme property (being the risk of loss of the Scheme resulting from the fluctuation in the

market value of positions in the Scheme's portfolio attributable to changes in market variables, such as interest rates, foreign exchange rates, equity and commodity prices or an issuer's credit worthiness).

### **The commitment approach**

The global exposure of the Scheme is calculated by using the commitment approach in accordance with COLL. The Manager must:

- ensure that it applies this approach to all derivative and forward transactions (including embedded derivatives, as described above), whether used as part of the Scheme's investment policy, for the purposes of risk reduction or for the purposes of efficient portfolio management; and
- convert each derivative or forward transaction into the market value of an equivalent position in the underlying asset of that derivative or forward.

(the "standard commitment approach").

The Manager may apply other calculation methods which are equivalent to the standard commitment approach. The Manager may also take account of netting and hedging arrangements when calculating the global exposure of the Scheme, where such arrangements do not disregard obvious and material risks, and result in a clear reduction of risk exposure.

Where the use of derivatives or forward transactions does not generate incremental exposure for the Scheme, the underlying exposure need not be included in the commitment calculation.

Where the commitment approach is used, temporary borrowing arrangements entered into on behalf of the Scheme (see below under "borrowing") need not form part of the global exposure calculation.

### **Risk Management**

The Manager uses a risk management process enabling it to monitor and measure at any time the risk of the Scheme's positions and their contribution to the overall risk profile of the Scheme.

The following details of the risk management process must be regularly notified by the Manager to the FCA (and at least on an annual basis):

- (a) the methods for estimating risks in derivative and forward transactions; and
- (b) a true and fair view of the types of derivatives and forwards transactions to be used within the Scheme together with their underlying risks and any relevant quantitative limits.

In addition, in accordance with COLL, the Manager maintains a written risk management policy which identifies the risks which the Scheme is or might be exposed to, and contains procedures which are intended to enable the Manager to assess and manage the exposure of the Scheme to material risks.

### ***Deposits***

Up to 100% of the scheme property of the Scheme may consist of deposits (as defined in COLL) but only if it:

- is with an approved bank;

- is repayable on demand or has the right to be withdrawn; and
- matures in no more than 12 months.

### ***Immovable and Movable Property***

It is not intended that the Scheme should have any direct interest in any immovable property or tangible movable property.

### ***Spread – General***

This section on spread does not apply to government and public securities (see above).

In applying any of the restrictions referred to above, not more than 20% in the value of the Scheme property is to consist of any combination of two or more of the following:

- a) transferable securities issued by; or
- b) deposits made with; or
- c) exposures from over the counter derivatives transactions made with, a single body.

In applying any limit to transferable securities, any certificates representing certain securities are to be treated as equivalent to the underlying security.

The exposure to any one counterparty in an over the counter derivative transaction must not exceed 5% in value of the Scheme property. This limit may be raised to 10% where the counterparty is an approved bank as defined in COLL.

### ***Concentration***

The Scheme must not hold:

- a) transferable securities other than debt securities which:
  - (i) do not carry a right to vote on any matter at a general meeting of the body corporate that issued them; and
  - (ii) represent more than 10% of these securities issued by that body corporate;
- b) more than 10% of the debt securities issued by any single issuing body;
- c) more than 25% of the units/shares in a collective investment Scheme.

### ***Significant Influence***

The Scheme may only acquire transferable securities issued by a body corporate carrying rights to vote at a general meeting of that body provided that before the acquisition the aggregate number of such securities held by the Manager does not allow it to exercise 20% or more of the votes cast at a general meeting of that body and the acquisition will not give the Manager such power. For the purposes of this restriction the holdings of all authorised unit trusts operated or managed by the Manager are aggregated.

## ***Borrowing***

Subject to the terms of the Scheme's Trust Deed and the rules in COLL (as it relates to UCITS Schemes), the Scheme may borrow money for the purposes of achieving the objectives of the Scheme on terms that such borrowings are to be repaid out of the Scheme property. The Manager does not anticipate significant use of this borrowing power. Such borrowing may only be made from an eligible institution or approved bank (as defined in COLL) and must be on a temporary basis only. No period of borrowing may exceed 90 days without the prior consent of the Trustee (which may give such consent only on conditions as appear to the Trustee appropriate to ensure that the borrowing does not cease to be on a temporary basis). The borrowing of the Scheme must not, on any business day, exceed 10 per cent of the value of the property. As well as applying to borrowing in a conventional manner, the 10 per cent limit applies to any other arrangement designed to achieve a temporary injection of money into the property of the Scheme in the expectation that such will be repaid. For example, by way of a combination of derivatives which produces an effect similar to borrowings.

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

Borrowings may be made from the Manager, the Trustee or any Investment Adviser or any associate of any of them provided that such lender is an eligible institution or approved bank and the arrangements are at least as favourable to the Scheme concerned as would be those of any comparable arrangements effected on normal commercial terms negotiated at arm's length between two independent parties.

## ***Stock Lending***

The entry into stock lending arrangements or repo contracts for the account of the Scheme is permitted when the arrangement or contract is for the account of or benefit of the Scheme and in the interest of Unitholders. An arrangement or contract will not be regarded as being in the interest of the Scheme or its Unitholders unless it reasonably appears to the Manager to be appropriate with a view to generating additional income for the Scheme with an acceptable degree of risk. The Trustee, acting in accordance with the Manager's instructions, may enter into a stock lending arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992 but only if:

- a) all the terms of the agreement under which securities are to be reacquired by the Trustee for the account of the Scheme are in a form which is acceptable to the Trustee and are in accordance with good market practice;
- b) the counterparty is an authorised person or a person authorised by a home state regulator; and
- c) collateral is obtained to secure the obligation of the counterparty under the terms referred to in (a) above.

## Appendix B Schedule of Eligible Securities and Derivatives Markets

Set out below are the securities markets through which the Scheme may invest or deal in approved securities (subject to the investment objective and policy):

- a) a "regulated market" as defined in COLL;
- b) a securities market established in any EEA State (which as at the date of this Prospectus includes the UK, Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, and Sweden) which is regulated, operates regularly and is open to the public; or
- c) the principal or only market established under the rules of any of the following investment exchanges:

Country	Market
The United States	NYSE Amex NYSE Euronext NASDAQ Stock Exchange NYSE Arca NASDAQ OMX BX Chicago Stock Exchange
Canada	TSX Venture Exchange Toronto Stock Exchange
United Kingdom	Alternative Investment Market (AIM)

### Eligible Derivatives Markets

Set out below are the derivatives markets through which the Scheme may deal (subject to the Trust Deed, this Prospectus and COLL as it applies to UCITS Schemes):

Country	Market
United Kingdom	London International Financial Futures and Options Exchange ICAP Securities & Derivatives Exchange Limited



## Appendix C Valuation of the Property of the Scheme

The property of the Scheme is valued on the following basis and is in two parts (the issue basis and the cancellation basis):

- 1 All valuations are made in the base currency and are based on the most recent prices that can be reasonably obtained after the valuation point with a view to giving an accurate valuation at that point.
- 2 To convert to the Scheme's base currency the value of the Scheme's property which would otherwise be valued in another currency the Manager must either:
  - (a) select a rate of exchange which represents the average of the highest and lowest rates quoted at the relevant time for conversion of that currency into base currency on the market on which the Manager would normally deal if it wished to make such a conversion, or
  - (b) invite the Trustee to agree that it is in the interests of the Unitholders to select a different rate, and, if the Trustee so agrees, use that other rate.
- 3 All Scheme property as at the valuation point is included in the valuation, subject to any adjustments.
- 4 If the Trustee has been instructed to issue or cancel Units it will be assumed (unless the contrary is shown) that:
  - (a) it has been done so;
  - (b) it has paid or been paid for them; and
  - (c) all consequential action required has been taken.
- 5 If the Trustee has issued or cancelled Units but consequential action at 4(c) above is outstanding, assume that it has been taken.
- 6 Any agreement for the unconditional sale or purchase of property will be treated as having been completed and all necessary consequential actions having been taken. This is to include any agreement the existence of which is, or could reasonably be expected to be, known to the person valuing the property, assuming that all other persons in the Manager's employment take all reasonable steps to inform it immediately of the making of any agreement. However, this does not include any future or contract for differences which is not yet due to be performed or any unexpired option which has been written or purchased for the Scheme and has not yet been exercised.
- 7 An estimated amount will be deducted for anticipated tax liabilities on the following:
  - (a) unrealised capital gains where the liabilities have accrued and are payable out of the Scheme property of the Scheme;
  - (b) realised capital gains in respect of previously completed and current accounting periods;
  - (c) income where the liabilities have accrued;including SDRT and any other fiscal charge not set out here.

**8** The following will also be deducted:

- (a) an estimated amount for any liabilities payable out of the property attributable to the Scheme and any tax on it (treating any periodic items as accruing from day to day);
- (b) the principal amount of any outstanding borrowings whenever payable;
- (c) any accrued but unpaid interest on borrowings;
- (d) the value of any option written (if the premium for writing the option has become part of the Scheme property of the Scheme); and
- (e) in the case of a margined contract, any amount reasonably anticipated to be paid by way of variation margin (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).

**9** An estimated amount will be added for accrued claims for repayment of taxation levied:

- (a) on capital (including capital gains); or
- (b) on income.

**10** The following will be added:

- (a) any other credit due to be paid into the Scheme property;
- (b) 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);
- (c) any SDRT provision anticipated to be received.

Issue Basis

The valuation of the Property of the Scheme for that part of the valuation which is on an issue basis is as follows:

<b>Property</b>	<b>To be valued at</b>
(a) Cash	Nominal value
(b) Amounts held in current and deposit accounts	Nominal value
(c) Property which is not within (a), (b) or (d):	
(i) If Units in an authorised Unit trust which is dual priced	Except where <b>Note 1</b> applies, the most recent maximum sale price less any expected discount (plus dealing costs) [ <b>Note 2</b> ].

(ii) If Units or shares in either an investment company with variable capital or authorised Unit trust which is single priced	The most recent price (plus dealing costs) <b>[Notes 2 and 3]</b>
(iii) If any other investment	Best available market dealing offer price on the most appropriate market in a standard size (plus dealing costs) <b>[Note 2]</b>
(iv) If other property, or no price exists under (i), (ii) or (iii)	Manager's reasonable estimate of a buyer's price (plus dealing costs) <b>[Notes 2 and 4]</b>
(b) Property which is a derivative under the terms of which there may be a liability to make, for the account of the Scheme, further payments (other than charges and whether or not secured by margin) when the transaction in the derivative falls to be completed or upon its closing out.	
(i) If a written option under para 8d above	To be deducted at a net valuation of premium <b>[Notes 5 and 8]</b>
(ii) If an off-exchange future	Net value on closing out <b>[Notes 6 and 8]</b>
(iii) If any other such property	Net value of margin of closing out (whether as a positive or negative figure) <b>[Notes 7 and 8]</b>

### **Notes**

1. The issue price is taken, instead of the maximum sale price if the Manager of the authorised Unit trust whose Scheme property is being valued is also the Manager, or an associate of the Manager, of the authorised Unit trust whose Units form part of that property.
2. "Dealing costs" means any fiscal charges, commission or other charges payable in the event of the authorised Unit trust carrying out the transaction in question, assuming that the commission and charges (other than fiscal charges) which would be payable by the authorised Unit trust are the least that could reasonably be expected to be paid in order to carry out the transaction. On the issue basis, dealing costs exclude any preliminary charge on sale of Units in an authorised Unit trust.
3. Dealing costs under Note 2. Include any dilution levy or SDRT provision which would be added in the event of a purchase by the Scheme of the Units in question but, if the Manager of the authorised Unit trust being valued, or an associate of the Manager is also the Manager of the authorised Unit trust or the ACD of the ICVC whose Units are held by the Scheme, must not include the preliminary charge which would be payable in the event of a purchase by the Scheme of those Units.

4. The buyer's price is the consideration which would be paid by a buyer for an immediate transfer or assignment (or, in Scotland, assignation) to him at arm's length.
5. Estimate the premium on writing an option of the same series on the best terms then available on the most appropriate market on which such options are traded; but deduct dealing costs.
6. Estimate the amount of margin (whether receivable or payable by the authorised Unit trust on closing out the contract. Deduct minimum dealing costs in the case of profit and add them in the case of loss.
7. Estimate the amount of margin (whether receivable or payable by the Scheme on closing out the contract) on the best terms then available on the most appropriate market on which such contracts are traded. If that amount is receivable deduct minimum dealing costs. If, however, that amount is payable then add minimum dealing costs to the margin and the value is that figure as a negative sum.
8. If the property is an over-the counter transaction in derivatives, use the relevant valuation referred to in the Regulations.

### **Cancellation Basis**

The valuation of the property for that part of the valuation which is on a cancellation basis is as follows:

<b>Property</b>	<b>To be valued at</b>
(a) Cash	Nominal value
(b) Amounts held in current and deposit accounts	Nominal value
(c) Property which is not within (a), (b) or (d):	
(i) If Units in an authorised Unit trust which is dual priced	Except where <b>Note 1</b> applies, the most recent minimum redemption price (less dealing costs) [ <b>Note 2</b> ].
(ii) If Units or shares in either an investment company with variable capital or authorised Unit trust which is single priced	The most recent price (less dealing costs) [ <b>Notes 2 and 3</b> ]
(iii) If any other investment	Best available market dealing bid price on the most appropriate market in a standard size (less dealing costs) [ <b>Note 2</b> ]
(iv) If other property, or no price exists under (i), (ii) or (iii)	Manager's reasonable estimate of a seller's price (less dealing costs) [ <b>Notes 2 and 4</b> ]
(d) Property of the type described in 8d	
(i) If a written option under	To be deducted at a net valuation of premium

para Issue Basis 8d above	<b>[Notes 5 and 8]</b>
(ii) If an off-exchange future	Net value on closing out <b>[Note 8]</b>
(iii) If any other such property	Net value of margin on closing out (whether as a positive or negative figure) <b>[Notes 6 and 8]</b>

## Notes

1. The cancellation price is taken, instead of the minimum redemption price if the property, if sold in one transaction, would amount to a large deal.
2. For "dealing costs" see Note 2 for the valuation on the issue basis. Dealing costs include any charge payable on redemption of Units in an authorised Unit trust (taking account of any expected discount), except where the Manager of the Scheme is also the Manager or the associate of the Manager of the authorised Unit trust whose Units form part of that property.
3. Dealing costs under Note 2. Include any dilution levy or SDRT provision which would be deducted in the event of a sale by the Scheme of the Units in question and, except when the Manager of the Scheme, or an associate of the Manager is also the Manager of the authorised Unit trust or the ACD of the ICVC whose Units are held by the Scheme, must not include any charge payable on the redemption of those Units (taking account of any expected discount).
4. The seller's price is the consideration which would be received by a seller for an immediate transfer or assignment (or, in Scotland, assignation) from him at arm's length, less dealing costs.
5. Estimate the premium on writing an option of the same series on the best terms then available on the most appropriate market on which such options are traded; and add dealing costs.
6. For off-exchange futures, see note 6 in the issue basis valuation provisions (above).
7. For net value of margin see note 7 in the issue basis valuation provisions (above).
8. For over-the counter transactions in derivatives see note 8 in the issue basis valuation provisions (above).

## Appendix D Further Information

### Other Collective Investment Schemes of the Manager

Slater Growth Fund

Slater OEIC (sub-fund – Slater Income Fund)

Slater No 2 OEIC (sub-fund – Slater Artorius Fund)

Northglen Aggressive Fund

**The directors of the ACD are:**

Mark W Slater

In addition to his role as a director of the ACD, Mr Slater is also a director of Northglen Investments Limited.

Ralph P Baber

In addition to his role as a director of the ACD, Mr Baber is also a director of Northglen Investments Limited.

## Appendix E List of Sub-Custodians

### List of the Custodian's sub-custodians

Country	Bank
Austria	UniCredit Bank Austria AG
Belgium	BNP Paribas Belgium
Cyprus	HSBC Bank PLC
Czech Republic	UniCredit Bank Czech Republic and Slovakia
Denmark	Danske Bank A/S
Estonia	Swedbank AS
Finland	Nordea Bank Finland PLC
France	Deutsche Bank AG
Germany	Deutsche Bank A.G.
Greece	HSBC Bank PLC Greece
Hungary	UniCredit Bank Hungary Zrt
Iceland	Islandsbanki hf
Ireland	RBC Investor Services Trust
Italy	BNP Paribas Securities Services
Latvia	Swedbank AS
Lithuania	Swedbank AB
Luxembourg	Euroclear Bank
Netherlands	BNP Paribas Securities Services
Norway	DNB Bank ASA
Poland	Bank Polska Kasa Opieki S.A
Portugal	BNP Paribas Securities Services
Slovak Republic	UniCredit Bank Czech Republic and Slovakia A.S
Slovenia	Hub through UniCredit Bank Austria AG
Spain	Bancoval Securities Services S.A
Sweden	Skandinaviska Enskilda Banken (AB) publ
United Kingdom	RBC Investor & Treasury Services
United States	The Bank of New York Mellon