

**PROSPECTUS**  
**of**  
**MERIAN INVESTMENT FUNDS SERIES I**  
**an Investment Company with Variable Capital**  
**Valid as at 1 November 2018**

**MACFARLANES**

Macfarlanes LLP  
20 Cursitor Street  
London EC4A 1LT

**PROSPECTUS**  
**OF**  
**MERIAN INVESTMENT FUNDS SERIES I**

This document constitutes the Prospectus for Merian Investment Funds Series I (the “**Company**”), which has been prepared in accordance with the FCA Regulations. Quilter Investors Limited, the ACD of the Company, is responsible for the information contained in this Prospectus. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained herein does not contain any untrue or misleading statement or omit any matters required by the FCA Regulations to be included in it.

The Depositary is not a person responsible for the information contained in this Prospectus and accordingly does not accept any responsibility therefore under the FCA Regulations or otherwise.

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

If you are in any doubt about the contents of this Prospectus you should consult your professional adviser.

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

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

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

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

The provisions of the Instrument of Incorporation are binding on each of the Shareholders a summary of which are included in this Prospectus and a copy of the Instrument of Incorporation is available on request.

This Prospectus has been issued for the purpose of section 238 of the Financial Services and Markets Act 2000 by Quilter Investors 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.

The Prospectus is based on information, law and practice at the date hereof. The Company is not bound by any out of date prospectus when it has issued a new prospectus and potential investors should check that they have the most recently published prospectus.

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## Definitions

**Authorised Corporate Director (“ACD”):** Quilter Investors Limited, the authorised corporate director of the Company;

**Act:** Financial Services and Markets Act 2000;

**Business Day:** any day on which the London Stock Exchange is open for normal business except for any day in respect of which the ACD has notified the Depositary that it is not open for normal business due to a concessionary company holiday or otherwise as agreed between the ACD and the Depositary;

**Class:** a particular class of shares relating to a single fund;

**Company:** Merian Investment Funds Series I;

**Dealing Days and valuations:** Regular valuations are made in respect of each fund on each Dealing Day as at the valuation point for each fund which will be at 12.00 noon (UK time). Each Business Day will constitute a **“Dealing Day”**. Shares will be dealt at a price determined at the valuation point after the request for shares is received. Therefore if a request is received after 12.00 noon on a Dealing Day it will be dealt with at a price determined on the next Dealing Day’s valuation point;

**Depositary:** Citibank Europe plc, UK branch, the depositary of the Company;

**Efficient Portfolio Management (“EPM”):** an investment technique where derivatives are used for one or more of the following purposes: reduction of risk, reduction of cost or generation of additional capital or income at a level of risk which is consistent with the relevant fund’s risk profile and the risk diversification rules appearing in the FCA Regulations;

**Electronic Communication:** communication transmitted (whether from one person to another, from one device to another or from a person to a device or vice versa):

- (a) by means of a telecommunication system (within the meaning of the Telecommunications Act 1984); or
- (b) by other means but while in an electronic form;

**FCA:** Financial Conduct Authority, or any successor regulatory body;

**FCA Regulations:** that part of the FCA’s Handbook of Rules and Guidance which deals with regulated collective investment schemes, as amended from time to time;

**fund or funds:** a fund of the Company (being part of the scheme property of the Company) which is pooled separately and to which specific assets and liabilities of the Company may be allocated and which is invested in accordance with the investment objective applicable to that fund;

**Investment Adviser:** Merian Global Investors (UK) Limited, the Investment Adviser for the ACD in respect of all the funds;

**Net Asset Value (“NAV”):** the value of the scheme property of the Company (or of any fund as the context requires) less the liabilities of the Company (or of the fund concerned) as calculated in accordance with the instrument of incorporation constituting the Company as amended from time to time (the **“Instrument of Incorporation”**);

**OEIC Regulations:** the Open-Ended Investment Companies Regulations 2001;

**PRN:** the product reference number assigned by the FCA to identify each authorised fund;

**scheme property:** the property of the Company to be given to the Depositary for safe-keeping, as required by the FCA Regulations;

**share:** a larger denomination share or a smaller denomination share (as the context requires) in the Company;

**smaller denomination share:** a smaller denomination share (on the basis that one thousand smaller denomination shares make one larger denomination share); and

**UCITS Directive:** the European Parliament and Council Directive of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (No 2009/65/EC), as amended from time to time.

## 2 The Company

Merian Investment Funds Series I is an investment company with variable capital, incorporated in England and Wales under registered number IC000543 and authorised by the FCA with effect from 22 June 2007 with PRN 467510.

The head office of the Company is at Millennium Bridge House, 2 Lambeth Hill London EC4V 4AJ and is also the address of the place in the United Kingdom for service on the Company of notices or other documents required or authorised to be served on it. The Company will not have any interest in any immovable property or tangible movable property.

The base currency of the Company is pounds sterling.

The maximum share capital of the Company is currently £100,000,000,000 and the minimum £5,000,000. Shares in the Company have no par value and therefore the share capital of the Company at all times equals the Company's current Net Asset Value.

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

The Company has been established as a "UCITS scheme" and also an "umbrella company" for the purposes of the OEIC Regulations and therefore different funds may be formed as the ACD may from time to time determine, subject to approval from the FCA. On the establishment of a new fund or share class an updated prospectus will be prepared setting out the relevant information concerning the new fund.

## 3 Company Structure

As explained above the Company is a "UCITS scheme" and also an "umbrella company" for the purposes of the OEIC Regulations. The assets of each fund are treated as separate from those of every other fund and will be invested in accordance with that fund's own investment objective and policy. Each fund would belong to the category of "UCITS scheme" if it were itself an investment company with variable capital in respect of which an authorisation order made by the FCA were in force.

At present, the funds available for investment are:

- Merian Corporate Bond Fund
- Merian Monthly Income Bond Fund
- Merian UK Alpha Fund
- Merian UK Equity Income Fund
- Merian UK Mid Cap Fund

- Merian UK Smaller Companies Fund
- Merian UK Opportunities Fund

The funds detailed above are marketable to all retail investors.

Details of the funds, including their investment objectives and policies are set out in schedule 1.

Each fund has a specific portfolio of assets and investments to which the fund's assets and liabilities are attributable and investors should view each fund as a separate investment entity.

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

Each fund will be charged with the liabilities, expenses, costs and charges of the Company attributable to that fund and within the funds charges will be allocated between share classes in accordance with the terms of issue of those share classes.

The ACD reserves the right to wind up any fund whose Net Asset Value falls below £1,000,000.

Any assets, liabilities, expenses, costs or charges not attributable to a particular fund may be allocated by the ACD in a manner which is fair to shareholders as a whole but they will normally be allocated to all funds pro rata to the value of the net assets of the relevant funds.

## 4 **Shares**

### 4.1 **Classes of share within the funds**

The Instrument of Incorporation allows the issue of both income and accumulation shares.

Details of the shares are set out in schedule 1.

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

Holders of accumulation shares are not entitled to be paid the income attributable to such shares, but that income is automatically transferred to (and retained as part of) the capital assets of the relevant fund and reflected in the price of such shares.

A (GBP) Income and Accumulation shares, P (GBP) Income and Accumulation shares and R (GBP) Income and Accumulation shares generally have the same characteristics except that the charging structures for each class will vary from fund to fund.

A (GBP) Income and Accumulation shares are predominantly offered to direct retail investors, as well as to intermediaries whose business remains eligible for commission or legacy business.

P (GBP) Income and Accumulation shares are only available to investors who subscribe via an authorised financial adviser or stockbroker who has agreed specific terms of business with us.

R (GBP) Income and Accumulation shares are offered to platforms and independent financial advisers whose business is not eligible for commission, and they are also available to institutional investors subject to minimum investment.

U1 (GBP) Income and Accumulation shares are only available to investors who in the ACD's reasonable opinion are able to subscribe an amount in excess of the investment minimum as set out in schedule 1 and who have agreed specific terms of business with the ACD.

U2 (GBP) Income and Accumulation shares are offered only as an investment through designated financial intermediaries who have agreed specific terms of business with the ACD.

For more information on shares and share classes please see schedule 1 or call the Registrar.

Where a fund has different classes of share available, each class may attract different charges and expenses and so monies may be deducted from classes in unequal proportions. For this reason the proportionate interests of the classes within a fund will vary from time to time.

When different classes of share and/or different funds are available, shareholders will be entitled (subject to certain restrictions) to switch all or part of their shares in a class of a fund for shares in another class within the same fund or for shares of the same or another class within a different fund. Details of this switching facility and the restrictions are set out in Section 15.

## **4.2 Key Investor Information and Available Share Classes**

Each share class that is available for subscription will have a Key Investor Information Document ("KIID") issued in accordance with the requirements of the FCA. Prospective investors should consider the KIID for the relevant share class prior to subscribing for shares in that class in order to assist them in making an informed investment decision. Each KIID is available from [www.merian.com](http://www.merian.com) and [www.quilterinvestors.com](http://www.quilterinvestors.com). Some share classes may not currently be offered for subscription, and in the event that a KIID is not available from the aforementioned source, prospective investors should contact the Registrar directly to determine whether the relevant share class is available for subscription. Prospective investors must ensure that they have read the most up to date KIID for the relevant share class in which they intend to invest before doing so.

## **5 Management and Administration**

### **5.1 Authorised Corporate Director**

The Authorised Corporate Director of the Company is Quilter Investors Limited a limited company incorporated in England and Wales on 4 June 2001 with registered number 4227837. The registered office and head office of the ACD at Millennium Bridge House, 2 Lambeth Hill, London EC4V 4AJ. As at the date of this Prospectus, the amount of the ACD's authorised share capital is 12,600,000 of ordinary £1 shares of which £12,600,000 is allotted and fully paid up.

In addition to the Company, the ACD acts as manager of the authorised unit trusts and as authorised corporate director of the open-ended investment companies set out in schedule 3.

The ACD is authorised and regulated in the United Kingdom by the FCA whose address is 25 The North Colonnade, Canary Wharf, London E14 5HS. With effect from 1 July 2018, the FCA's address is changing to 12 Endeavour Square, London E20 1JN.

The ACD is responsible for managing and administering the Company's affairs in compliance with the FCA Regulations. The ACD is permitted to delegate its management and administration functions, but not responsibility, to third parties, subject to the rules in the FCA Regulations. It has therefore delegated the functions of investment management and administration as set out in Sections 7 and 8 below.

The Directors of the ACD are as follows:

Mitchell Dean  
Jon Little  
Paul Simpson  
Catherine Turner

The directors of the ACD are on the board of other companies within the Quilter plc group which may invest in the funds. However, none of the directors have any other business activities which are of significance to the business of the funds.

## 5.2 **Terms of appointment:**

The ACD provides its services to the Company under the terms of an ACD agreement dated 18 December 2013 as amended and restated from time to time (the “**ACD Agreement**”).

The ACD Agreement provides that the appointment of the ACD may be terminated by the Company or the ACD giving not less than 6 months’ written notice to the other party or the ACD Agreement may be terminated earlier in certain circumstances.

Upon termination of its appointment, the ACD is entitled to payment of its fees to the date of termination. No compensation for loss of office is provided for in the ACD Agreement.

The Company is required to indemnify the ACD against all liabilities as a result of any negligent or wrongful direction or requirement of the Company given or made under the ACD Agreement. Copies of the ACD Agreement are available to shareholders upon request. The fees to which the ACD is entitled are set out in Section 30.

## 5.3 **ACD’s Remuneration Policy**

The FCA’s remuneration requirements have been implemented primarily to ensure that relevant members of staff are not incentivised, by way of their remuneration package, to take excessive risks when managing funds. The ACD has adopted a remuneration policy (the “**Remuneration Policy**”) which explains how the ACD complies with such requirements and which staff are covered. Details of the up-to-date Remuneration Policy, including a description of how remuneration and benefits are calculated and the identities of the persons responsible for awarding such remuneration and benefits can be accessed from the following website: [www.quilterinvestors.com](http://www.quilterinvestors.com). A paper copy of these details is also available free of charge from the ACD upon request.

## 6 **The Depositary**

### 6.1 **Introduction and key duties**

Under the terms of a Depositary Agreement, Citibank Europe plc, acting through its UK Branch (the “**Depositary**”) has been appointed as depositary of the assets of the funds and the assets of the funds have been entrusted to the Depositary for safekeeping.

The key duties of the Depositary consist of:

- cash monitoring and verifying each fund’s cash flows;
- safekeeping of the scheme property of each fund;
- ensuring that the redemption, issue, re-purchase, redemption, cancellation and valuation of shares are carried out in accordance with the Instrument of Incorporation, this Prospectus, and applicable law, rules and regulations;
- ensuring that in transactions involving the scheme property of a fund that any consideration is remitted to the relevant fund within the usual time limits;



- ensuring that each fund's income is applied in accordance with the Instrument of Incorporation, this Prospectus, applicable law, rules and regulations; and
- carrying out instructions from the ACD unless they conflict with the Instrument of Incorporation, this Prospectus, or applicable law, rules and regulations.

## 6.2 Information about the Depositary

The Depositary is a public limited company with registered number 132781 domiciled in Ireland whose registered office is at 1 North Wall Quay, Dublin 1. The Depositary conducts its business in Great Britain from its branch offices at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB. The branch was established on 15 September 2015. The Depositary is authorised by the Central Bank of Ireland and the Prudential Regulation Authority but in respect of its services as a depositary in Great Britain is subject to limited regulation by the Financial Conduct Authority and the Prudential Regulation Authority.

## 6.3 Liability of the Depositary

As a general rule the Depositary is liable for any losses suffered as a result of the Depositary's, its agent's or sub –custodian's negligence, intentional failure or fraud in fulfilling its obligations except that it will not be liable for any loss where:

- the event which has led to the loss is not the result of any act or omission of the Depositary or a third party to whom the Depositary has delegated its safekeeping function;
- the Depositary could not have reasonably prevented the occurrence of the event which led to the loss despite adopting all precautions incumbent on a diligent depositary as reflected in common industry practice; and
- despite rigorous and comprehensive due diligence, the Depositary could not have prevented the loss.

However, in the case of loss of a financial instrument by the Depositary, or by a third party, the Depositary is under an obligation to return a financial instrument of identical type or corresponding amount without undue delay unless it can prove that the loss arose as a result of an external event beyond the Depositary's reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

## 6.4 Delegation of safekeeping function

Under the terms of the Depositary Agreement the Depositary has the power to delegate its safekeeping functions.

As a general rule, whenever the Depositary delegates any of its custody functions to a delegate, the Depositary will remain liable for any losses suffered as a result of an act or omission of the delegate as if such loss had arisen as a result of an act or omission of the Depositary. The use of securities settlement systems, does not constitute a delegation by the Depositary of its functions.

As at the date of this Prospectus, the Depositary has entered into written agreements delegating the performance of its safekeeping function in respect of certain assets of funds to the delegates and sub-delegates set out in schedule 4 hereto.

## 6.5 Conflicts of interest

From time to time conflicts may arise between the Depositary and the delegates or sub-delegates. For example, a conflict may arise where an appointed delegate or sub-delegate is an affiliated group company which receives remuneration for another custodial service that it provides to the fund. In the event of any potential conflict of interest which may arise during the normal course of business, the Depositary will have regard to applicable laws.

## 6.6 Reuse of scheme property by the Depositary

Under the Depositary Agreement the Depositary has agreed that it, and any person to whom it delegates custody functions, may not reuse any of the assets of a fund with which it has been entrusted.

Reuse will be permitted in respect of the assets of a fund where:

- the reuse is carried out for the account of the fund;
- the Depositary acts on the instructions of the ACD on behalf of the fund;
- the reuse of scheme property is for the benefit of the fund and the shareholders;
- the transaction is covered by high quality and liquid collateral received by the fund under a title transfer arrangement, the market value of which shall, at all times, amount to at least the market value of the re-used assets plus a premium.

## 6.7 Terms of the Depositary Agreement

The appointment of the Depositary has been made under an agreement between the funds, the ACD and the Depositary dated 29 April 2016, as may be amended, restated or supplemented from time to time (the “**Depositary Agreement**”).

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

Without prejudice to any indemnity to which the Depositary may otherwise be entitled under applicable law, the Company and the ACD will (i) indemnify the Depositary for all losses, costs, damages, taxes and expenses (including reasonable legal fees and disbursements) (each a “**Loss**”) incurred by the Depositary (directly or payable to its agents or sub-custodians) arising in connection with the failure of the Company or the ACD to perform any of its obligations under the Depositary Agreement or arising from or in connection with the Depositary's appointment or performance under the Depositary Agreement, and (ii) defend and hold the Depositary harmless from or in connection with any Loss imposed on, incurred by, or asserted against the Depositary (directly or through any of its agents or sub-custodians) or otherwise arising in connection with or arising out of any claim, action or proceeding by any third party, except any Loss arising from the Depositary's failure to satisfy its obligation of due skill, care and diligence as provided in the Depositary Agreement or the failure of any agent to satisfy the same standard of care, or any Loss for which the Depositary is liable under UCITS requirements or any Loss resulting from the negligence, intentional failure or fraud of the Depositary or any of its agents or sub-custodian.

The Depositary is entitled to receive remuneration out of the scheme property for its services, as explained in “Depositary's Fees and Expenses” in Section 30 below.

Shareholders may request an up to date statement regarding any of the information set out above from the ACD.

## 7 The Investment Adviser

The ACD has appointed Merian Global Investors (UK) Limited to provide investment management and advisory services to the ACD in respect of all the funds.

### 7.1 Terms of appointment:

The Investment Adviser was appointed by an agreement dated 5 November 2014 between the ACD and the Investment Adviser, as amended from time to time (the “**Investment Management Agreement**”).

The Investment Adviser has the authority to make investment decisions on behalf of the ACD on a discretionary basis in respect of day to day management of the property of the funds. The Investment Adviser may manage all or part of the portfolio of the funds itself, or it may delegate any of its rights and obligations under the Investment Management Agreement to any associate or, with the prior written consent of the Company and the ACD, to a person who is not an associate.

The Investment Management Agreement may be terminated by not less than one month's written notice by either party and immediately by written notice by either party on the happening of certain events which include insolvency, material breach, the ACD ceases to be the authorised corporate director of the Company or the Investment Adviser ceases to be suitably authorised or have the necessary regulatory permissions to provide its services under the Investment Management Agreement.

Under the Investment Management Agreement the ACD provides indemnities to the Investment Adviser (except in the case of any matter arising as a direct result of its fraud, wilful default, negligence or material breach).

The Investment Adviser's registered office is Millennium Bridge House, 2 Lambeth Hill, London, EC4P 4WR, United Kingdom. The principal activity of the Investment Adviser is acting as an investment manager. The Investment Adviser does not act as a broker fund adviser.

## 8 **The Registrar and the Administrator**

The administrator of the Company is Citibank Europe plc (the "**Administrator**") with its head office at 1, North Wall Quay, Dublin 1, Ireland.

The ACD has entered into an agreement with the Administrator under which the Administrator is responsible, as the ACD's delegate, for administering the Company, including fund accounting, tax and pricing functions.

DST Financial Services International Limited ("**DST**") acts as registrar (the "**Registrar**"). In this capacity it is responsible for processing subscriptions and redemptions of shares and maintaining the register of shareholders (see further "Register of Shareholders" below). DST's address is DST House, Saint Nicholas Lane, Basildon, Essex SS15 5FS.

## 9 **The Auditor**

The auditor of the Company is KPMG LLP, whose address is 15 Canada Square, London, E14 5GL (the "**Auditor**").

## 10 **Register of Shareholders**

A register of shareholders is maintained by the Registrar and can be inspected at DST House, Saint Nicholas Lane, Basildon, Essex SS15 5FS. Certificates are not issued. To assist shareholders in monitoring their holdings of shares a half-yearly valuation showing current holdings will be sent to all shareholders in a fund, or to the first named shareholder in the case of joint holdings.

The register is prima facie evidence as to matters properly entered in it. No notice of any trust (express, implied or constructive) may be entered in the register or be receivable by the Company, although this will not affect the obligations of the ACD in respect of any plan register. The Registrar is not obliged to register more than four persons as the joint holders of any shares.

Should any shareholder require evidence of title to shares the ACD will, upon such proof of identity as the Company may reasonably require, supply the shareholder with a certified copy of the relevant entry in the register relating to the shareholder's holding of shares.

## 11 Conflicts of Interest

The ACD, the Depositary and the Investment Adviser are or may be involved in other financial, investment and professional activities which may, on occasion, cause conflicts of interest with the management of the Company or the funds. In addition, the Company may enter into transactions at arm's length with companies in the same group as the ACD.

The Depositary may, from time to time, act as depositary of other companies or funds.

Each of the parties will, to the extent of their ability, ensure that the performance of their respective duties will not be impaired by any such involvement. Further details of conflicts of interest policies are available on request from the ACD.

## 12 Buying, Redeeming and Switching Shares

12.1 The dealing office of the ACD is open from 8.00 am until 5.30 pm on each Dealing Day to receive requests for the purchase, redemption and switching of shares, which will be effected at prices determined at the next valuation point following receipt of such request.

12.2 Requests for the purchase, redemption and switching of shares are normally dealt with by the issue or cancellation of shares by the Depositary on the instructions of the ACD. However, in certain circumstances the ACD may, in accordance with the FCA Regulations, deal with such requests by selling shares to, and/or repurchasing them from, the applicant as appropriate. Conversions of shares (where a shareholder exchanges shares in one share class in a fund for shares in another share class in the same fund) are effected by an amendment to the Register and not by a redemption and repurchase. The ACD is entitled to hold shares for its own account and to satisfy requests for the sale of shares from its own holding; it is required by the FCA Regulations to procure the issue or cancellation of shares by the Company where necessary to meet any obligation to sell or redeem shares.

12.3 If on receiving instructions from the ACD to issue or cancel shares, the Depositary is of the opinion that it is not in the interests of the shareholders that the shares should be issued or cancelled either at all or in the number instructed by the ACD the Depositary must give notice to the ACD that it refuses to issue, or as the case may be cancel, all, or a specified number of the shares.

12.4 The ACD may not sell a share at a higher price, or redeem a share at a lower price than the price notified to the Depositary in respect of the valuation point concerned.

12.5 The ACD is under no obligation to account to the Company or to shareholders or any of them for any profit it makes on the issue of shares or on the reissue or cancellation of shares which it has redeemed, and will not do so.

## 13 Buying Shares

### 13.1 Procedure:

13.1.1 Shares can be bought by sending a completed application form to the Registrar (acting on behalf of the ACD) at Quilter Investors Limited, P.O Box 10278, Chelmsford, CM99 2AR or by telephoning on 0808 100 3579. Application forms are available from the Registrar and/or the ACD. In addition, the Registrar has made arrangements with a third party institution to allow shares to be bought on-line or through other communication media. At present, transfer of title by Electronic Communication is only permitted where the ACD, or one of its associates, has entered into an agreement with that third party institution.

13.1.2 The ACD has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for shares in whole or in part,

and in this event the ACD will return any money sent, or the balance of such monies, at the risk of the applicant.

13.1.3 Any subscription monies remaining after a whole number of shares has been issued will not be returned to the applicant. Instead, smaller denomination shares will be issued in such circumstances. A smaller denomination share is equivalent to one thousandth of a larger denomination share.

13.1.4 If an applicant defaults in making any payment in money, or by way of a transfer of property, due to the ACD in respect of the buying or issuing of shares, the Company is entitled to make any necessary amendment to the register and the ACD will become entitled to the shares in place of the applicant, subject, in the case of an issue of shares, to the ACD's payment of the purchase price to the Company. The ACD reserves the right to cancel investments for which settlement is not received, or fails to clear, and to recover from an applicant, the amount of any decrease in value of the investment if this occurs.

13.1.5 The ACD may monitor and record telephone calls for security or regulatory purposes and to improve customer service.

### 13.2 **Documentation:**

13.2.1 A contract note giving details of the shares purchased and the price used will be issued by the end of the Business Day following the later of receipt of the application to purchase shares or the valuation point by reference to which the purchase price is determined, together with, where appropriate, a notice of the applicant's right to cancel.

13.2.2 Settlement is due within four Business Days of the relevant Dealing Day.

13.2.3 Share certificates will not be issued in respect of shares. Ownership of shares will be evidenced by an entry on the Company's register of shareholders. Statements in respect of periodic distributions of income in each fund will show the number of shares held by the recipient in the fund in respect of which the distribution is made. Individual statements of a shareholder's (or, when shares are jointly held, the first named holder's) shares will also be issued at any time on request by the registered holder.

13.2.4 The Company has power to issue bearer shares, but there are no present plans to do so.

### 13.3 **Minimum subscriptions and holdings:**

13.3.1 The minimum initial and subsequent subscription for shares in each fund is set out in schedule 1 together with the details of the minimum holding in each fund. The ACD may at its sole discretion accept subscriptions lower than the minimum amount set out in schedule 1.

13.3.2 If a holding is below the minimum holding the ACD has discretion to require redemption of the entire holding.

### 13.4 **Limited issue of shares – Merian UK Smaller Companies Fund:**

13.4.1 There will be a limit imposed on the number of shares in issue on the Merian UK Smaller Companies Fund. This will be the equivalent to the economic value of 350 million A (GBP) Accumulation Shares, and once the fund reaches this size any new applications to acquire shares in this particular fund will not be accepted. This limit will not apply if at the time of an issue of shares the ACD is reasonably satisfied that the proceeds of that subsequent issue can be

invested without compromising the fund's investment objective or materially prejudicing existing shareholders.

- 13.4.2 Shareholders who at the date of this Prospectus already make regular monthly savings in to the fund will not be affected by this change. The ACD will continue to purchase shares on their behalf on the current investment date although current shareholders will not be permitted to increase their payments following the introduction of the limit.
- 13.4.3 If shares become available as a result of subsequent redemptions, the ACD will have discretion to re-sell redeemed shares to existing or new shareholders as it sees fit. The ACD will not maintain an order book for redeemed shares.
- 13.4.4 The ACD will keep this policy under review on an ongoing basis and will advise shareholders of any fundamental change in policy.

## **14 Redeeming Shares**

### **14.1 Procedure:**

Every shareholder has the right to require that the Company redeem his or her shares on any Dealing Day unless the value of shares which a shareholder wishes to redeem will mean that the shareholder will hold shares with a value less than the required minimum holding for the fund concerned, in which case the shareholder may be required to redeem his or her entire holding.

If an applicant defaults in making any payment in money, or by way of a transfer of property, due to the ACD in respect of the redemption of shares, the Company is entitled to make any necessary amendment to the register and the ACD will become entitled to the shares in place of the applicant. The ACD reserves the right to cancel investments for which settlement is not received, or fails to clear, and to recover from an applicant, the amount of any decrease in value of the investment if this occurs.

Requests to redeem shares may be made to the Registrar (acting on behalf of the ACD) by telephone on 0808 100 3579 or in writing to Quilter Investors Limited, P.O Box 10278, Chelmsford, CM99 2AR. In addition, the Registrar has made arrangements with a third party institution to allow shares to be redeemed on-line or through other communication media. At present, transfer of title by Electronic Communication is only permitted where the ACD, or one of its associates, has entered into an agreement with that third party institution. See Sections 24 and 25 regarding share prices.

### **14.2 Documentation:**

A contract note giving details of the number and price of shares redeemed will be sent to the redeeming shareholder (the first named, in the case of joint shareholders) or his or her duly appointed representative together (if sufficient written instructions have not already been given) with a form of renunciation for completion and execution by the shareholder (and, in the case of a joint holding, by all the joint holders) not later than the end of the Business Day following the later of the request to redeem shares or the valuation point by reference to which the redemption price is determined. Cheques in satisfaction of the redemption monies will be issued within four Business Days of the later of:

- 14.2.1 receipt by the ACD at the registered office of the form of renunciation (or other sufficient written instructions) duly signed by all the relevant shareholders and completed as to the appropriate number of shares, together with any other appropriate evidence of title; and
- 14.2.2 the valuation point following receipt by the ACD at the registered office of the request to redeem.

It should be noted that, pursuant to legislation in force in the United Kingdom to prevent money laundering, in certain circumstances shareholders may be asked to provide proof of identity when redeeming shares. Until satisfactory proof of identity is provided, the ACD reserves the right to refuse to redeem shares on behalf of a shareholder.

#### 14.3 **Minimum redemption:**

Part of a shareholder's holding may be redeemed but the ACD reserves the right to refuse a redemption request if the value of the shares of any fund to be redeemed is less than the figures stated in schedule 1 in respect of each fund.

#### 15 **Switching**

A holder of shares in a fund may at any time switch all or some of his or her shares ("**Old Shares**") for shares of another fund or another class ("**New Shares**"). The number of New Shares issued will be determined by reference to the respective prices of New Shares and Old Shares at the valuation point applicable at the time the Old Shares are repurchased and the New Shares are issued.

Switching may be effected in the same way as redemptions (see the "Redeeming Shares" section). A switch to be made pursuant to a request received before the valuation point of the funds concerned, on a day which is a Dealing Day for both funds (or if the valuation points on that day differ, before the first to occur) will be effected at prices based on that day's valuation points. Where a request is received after that time, or on a day which is not a Dealing Day for both funds, the switch will be effected at a price calculated on the valuation points on the next such Dealing Day.

A contract note giving details of the switch will be sent on or before the Business Day immediately following the relevant Dealing Day.

A switching shareholder must be eligible to hold the shares into which the switch is to be made.

If the switch would result in the shareholder holding a number of Old Shares or New Shares of a value which is less than the minimum holding in the fund concerned, the ACD may, if it thinks fit, convert the whole of the applicant's holding of Old Shares to New Shares or refuse to effect any switch of the Old Shares. No switch will be made during any period when the right of shareholders to require the redemption of their shares is suspended. The general provisions on redeeming shares shall apply equally to a switch.

The ACD may adjust the number of New Shares to be issued to reflect the imposition of any switching fee together with any other charges or levies in respect of the issue or sale of the New Shares or repurchase or cancellation of the Old Shares as may be permitted pursuant to the FCA Regulations.

Please note that, under current tax law, a switch of shares in one fund for shares in any other fund is treated as a disposal for the purposes of United Kingdom capital gains taxation. As a result, shareholders may incur a liability to capital gains tax depending on their personal circumstances. A switch of shares between different share classes in the same fund will generally not be deemed to be a realisation for the purposes of United Kingdom capital gains taxation.

A shareholder who switches shares in one fund for shares in any other fund or shares in one class for shares in another class will not be given a right by law to withdraw from or cancel the transaction.

#### 16 **Share Class Conversions**

If applicable, a holder of shares in a class ("**Old Class Shares**") of a fund may exchange all or some of his or her shares for shares of a different class within the same fund ("**New Share Class**"). An exchange of Old Class Shares for New Class Shares will be processed

as a conversion (“**Share Class Conversion**”). Unlike a switch, a conversion of Old Class Shares into New Class Shares will not involve a redemption and issue of shares. For the purposes of income equalisation the New Class Shares will receive the same treatment as the Old Class Shares.

The number of New Class Shares issued will be determined by a conversion factor calculated by reference to the respective prices of New Class Shares and Old Class Shares at the valuation point applicable at the time the Old Class Shares are converted to New Class Shares.

Conversions may be effected in the same way as redemptions (see the “Redeeming Shares” section). A conversion to be made pursuant to a request received before the valuation point of the funds concerned, on a day which is a Dealing Day, will be effected at prices based on that day’s valuation points. Where a request is received after that time, the conversion will be effected at a price calculated on the valuations points on the next Dealing Day.

A contract note giving details of the conversion will be sent on or before the Business Day immediately following the relevant Dealing Day.

A converting shareholder must be eligible to hold the shares into which the conversion is to be made.

If the conversion would result in the shareholder holding a number of Old Class Shares or New Class Shares of a value which is less than the minimum holding in the Share Class concerned, the ACD may, if it thinks fit, convert the whole of the applicant’s holding of Old Class Shares to New Class Shares or refuse to effect any conversion of the Old Class Shares. No conversion will be made during any period when the right of shareholders to require the exchange of their shares is suspended.

Please note that, under current tax law, a conversion of shares between different share classes in the same fund will not be deemed to be a realisation for the purposes of capital gains taxation.

A shareholder who converts their shares in one share class to shares in a different share class in the same fund will not be given a right by law to withdraw from or cancel the transaction.

## 17 **Other Dealing Information**

### 17.1 **In specie redemptions:**

If a shareholder requests the redemption or cancellation of shares the ACD may, where it considers the deal to be substantial in relation to the total size of the fund concerned, arrange that in place of payment of the price of the shares in cash, the Company cancels the shares and transfers scheme property to the shareholder. Alternatively the ACD can, at its discretion, sell scheme property and transfer the net proceeds of sale to the shareholder. Deductions from the proceeds of sale will include, but may not be limited to, dealing and custody charges. The ACD also reserves the right to charge an administration fee for providing this service.

Before the proceeds of the cancellation of shares become payable, the ACD must give written notice to the shareholder that the scheme property or the proceeds of sale of scheme property will be transferred to that shareholder.

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



## 17.2 **Mandatory redemption:**

The ACD is able to effect a compulsory redemption of shares to meet certain withholding tax requirements (See the “Withholding Tax Liability” Section).

## 18 **Money Laundering and Tax Evasion**

As a result of legislation in force in the United Kingdom to prevent money laundering, persons conducting investment business are responsible for compliance with money laundering regulations. In order to implement these procedures, in certain circumstances investors may be asked to provide proof of identity when buying shares. Until satisfactory proof of identity is provided, the ACD reserves the right to refuse to redeem shares.

A new corporate criminal offence came into force in the United Kingdom in 2017. This targets the failure by a ‘relevant body’ to prevent facilitation of tax evasion. If it can be demonstrated that reasonable prevention procedures were in place which were designed to prevent such facilitation occurring, the relevant body will not be guilty of a criminal offence. To the extent that it has not already done so, the ACD reserves the right to adopt such practices and procedures as it deems necessary to avoid committing an offence on the basis of the enacted form of the legislation.

## 19 **Restrictions and Compulsory Transfer and Redemption**

The ACD may from time to time impose such restrictions as it may think necessary for the purpose of ensuring that no shares are acquired or held by any person in breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory. In this connection the ACD may, inter alia, reject in its discretion any application for the purchase, redemption or switching of shares.

If the ACD reasonably believes that any shares are owned directly or beneficially in circumstances which:

19.1 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

19.2 may (or may if other shares are acquired or held in like circumstances) result in the Company, or fund, 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 shares 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 Depositary, on behalf of the fund(s). If the holder does not either transfer the shares to a qualified person or establish to the ACD'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.

## 20 **Suspension of Dealings in the Company**

The ACD may, with the agreement of the Depositary, or must if the Depositary so requires, suspend the issue, cancellation and redemption of shares in any or all of the classes of shares in any or all of the funds, if the ACD or the Depositary is of the opinion that due to exceptional circumstances there is good and sufficient reason to do so having regard to the interests of shareholders. Any suspension may only continue for as long as it is justified, and must be reviewed every 28 days.

Re-calculation of the share price for the purpose of redemptions and purchases will commence on the next relevant valuation point following the ending of the suspension.

## 21 **Governing Law**

All deals in shares are governed by English law and any dispute (whether contractual or non-contractual in nature) arising is subject to the exclusive jurisdiction of the English courts. If a shareholder were to bring a claim against the Company, it would be necessary for the shareholder to bring proceedings in the English courts.

## 22 **Valuation of the Company**

The price of a share in the Company is calculated by reference to the Net Asset Value of the fund to which it relates. The Net Asset Value per share of a fund is currently calculated at 12.00 noon on each Dealing Day. A Dealing Day shall be any day from Monday to Friday except for public holidays and other days (such as during the Christmas Period) agreed in advance with the Depositary. The valuation of the shares in the Company has been delegated to a third party firm, Citibank Europe plc.

The ACD may at any time during a Business Day carry out an additional valuation if the ACD considers it desirable to do so.

### 22.1 **Fair value pricing:**

To the extent permitted by the FCA and subject to appropriate controls, the ACD may use a technique known as “fair value pricing”. This is used to adjust the prices of underlying securities by reference to external price indicators and appropriate trigger levels so that the valuation of the funds will more accurately reflect developments on any given Dealing Day. For example the occasions when fair value pricing may be used by the ACD are: closure or failure of markets, volatile or ‘fast’ markets, war, natural disasters, terrorism, Government actions and political instability.

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

23.1 The value of the scheme property of the Company or of a fund (as the case may be) shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions of this Section.

23.2 All the scheme property (including receivables) of the Company (or the fund) is to be included, subject to the following provisions.

23.3 Property which is not cash (or other assets dealt with in Sections 23.5 and 23.6) or a contingent liability transaction shall be valued as follows and the prices shall (subject as follows) be the most recent prices which it is practicable to obtain:

23.3.1 units or shares in a collective investment scheme:

23.3.1.1 if a single price for buying and selling units is quoted, at the most recent such price; or

23.3.1.2 if separate buying and selling prices are quoted, at the average of the two prices provided the buying price has been reduced by any initial charge included therein and the selling price has been increased by any exit or redemption charge attributable thereto; or

23.3.1.3 if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no price or no recent price exists, at a price which in the opinion of the ACD is fair and reasonable;

23.3.2 any other transferable security:

- 23.3.2.1 if a single price for buying and selling the security is quoted, at that price; or
  - 23.3.2.2 if separate buying and selling prices are quoted, at the average of the two prices; or
  - 23.3.2.3 if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no price exists, at a value which in the opinion of the ACD is fair and reasonable;
- 23.3.3 exchange-traded derivative contracts:
  - 23.3.3.1 if a single price for buying and selling the exchange-traded derivative contract is quoted, at that price; or
  - 23.3.3.2 if separate buying and selling prices are quoted, at the average of the two prices;
- 23.3.4 property which is a contingent liability transaction:
  - 23.3.4.1 if it is a written option (and the premium for writing the option has become part of the scheme property), the amount of the net valuation of premium receivable shall be deducted;
  - 23.3.4.2 if it is an off-exchange future, it will be included at the net value of closing out in accordance with a valuation method agreed between the ACD and the Depositary;
  - 23.3.4.3 if the property is an off-exchange derivative, it will be included at a valuation method agreed between the ACD and Depositary; or
  - 23.3.4.4 if it is any other form of contingent liability transaction, it will be included at the net value of margin on closing out (whether as a positive or negative value);
- 23.3.5 property other than that described in 24.3.1 and 23.3.3: at a value which, in the opinion of the ACD, represents a fair and reasonable mid-market price.
- 23.4 Over-the-counter or “**OTC**” derivative contracts will be valued daily either (i) on the basis of a quotation provided by the relevant counterparty and such valuation shall be approved or verified at least weekly by a party who is approved for the purpose by the Depositary and who is independent of the counterparty (the “**Counterparty Valuation**”); or (ii) using an alternative valuation provided by a competent person appointed by the Investment Adviser or the ACD and approved for the purpose by the Depositary or a valuation by any other means provided that the value is approved by the Depositary (the “**Alternative Valuation**”). Where such Alternative Valuation method is used the Company will follow international best practise and adhere to the principles on valuation of OTC instruments established by bodies such as IOSCO and AIMA and will be reconciled to the Counterparty Valuation on a monthly basis. Where significant differences arise these will be promptly investigated and explained.
- 23.5 Cash and amounts held in current and deposit accounts and in other time-related deposits shall be valued at their nominal values.
- 23.6 In determining the value of the scheme property, all instructions given to issue or cancel shares shall be assumed to have been carried out (and any cash paid or received) whether or not this is the case.
- 23.7 Subject to Section 23.8 and Section 23.9 below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such

unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the ACD, their omission will not materially affect the final net asset amount.

- 23.8 Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under Section 23.7 above.
- 23.9 All agreements are to be included under Section 23.7 which are, or ought reasonably to have been, known to the ACD valuing the property.
- 23.10 An estimated amount for anticipated tax liabilities at that point in time including (as applicable and without limitation) capital gains tax, income tax, corporation tax, value added tax ("**VAT**"), stamp duty and stamp duty reserve tax will be deducted.
- 23.11 An estimated amount for any liabilities payable out of the scheme property and any tax thereon treating periodic items as accruing from day to day will be deducted.
- 23.12 The principal amount of any outstanding borrowings whenever repayable and any accrued but unpaid interest on borrowings will be deducted.
- 23.13 An estimated amount for accrued claims for repayments of tax of whatever nature to the Company which may be recoverable will be added.
- 23.14 Any other credits or amounts due to be paid into the scheme property will be added.
- 23.15 A sum representing any interest or any income accrued due or deemed to have accrued but not received will be added.
- 23.16 Currencies or values in currencies other than base currency or (as the case may be) the designated currency of a sub-fund shall be converted at the relevant valuation point at a rate of exchange that is not likely to result in any material prejudice to the interests of shareholders or potential shareholders.

## 24 **Price per Share in each Fund and each Class**

The price per share at which shares are sold is the sum of the Net Asset Value of a share and any initial charge.

## 25 **Prices of Shares**

- 25.1 The Company deals on a forward price basis, that is at the price for each class of share in each fund at the next valuation point following receipt of a request to purchase or redeem shares.
- 25.2 The Company operates on the basis of "single pricing", i.e. the issue and redemption price of a share at a particular valuation point will be the same. Accordingly there will only be a single price for any share as determined from time to time by reference to a particular valuation point. The price of a share is calculated (to at least four significant figures) by:
  - 25.2.1 taking the value of the relevant fund attributable to the relevant class at the next valuation point of the fund;
  - 25.2.2 deducting any fees payable by the relevant class at the valuation point concerned which have not already been paid by the relevant fund; and
  - 25.2.3 dividing the result by the number of shares of the relevant class in the relevant fund in issue immediately before the valuation point concerned.

Once the single price of a share has been determined (including the dilution adjustment), the initial charge (if applicable) will be applied to the amount invested or redeemed.

## 26 Dilution Policy

### 26.1 What is a dilution adjustment?

Where a fund buys or sells underlying investments in response to a request for the purchase or redemption of shares, it would generally incur a cost. These costs may include dealing charges, commissions, levies, transfer taxes, anti-dilution levy and the effects of the difference between the buying and selling prices of the underlying investments and the mid-price at which the fund is valued. If these costs were not reflected in the share price paid by or to the shareholder when buying or selling shares there would be an impact upon existing shareholders, referred to as “dilution”, which may constrain the fund’s future growth.

Therefore, once the single price of a share has been determined (in accordance with “Prices of Shares” above) a “dilution adjustment” may be applied to the price in accordance with the policy outlined below. This is known as swinging single pricing i.e. the price swings in response to particular circumstances to mitigate dilution.

When there are net inflows to a fund, a dilution adjustment may be applied to increase the price (price swings up) and when there are net outflows from a fund, a dilution adjustment may be applied to reduce the price (price swings down). This is to reflect the true cost of purchasing or redeeming shares in a fund. These costs are estimated and can vary over time dependent on prevailing dealing spreads and market transaction costs and as a result the dilution adjustment will also vary over time.

### 26.2 Why impose a dilution adjustment?

Any dilution adjustment is imposed for the protection of existing shareholders within the fund to prevent inflows and outflows adversely affecting their interests through the costs referred to above. Neither the ACD nor any introducing agent in any way benefits from the imposition of a dilution adjustment.

### 26.3 In what circumstances might a dilution adjustment be imposed?

The ACD may make a discretionary dilution adjustment if, in its opinion, the existing shareholders (for inflows) or continuing shareholders (for outflows) might otherwise suffer a material adverse impact. In particular, the ACD reserves the right to make a dilution adjustment in the following circumstances:

- 26.3.1 on a fund experiencing large levels of net inflows relative to its size;
- 26.3.2 on a fund experiencing large levels of net outflows relative to its size; and
- 26.3.3 in any other case where the ACD is of the opinion that the interests of existing or continuing shareholders require the imposition of a dilution adjustment.

Furthermore, when a fund is typically expanding or contracting, the ACD may operate a dilution adjustment on a semi-permanent basis to reflect the trend of net flows in to or out of the fund.

As dilution is directly related to the inflows and outflows of monies from a fund, it is not possible to accurately predict whether dilution will occur at any future point in time. Consequently, it is also not possible to accurately predict how frequently the ACD will need to make such a dilution adjustment.

### 26.4 What is the size of any dilution adjustment? The rates as at the date of this prospectus are set out below:

<b>Fund</b>	<b>Dilution adjustment on purchases</b>	<b>Dilution adjustment on redemptions</b>
Merian Corporate Bond Fund	0.33%	0.34%
Merian Monthly Income Bond Fund	0.24%	0.24%
Merian UK Alpha Fund	0.66%	0.16%
Merian UK Equity Income Fund	0.60%	0.13%
Merian UK Mid Cap Fund	0.55%	0.13%
Merian UK Smaller Companies Fund	0.76%	0.40%
Merian UK Opportunities Fund	0.39%	0.20%

These rates are indicative and are based on historical data. They are intended to provide a guide to shareholders and potential shareholders on the possible rates at which dilution adjustment may be charged. The ACD will review dilution adjustments on at least a quarterly basis and according to prevailing market conditions. Furthermore, due to the nature of investments held within some of the funds the ACD reserves the right to impose a higher dilution adjustment on any day where, due to the size of the net inflow or net outflow, higher trading cost will be incurred.

## 27 **Publication of Prices**

Prices will be available online from [www.merian.com](http://www.merian.com) and [www.quilterinvestors.com](http://www.quilterinvestors.com) and the ACD's office on free phone 0808 100 8808.

## 28 **Risk Factors**

The following table lists the risk factors considered materially relevant to each of the funds. Potential shareholders should consider these risk factors before investing.

<b>Risk</b>	<b>Description</b>	<b>Merian Corporate Bond Fund</b>	<b>Merian Monthly Income Bond Fund</b>	<b>Merian UK Alpha Fund</b>	<b>Merian UK Equity Income Fund</b>	<b>Merian UK Mid Cap Fund</b>	<b>Merian UK Smaller Companies Fund</b>	<b>Merian UK Opportunities Fund</b>
<b>General</b>	The investments of the Company are subject to normal market fluctuations and other risks inherent in investing in securities. There can be no assurance that any appreciation in value of investments will occur. The value of investments and the income derived from them may fall as well as rise and shareholders may not recoup the original amount invested in the Company. Variations in the rates of exchange may also cause the value of investments and the income thereon to fall or rise. There is no assurance that the investment objectives of any fund will be	✓	✓	✓	✓	✓	✓	✓

<b>Risk</b>	<b>Description</b>	<b>Merian Corporate Bond Fund</b>	<b>Merian Monthly Income Bond Fund</b>	<b>Merian UK Alpha Fund</b>	<b>Merian UK Equity Income Fund</b>	<b>Merian UK Mid Cap Fund</b>	<b>Merian UK Smaller Companies Fund</b>	<b>Merian UK Opportunities Fund</b>
	achieved. Withdrawals by other investors may result in operating costs being borne by a small number of investors, which could erode shareholders' initial investment. Past performance is not a guide to future performance.							
<b>Tax</b>	Any tax benefits that apply at the time of your investment may be affected by changes in government policy or in your personal circumstances.	✓	✓	✓	✓	✓	✓	✓
<b>Derivatives - Efficient Portfolio Management purposes ("EPM")</b>	EPM is an investment technique where derivatives are used for one or more of the following purposes: reduction of risk, reduction of cost or generation of additional income at a level of risk which is consistent with a fund's risk profile and the risk diversification rules laid down in the FCA Regulations. The ACD considers that the use of derivatives for EPM purposes is not likely to affect the risk profile of a fund.	✓	✓	✓	✓	✓	✓	✓
<b>Derivatives - Investment purposes</b>	The use of derivatives for investment purposes may at times increase the volatility of a fund's NAV (so the price of shares may rise or fall more sharply) and may change the risk profile of the fund.	✓	✓		✓			✓
<b>Effect of initial charge</b>	Where any initial charge is imposed, a shareholder who realises his or her shares after a short period may not (even in the absence of a fall in the value of the relevant investments) realise the amount originally invested.	✓	✓	✓	✓	✓	✓	✓
<b>Charges to capital</b>	Where expenses are taken from the capital of the fund, rather than the income, then the income available for distribution to investors will increase by the amount charged, but the capital of the fund will be reduced by the same amount. For funds where expenses are taken from the income, if the fund has not generated enough income, the balance may have to come from the capital of the fund. This may result in capital erosion or constrain capital growth.	✓	✓	✓	✓			
<b>Suspension of dealings</b>	Shareholders are reminded that in certain circumstances their right to redeem shares may	✓	✓	✓	✓	✓	✓	✓

<b>Risk</b>	<b>Description</b>	<b>Merian Corporate Bond Fund</b>	<b>Merian Monthly Income Bond Fund</b>	<b>Merian UK Alpha Fund</b>	<b>Merian UK Equity Income Fund</b>	<b>Merian UK Mid Cap Fund</b>	<b>Merian UK Smaller Companies Fund</b>	<b>Merian UK Opportunities Fund</b>
<b>in shares</b>	be suspended (see “Suspension of dealings in the Company” in Section 20).							
<b>Fraud</b>	It is possible that companies in which investments are made may be found to be conducting fraudulent activities. As a result, it is possible that losses may be suffered.	✓	✓	✓	✓	✓	✓	✓
<b>Settlement and custody</b>	There may be delays in settlement and / or uncertainty in relation to the ownership of a fund's investments which could affect the fund's liquidity and which may lead to investment loss.	✓	✓	✓	✓	✓	✓	✓
<b>Inflation</b>	Inflation may reduce the real value of an investment over time.	✓	✓	✓	✓	✓	✓	✓
<b>Pricing and liquidity</b>	The price at which an underlying asset is valued may not be realisable in the event of sale. This could be due to a lack of liquidity in the relevant market.	✓	✓				✓	
<b>Cancellation</b>	If you qualify for cancellation rights and you decide to cancel your investment, you will get back less than the original amount if the investment has fallen in value since you invested.	✓	✓	✓	✓	✓	✓	✓
<b>Currency Risk</b>	The fund is denominated in British Pounds but may hold assets denominated in, or with exposure to, other currencies. The value of your shares may rise and fall as a result of exchange rate movements between these currencies.	✓	✓	✓	✓	✓	✓	✓
<b>Smaller companies</b>	Smaller companies' securities may be more difficult to sell, more volatile and tend to carry greater financial risk than the securities of larger companies as a result of inadequate trading volume or restrictions on trading. Smaller companies may possess greater potential for growth, but can also involve greater risks, such as limited product lines and markets, and financial or managerial resources. Trading in such securities may be subject to more abrupt price movements and greater fluctuations in available liquidity than trading in the securities of larger companies.						✓	



Risk	Description	Merian Corporate Bond Fund	Merian Monthly Income Bond Fund	Merian UK Alpha Fund	Merian UK Equity Income Fund	Merian UK Mid Cap Fund	Merian UK Smaller Companies Fund	Merian UK Opportunities Fund
<b>Remittance restrictions</b>	In some countries, the proceeds from the sale of a security, dividend or other income, that is due to foreign investors may not be payable, in full or in part, due to government or other restrictions. Any such restrictions will reduce the profit potential of a fund and may lead to losses.	✓	✓	✓	✓	✓	✓	✓
<b>Market closure</b>	Certain markets in which a fund invests do not open for business every day. The consequence is that the prices at which the shares may be bought or sold will be based on prices for the underlying investments that are out of date to a greater or lesser extent. This will cause the returns of the fund to be negatively affected if purchases / sales of shares are followed immediately by increases / decreases in the prices of underlying investments.	✓	✓	✓	✓	✓	✓	✓
<b>Credit Risk</b>	Bonds and other debt securities involve credit risk which may be evidenced by the issuer's credit rating. Securities which are subordinated and/or have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities. The value of a debt security will fall in the event of the default or reduced credit rating of the issuer. Generally, the higher the rate of interest, the higher the perceived credit risk of the issuer. High yield bonds with lower credit ratings (also known as sub-investment grade bonds) are potentially more risky (higher credit risk) than investment grade bonds. A sub-investment grade bond has a Standard & Poor's credit rating of below BBB- or equivalent.	✓	✓					
<b>Emerging markets</b>	<p>Investment in emerging markets may involve a higher than average risk. Shareholders should consider whether or not investment in such funds is either suitable for or should constitute a substantial part of that investor's portfolio.</p> <p>Companies in emerging markets may not be subject to:</p> <p>accounting, auditing and financial reporting standards, practices and disclosure requirements comparable to those applicable to companies in major markets; or</p>							

Risk	Description	Merian Corporate Bond Fund	Merian Monthly Income Bond Fund	Merian UK Alpha Fund	Merian UK Equity Income Fund	Merian UK Mid Cap Fund	Merian UK Smaller Companies Fund	Merian UK Opportunities Fund
	<p>the same level of government supervision and regulation of stock exchanges as countries with more advanced securities markets.</p> <p>Accordingly, certain emerging markets may not afford the same level of investor protection as would apply in more developed jurisdictions.</p> <p>There may be restrictions on foreign investment in certain securities by certain funds and, as a result, limited investment opportunities for the funds. Substantial government involvement in, and influence on, the economy may affect the value of securities in certain emerging markets.</p> <p>The reliability of trading and settlement systems in some emerging markets may not be equal to that available in more developed markets, which may result in delays in realising investments.</p> <p>Lack of liquidity and efficiency in certain of the stock markets or foreign exchange markets in certain emerging markets may mean that from time to time the ACD may experience more difficulty in purchasing or selling holdings of securities than it would in a more developed market.</p>							
<b>Liabilities of the Company</b>	<p>Shareholders are not liable for the debts of the Company. A shareholder is not liable to make any further payment to the Company after he or she has paid the purchase price of the shares.</p> <p>Upon request to the ACD a shareholder can receive information relating to:</p> <p>the quantitative limits applying in the risk management of a fund of the Company;</p> <p>the methods used in relation to the above; and</p> <p>any recent developments of the risks and yields of the main categories of investment in the fund.</p>	✓	✓	✓	✓	✓	✓	✓
<b>Segregated liability</b>	<p>As explained in Section 3, under the OEIC Regulations, each fund is a segregated portfolio of assets and those assets can only be used to meet the liabilities of, or claims against, that fund. Whilst the provisions of the OEIC Regulations</p>	✓	✓	✓	✓	✓	✓	✓

Risk	Description	Merian Corporate Bond Fund	Merian Monthly Income Bond Fund	Merian UK Alpha Fund	Merian UK Equity Income Fund	Merian UK Mid Cap Fund	Merian UK Smaller Companies Fund	Merian UK Opportunities Fund
	provide for segregated liability between funds, the concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known whether a foreign court would give effect to the segregated liability and cross-investment provisions contained in the OEIC Regulations. Therefore, it is not possible to be certain that the assets of a fund will always be completely insulated from the liabilities of another fund of the Company in every circumstance.							
<b>Equity Risk</b>	A fund may invest directly or indirectly in equity securities. Investing in equity securities may offer a higher rate of return than investing in other asset classes. However, the risks associated with investments in equity securities may also be higher, because the investment performance of equity securities depends upon factors which are difficult to predict. As a result, the market value of the equity securities in which a fund invests may go down and the fund may suffer losses. Factors affecting the equity securities are numerous, including but not limited to changes in investment sentiment, political environment, economic environment, and the business and social conditions in local and global markets. Securities exchanges typically have the right to suspend or limit trading in any security traded on the exchange which may expose a fund to losses.			✓	✓	✓	✓	✓
<b>Concentrated portfolios</b>	funds which invest in a limited number of investments may carry a higher degree of risk. A fall in the value of one or more of those investments may have a more significant impact on the value of the fund than if a larger number of investments were held.			✓	✓	✓		
<b>Interest Rates</b>	Changes in market interest rates will affect the value of debt securities held by a fund. Generally, the market value of debt securities moves in the opposite direction from interest rates; the market value decreases when interest rates rise and increases when interest rates fall. A fund's Net Asset Value per share generally moves in the same direction as the market value of the debt securities in the fund's portfolio. Therefore, if interest rates rise, investors should expect the fund's Net Asset Value per share to fall, and if	✓	✓					

Risk	Description	Merian Corporate Bond Fund	Merian Monthly Income Bond Fund	Merian UK Alpha Fund	Merian UK Equity Income Fund	Merian UK Mid Cap Fund	Merian UK Smaller Companies Fund	Merian UK Opportunities Fund
	interest rates fall, investors should expect the fund's Net Asset Value to rise. Long-term debt securities are generally more sensitive to changes in interest rates and, therefore, are subject to a greater degree of market price volatility. To the extent a fund holds long-term debt securities, its Net Asset Value will be subject to a greater degree of fluctuation than if it held debt securities of a shorter duration.							
<b>Early Termination</b>	The Company and/or a fund of the Company may be wound up on the occurrence of certain events as described in the section headed "Winding Up of the Company or a fund of the Company" below. Winding up may result in shareholders receiving back less than the amount originally invested, and may result in adverse tax consequences for shareholders.	✓	✓	✓	✓	✓	✓	✓
<b>Risks associated with contracts for differences ("CFDs")</b>	<p>The Merian UK Opportunities Fund may enter into CFDs with respect to equities, currencies, interest rates, credit defaults and financial indices. The Merian UK Opportunities Fund may use these techniques for investment purposes or for efficient portfolio management purposes to hedge against changes in interest rates, currency rates, securities prices, or as part of its overall investment strategy. The Investment Adviser's ability to use CFDs may be limited by market conditions, regulatory limits, legal risk, where the enforceability of a financial derivative instrument contract may be an issue, settlement risk and tax considerations. Whether the Merian UK Opportunities Fund's use of CFDs will be successful will depend on the Investment Adviser's ability to correctly predict whether certain types of investments are likely to produce greater returns than other investments. Hedging with derivatives may increase expenses, and there is no guarantee that a hedging strategy will work. While hedging can reduce or eliminate losses, it can also reduce or eliminate gains or cause losses if the market moves in a manner different from that anticipated by the Investment Adviser or if the cost of the derivative outweighs the benefit of the hedge.</p> <p>Payments under a CFD may be made at the conclusion of the contract or periodically during its term. If there is a default by the counterparty to</p>							✓

Risk	Description	Merian Corporate Bond Fund	Merian Monthly Income Bond Fund	Merian UK Alpha Fund	Merian UK Equity Income Fund	Merian UK Mid Cap Fund	Merian UK Smaller Companies Fund	Merian UK Opportunities Fund
	<p>the CFD the Merian UK Opportunities Fund will be limited to contractual remedies pursuant to the agreements related to the transaction. There is no assurance that contract counterparties will be able to meet their obligations pursuant to the contracts or that, in the event of default, the Merian UK Opportunities Fund will succeed in pursuing contractual remedies. The Merian UK Opportunities Fund thus assumes the risk that it may be delayed in or prevented from obtaining payments owed to it pursuant to the contracts. Additionally there may not be a liquid market for the CFD at any particular time.</p> <p>Shareholders should be aware that the Merian UK Opportunities Fund may seek to enter into CFDs on a rolling maturity basis. However, there can be no assurance that upon maturity, CFDs will be available to the Merian UK Opportunities Fund or, if available, that such CFDs will have terms similar to those previously entered into.</p>							

## 29 Fees and Expenses

### 29.1 Initial charge:

The ACD may impose a charge on the sale of shares. The initial charge is payable to the ACD. Full details are set out in schedule 1.

### 29.2 Switching charge:

On the switching of shares of a fund for shares of another fund the Instrument of Incorporation authorises the Company to impose a switching fee. The fee will not exceed an amount equal to the then prevailing initial charge for the class into which shares are being switched. The ACD does not currently impose a switching fee although if such switching fee were to be imposed, the switching fee would be payable to the ACD.

In accordance with the dilution policy set out above, a dilution adjustment may be applied in respect of the shares being sold and purchased as part of the switch.

### 29.3 Exit charge:

At present no exit charge is levied on the redemption of shares (although the ACD is permitted to require a dilution adjustment, if applicable). The ACD has the right (subject to the FCA Regulations) to introduce a charge on the redemption of shares in the future, but this will not affect shares issued prior to its introduction. For the purpose of determining the length of ownership of redeemed shares, a first in first out policy shall apply.

## 30 Other Fees and Expenses

### 30.1 Fixed Ongoing Charge:

The ACD is entitled to be paid an annual fee for its services in managing the funds. The fee is a fixed percentage of the Net Asset Value of each share class and is deducted from the scheme property of each fund. It is called the “**Fixed Ongoing Charge**”. The ACD pays the fees and expenses relating to the operation and administration of the funds, save for the costs set out below under “Other payments” which will be paid out of the relevant fund(s) in addition to the Fixed Ongoing Charge. The Fixed Ongoing Charge for each fund and share class is set out in schedule 1.

In some periods the Fixed Ongoing Charge may be less than the costs actually incurred by the ACD. In these circumstances the ACD will pay the difference from its own resources. Conversely, in some periods the Fixed Ongoing Charge may be more than the costs actually incurred by the ACD. In these circumstances the ACD will retain the difference.

It is the intention of the ACD to provide shareholders with certainty as to the fees paid by the funds and an understanding that this will be a single fixed percentage fee that does not vary month on month.

The ACD will use the Fixed Ongoing Charge to pay for the following fees relating to the operation and administration of the funds:

- 30.1.1 the fees, expenses and disbursements payable to each of the service providers (being the ACD, Investment Adviser, Administrator, Registrar, Auditor and the Depositary and professional advisers used in the ordinary course of business), including VAT on the above; and
- 30.1.2 the following costs, charges, fees and expenses payable in relation to the operation and management of the funds:
  - 30.1.2.1 levies imposed by the FCA and offshore regulators which regulate the funds including the fees of any regulatory authority in any country or territory outside of the UK in which Shares in the funds may be marketed;
  - 30.1.2.2 the cost of convening a shareholder meeting and any costs incurred in respect of such meeting (and circulating a written resolution in lieu of a shareholder meeting);
  - 30.1.2.3 the cost of preparing, translating, printing and distributing the report and accounts, statements, contract notes and other like documentation;
  - 30.1.2.4 any costs incurred in producing and dispatching income and other payments to shareholders;
  - 30.1.2.5 the cost of creating or amending documentation relating to the Company including the Instrument, Prospectus and Key Investor Information Documents;
  - 30.1.2.6 the cost of publishing and circulating details of the Net Asset Value and the price of shares;
  - 30.1.2.7 any expense incurred in relation to company secretarial duties including the cost of maintenance of minute books and other documentation required to be maintained by the fund;
  - 30.1.2.8 any costs incurred in taking out and maintaining any insurance policy in relation to the Company;
  - 30.1.2.9 any costs incurred with communicating with investors; and
  - 30.1.2.10 VAT on any of the above.

### 30.2 **Calculation and operation of the Fixed Ongoing Charge:**

The Fixed Ongoing Charge is calculated as a percentage of the scheme property of a fund. The amount each share class will pay will depend on the scheme property, costs, fees and expenses attributable to each such share class. The Fixed Ongoing Charge accrues on a daily basis by reference to the value of the scheme property of a fund on the immediately preceding Dealing Day in accordance with the FCA Regulations and is payable to the ACD monthly in arrears.

For all funds, some or all of any charges and expenses may be treated as a capital expense in accordance with the FCA Regulations, which may have the effect of constraining capital growth, as the Company may treat the generation of income as a higher priority than capital growth or (as the case may be) place equal emphasis on the generation of income and on capital growth.

For all funds except Merian Corporate Bond Fund, Merian Monthly Income Bond Fund, Merian UK Alpha Fund and Merian UK Equity Income Fund, the policy of the ACD is to charge all expenses relating to the funds to income with the exception of transaction costs which are treated as capital expenses. If the Fixed Ongoing Charge is taken from the income of the fund and the income received by the relevant fund is insufficient to meet the Fixed Ongoing Charge then all or some of the Fixed Ongoing Charge may be taken from the capital of the fund, which may constrain capital growth. For Merian Corporate Bond Fund, Merian Monthly Income Bond Fund, Merian UK Alpha Fund and Merian UK Equity Income Fund, the ACD and the Depositary have agreed that to protect the income distribution, some or all of the fees and expenses will be taken from the capital of the fund. Fees and expenses deducted from capital will increase distributable income by the amount charged and the capital of the fund will be reduced by the same amount. Accordingly, this may result in capital erosion or constrain capital growth.

### 30.3 **Changes to the Fixed Ongoing Charge:**

Should the underlying fees and expenses that are met out of the Fixed Ongoing Charge reduce or increase, the ACD may change the Fixed Ongoing Charge where it reasonably considers this to be appropriate. The ACD reserves the right to increase or decrease the Fixed Ongoing Charge.

In the event of any changes to the Fixed Ongoing Charge the ACD will notify shareholders in writing in accordance with the FCA's requirements under the FCA Regulations. For example:

- 30.3.1 before increasing the Fixed Ongoing Charge, the ACD will give shareholders at least 60 days' prior notice in writing; and
- 30.3.2 before introducing a new category of costs, charges, fees or expenses which make up the Fixed Ongoing Charge but which are not currently charged to the fund, the ACD will seek the approval of an extraordinary resolution of shareholders at an Extraordinary General Meeting.

### 30.4 **Other payments:**

In addition to the Fixed Ongoing Charge, the following expenses (being the actual amounts incurred) may also be payable by the Company out of its capital or income at the discretion of the ACD to the relevant person in respect of whom the expense is incurred, at the time the expense is due:

- 30.4.1 brokers' commissions, fiscal charges and other disbursements which are properly incurred in effecting transactions for the Company;
- 30.4.2 interest on and other charges relating to permitted borrowings;

- 30.4.3 taxation and other duties payable by the Company;
- 30.4.4 in relation to a scheme of arrangement where the property of a body corporate (such as an investment company) or of another collective investment scheme is transferred to the Company in consideration of the issue of shares in the Company to shareholders in that body corporate or to participants in that other scheme, any liability arising after the transfer which, had it arisen before the transfer, could properly have been paid out of that other property provided the ACD is of the opinion that proper provision was made for meeting such liabilities as were known or could reasonably have been anticipated at the time of the transfer;
- 30.4.5 any sum due by virtue of any provision of the FCA Regulations, such as cancellation proceeds and reasonable stock lending expenses;
- 30.4.6 the costs of establishing any new funds;
- 30.4.7 the fees, expenses and disbursements payable to professional advisers used outside the ordinary course of business or in relation to historical periods;
- 30.4.8 the fees and expenses in respect of establishing and maintaining any ISA register;
- 30.4.9 any other capital charges/expenses that may be taken out of the Company's property in accordance with the FCA Regulations; and
- 30.4.10 VAT on any of the above.

Expenses not directly attributable to a particular fund will be allocated between the funds. Expenses may be payable out of the capital property and/or income property of the relevant fund(s) at the discretion of the ACD, subject to any restrictions set out in the Instrument of Incorporation, and to the FCA Regulations.

## 31 **Changes to the Company; Shareholder Meetings**

### 31.1 **Changes to the Company under the FCA Regulations:**

Changes to the Company's operations would fall within one of the following three categories:

- 31.1.1 Fundamental events which change the nature of the Company, or a fund, or the basis on which the shareholders invested. For example, changes to an investment objective, its risk profile or something that would cause material prejudice to the shareholders would require investor approval;
- 31.1.2 Significant events which would materially affect a shareholder's investment, result in increased payments out of the Company, or a fund, or could reasonably be expected to cause shareholders to reconsider their participation in the relevant fund. Those should be notified pre-event to shareholders and in sufficient time to enable them to leave the relevant fund, if they wish, before the change takes effect, 60 days minimum notice is required for these changes; or
- 31.1.3 Notifiable events for which the ACD would decide when and how the shareholder should be notified, depending on the type of event. In these cases notification could be after the event.

### 31.2 **Requisitions of meetings:**

Annual general meetings are not held for the Company. The ACD or Depositary may requisition a general meeting at any time.



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

### 31.3 **Notice of quorum:**

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

### 31.4 **Voting rights:**

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

On a poll vote, a shareholder may vote either in person or by proxy. The voting rights attaching to each share are such proportion of the voting rights attached to all the shares in issue that the price of the share bears to the aggregate price(s) of all the shares in issue at the date seven days before the notice of meeting is deemed to have been served.

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

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

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

"Shareholders" in this context means shareholders on the date seven days before the notice of the relevant meeting was deemed to have been served, but excludes holders who are known to the ACD not to be shareholders at the time of the meeting.

### 31.5 **Class and fund meetings:**

The above provisions, unless the context otherwise requires, apply to class meetings and meetings of funds as they apply to general meetings of shareholders.

### 31.6 **Variation of class rights:**

The rights attached to a class or fund may not be varied except in accordance with the procedures set out in the FCA Regulations, as referred to above.

## 32 **Taxation**

### 32.1 **General:**

The following is a general summary of current UK tax law and Her Majesty's Revenue and Customs ("HMRC") practice; changes can occur without warning. It does not describe the taxation treatment of shareholders who do not hold their interests as an investment, who are

subject to special tax regimes or the detailed taxation treatment of persons resident in jurisdictions other than the United Kingdom.

**This summary is not, and should not be relied upon by shareholders as being, tax advice. Shareholders are advised to consult their professional advisers as to their individual tax position.**

## 32.2 Taxation of the Company:

As the funds are sub-funds of an open-ended investment company to which the Authorised Investment Funds (Tax) Regulations 2006 apply, each fund, and not the Company, is deemed to be a separate taxable entity. The funds are exempt from UK taxation in respect of capital gains realised on the disposal of investments held within them.

Each fund, however, is liable to UK corporation tax on most sources of income (other than, inter alia, dividends treated as being exempt under Part 9A of the Corporation Tax Act 2009 (the “**CTA 2009**”) and the portion of dividend distributions from UK authorised unit trusts and UK open-ended investment companies which is not unfranked), net of allowable expenses (and, in relevant cases as set out below, interest distributions made by the fund). The rate of corporation tax is 19% for the tax year 2018/2019, but reducing to 17% in April 2020. Dividends treated as being exempt under Part 9A CTA 2009 and the portion of dividend distributions from UK authorised unit trusts and UK open-ended investment companies which is not unfranked will be exempt income of the fund. Where foreign tax has been deducted from income from overseas sources, that tax can in some instances be offset against corporation tax payable by the fund by way of double tax relief.

If throughout a distribution period the investments of any fund (including, it is expected, Merian Corporate Bond Fund and Merian Monthly Income Bond Fund) comprise more than 60 per cent. (by value) in “qualifying investments” that fund may elect to treat its distributions as a payment of interest (as opposed to a dividend) for UK tax purposes. Such a fund is referred to as a ‘bond fund’ (though the term does not appear in UK tax legislation). Qualifying investments are, broadly, debt-like instruments and include the holding of shares in a master fund (whether incorporated in the UK or offshore) that itself holds more than 60% of its investments in debt-like instruments.

If any fund were to be treated as paying an interest distribution, it would normally be able to deduct the amount of that distribution in computing its taxable income for corporation tax purposes, thereby reducing or eliminating its liability to corporation tax for the period in question.

## 32.3 Reporting of tax information:

The Company (or the funds) and the ACD are subject to obligations which require them to provide certain information to relevant tax authorities about the Company, the funds, investors and payments made to them.

The International Tax Compliance Regulations 2015 give effect to:

- i. reporting obligations under the Organisation for Economic Co-Operation and Development’s (the “OECD”) Common Reporting Standard for the Automatic Exchange of Financial Account Information (the “**CRS**”). The Company is required to identify accounts maintained for account holders who are tax resident in the EU or jurisdictions with which the UK has entered into an agreement to automatically exchange tax information and collect and report such information to HMRC; and
- ii. an intergovernmental agreement between the US and the United Kingdom in relation to the US Foreign Account Tax Compliance Act (“**FATCA**”). FATCA is designed to help the Internal Revenue Service (the “**IRS**”) combat US tax evasion. It requires financial institutions, such as the Company (or the funds), to report on US investors or US holdings, whether or not this is relevant. Failure to comply (or be deemed

compliant) with these requirements will subject the Company (or a fund) to US withholding taxes on certain US-sourced income and gains.

The International Tax Compliance (Crown Dependencies and Gibraltar) Regulations 2014 (the "**CDOT Regulations**") which imposed a separate reporting regime for investors from several of the UK's overseas territories (namely, Jersey, Guernsey, Isle of Man and Gibraltar) and implemented the UK's intergovernmental agreements with such territories have, with effect from 31 December 2017, been revoked and replaced by CRS. HMRC have confirmed that accounts will only need to be reported once on the common return where they are reportable under both the CDOT Regulations and the CRS.

Provided the Company (or a fund) complies with its obligations under the International Tax Compliance Regulations 2015 to identify and report taxpayer information directly to HMRC, it should be deemed compliant with FATCA and the CRS. HMRC will share such information with the relevant overseas tax authorities.

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

#### 32.3.1 *Withholding Tax Liability*

To the extent the Company (or a fund) is subject to withholding tax as a result of:

- 32.3.1.1 a shareholder failing (or delaying) to provide relevant information to the ACD;
- 32.3.1.2 a shareholder failing (or delaying) to enter into a direct agreement with the IRS; or
- 32.3.1.3 the Company (or a fund) becoming liable under FATCA or any legislation or regulation to account for tax in any jurisdiction in the event that a shareholder or beneficial owner of a share receives a distribution, payment or redemption, in respect of their shares or disposes (or be deemed to have disposed) of part or all of their shares in any way,

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

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

#### 32.3.2 *Indemnity*

Each investor agrees to indemnify the fund and its ACD and its delegates/agents including the Administrator for any loss caused by such investor arising to the fund and/or its delegates/agents by reason of them

becoming liable to account for tax in any jurisdiction on the happening of a Chargeable Event.

## **Taxation of shareholders**

### **32.4 Income distribution and accumulation:**

For the purposes of UK taxation on income, the same consequences will arise whether a fund's income is distributed to a shareholder or accumulated on his or her behalf. The tax consequences set out in the following Sections apply equally to accumulations of income by a fund as they apply to the distributions made by a fund.

#### **Individual shareholders**

### **32.5 Dividend distributions:**

From April 2016, the dividend tax credit was replaced with a dividend tax allowance of £5,000. Such allowance has been reduced to £2,000 from April 2018. Income tax is now applied to dividend income above the allowance at rates of 7.5% for basic rate taxpayers, 32.5% for higher rate tax payers and 38.1% for additional rate tax payers.

No withholding tax is levied on dividend distributions made to individual shareholders resident outside the UK. Non-UK resident shareholders should consult their own advisers as to the tax consequences of a receipt of distributions under the law of their own jurisdiction of residence.

### **32.6 Interest distributions:**

Interest distributions by any 'bond fund', including Merian Corporate Bond Fund and Merian Monthly Income Bond Fund, will be made without any deduction for income tax. This means that shareholders will be obliged to include the full amount of the distribution on their tax returns and pay tax accordingly. UK individual tax payers may be eligible for a tax free allowance of £1,000 (basic rate tax payers) or £500 (higher rate tax payers). Additional rate tax payers are not entitled to any tax free allowance on interest income.

### **32.7 Capital gains:**

Any capital gains arising to individual shareholders who are resident in the UK on the redemption, exchange or other disposal of their shares are, depending on their personal circumstances, subject to capital gains tax.

For 2018/2019, the first £11,700 of chargeable gains from all sources will be exempt from tax. Thereafter, for gains above the annual exempt amount, the capital gains tax rate for 2018/2019 is 10% or 20% to the extent an individual taxpayer's total taxable income and gains exceeds the upper limit for the income tax basic rate band (currently, £34,500 for the tax year 2018/2019).

However, a UK resident individual shareholder who holds his or her shares in an Individual Savings Account ("ISA") will be exempt from capital gains tax on any gain accruing to him or her on the disposal or deemed disposal of such shares.

A shareholder who is not resident in the UK will not normally be liable to UK tax on capital gains accruing to him or her on the disposal or deemed disposal of his or her holding in any fund, except where the holding is connected with a trade, profession or vocation carried on by him or her in the UK through a branch or agency or he or she falls within certain anti-avoidance provisions relating to temporary non-UK residence.

Where income equalisation applies, the part of the issue price of shares which reflects accrued income and is returned to the shareholder with the first allocation of income following the issue is deducted from the shareholder's capital gains tax base cost in the shares.

**32.8 Exchange between funds:**

An exchange of shares in one fund for shares in any other fund may be treated as a redemption and may for persons subject to United Kingdom taxation be a disposal for the purposes of capital gains taxation.

**32.9 Exchange between share classes of the same fund:**

An exchange of one class of shares in one fund for another class of shares in the same fund (i.e. an exchange of income shares for accumulation shares in the same fund and vice versa) will generally not constitute a disposal for the purposes of capital gains taxation.

**32.10 Inheritance tax:**

A gift by a shareholder of his or her holding in any of the funds or the death of a shareholder may give rise to a liability to inheritance tax, even if the shareholder is neither domiciled in the UK, nor deemed to be domiciled there under special rules relating to long residence or previous domicile in the UK. For these purposes, a transfer of a holding at less than the full market value may be treated as a gift.

**Corporate shareholders**

**32.11 Dividend distributions:**

A UK resident corporate shareholder receiving a dividend distribution is treated as receiving a payment which may consist of two parts; an “unfranked” portion and a portion which is not unfranked. In broad terms, the portion treated as not unfranked will be such proportion as is equal to the proportion of the total income of the fund (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 CTA 2009. The not unfranked portion of the payment is treated as dividend income, on which the UK resident corporate shareholder is not chargeable to corporation tax (unless the shareholder is deemed to be a financial trader by HMRC). There are no tax credits which can be reclaimed in relation to the portion of a dividend distribution which is not unfranked. At present, the “unfranked” portion of the distribution is treated as an annual payment from which income tax at 20% has been deducted; it is therefore chargeable to corporation tax at the rate applicable to the UK resident corporate shareholder but with credit for the income tax treated as deducted. The current rate of corporation tax is 19%.

**32.12 Interest distributions:**

Under section 888C of the Income Tax Act 2007 there is no requirement for any fund to deduct UK income tax at source from payments of interest to any corporate investor.

Interest distributions paid by a bond fund to a UK tax paying corporate investor who is not a financial trader will be treated as a non-trading loan relationship credit. In these circumstances the bond fund will be able to allocate amounts for distribution as interest. A UK tax paying corporate investor (who is not a financial trader) will also have to treat a distribution from any fund as a non-trading loan relationship credit if at any time in that investor’s accounting period (as opposed to throughout the fund’s distribution period) that fund fails the qualifying investments test.

**32.13 Qualifying Investments:**

If a corporate shareholder who is within the charge to UK corporation tax is required to treat its holding in a fund as a creditor loan relationship then that corporate shareholder will be taxed in an accounting period on the increase in the market value of its holding during that period (rather than on disposal), or will obtain tax relief on any equivalent decrease in market value.

**32.14 Capital gains:**

Any chargeable gains (after taking account of indexation relief) arising to UK resident corporate shareholders on the redemption, exchange or other disposal of their shares will be subject to corporation tax.

Where a shareholder's interest in a fund is treated as a non-trading creditor relationship as described above, its interest is not an asset for the purposes of corporation tax on chargeable gains so that any gain realised on disposal is also treated as a non-trading loan relationship credit.

**32.15 Exchange between funds:**

An exchange of shares in one fund for shares in any other fund may be treated as a redemption and may for persons subject to United Kingdom taxation be a disposal for the purposes of capital gains taxation.

**32.16 Exchange between share classes of the same fund:**

An exchange of one class of shares in one fund for another class of shares in the same fund (i.e. an exchange of income shares for accumulation shares and vice versa) will generally not constitute a disposal for the purposes of capital gains taxation.

**32.17 General:**

All funds of the Company are eligible to be held within the stocks and shares component of an ISA. Income and capital gains within an ISA are tax free. Withdrawals can be made at any time without any loss of tax relief.

In the case of accumulation shares, reinvested income is deemed to have been distributed to the shareholder for the purposes of taxation and a tax voucher will be issued to the shareholder to provide the appropriate details for their returns.

Acquisitions, switches, and disposals of shares in the funds may give rise to liability of the funds to stamp duty reserve tax.

**32.18 Stamp Duty Reserve Tax ("SDRT"):**

No SDRT charge will be levied on surrenders of shares unless the surrender is a non pro-rata in specie redemption. In those cases the underlying stock or marketable securities of the fund are chargeable to SDRT by reference to the surrendered shares which constitute the consideration.

The charge to SDRT does not apply to an agreement to transfer shares where that agreement would have been exempt from stamp duty under certain specified exemptions.

**33 Income Equalisation**

Income equalisation applies in relation to all the current funds of the Company.

Part of the purchase price of a share reflects the relevant share of accrued income received or to be received by the Company. This capital sum is returned to a shareholder with the first allocation of income in respect of a share issued during the relevant accounting period.

The amount of income equalisation is either the actual amount of income included in the issue price of that share or is calculated by dividing the aggregate of the amounts of income included in the price of shares issued or redeemed to shareholders in an annual or interim accounting period by the number of those shares and applying the resultant average to each of the shares in question.

## 34 Winding Up of the Company or a Fund of the Company

- 34.1 The Company shall not be wound up except as an unregistered company under Part V of the Insolvency Act 1986 or under the FCA Regulations. A fund may only be wound up under the FCA Regulations.
- 34.2 Where the Company or a fund are to be wound up under the FCA Regulations, such winding up may only be commenced following approval by the FCA. The FCA may only give such approval if the ACD provides a statement (following an investigation into the affairs of the Company) either that the Company will be able to meet its liabilities within 12 months of the date of the statement or that the Company will be unable to do so.
- 34.3 The Company or a fund may be wound up under the FCA Regulations if:
- 34.3.1 an extraordinary resolution to that effect is passed by shareholders; or
  - 34.3.2 the period (if any) fixed for the duration of the Company or a particular fund by the Instrument of Incorporation expires, or the event (if any) occurs on the occurrence of which the Instrument of Incorporation provides that the Company or a particular fund is to be or may be wound up (for example, if the share capital of the Company is below its prescribed minimum or (in relation to any fund) the Net Asset Value of the fund is less than £1,000,000, or if a change in the laws or regulations of any country means that, in the ACD's opinion, it is desirable to terminate the fund); or
  - 34.3.3 on the date of effect stated in any agreement by the FCA to a request by the ACD for the revocation of the authorisation order in respect of the Company or the fund.
- 34.4 On the occurrence of any of the above:
- 34.4.1 that part of the FCA Regulations relating to pricing and dealing and investment and borrowing powers will cease to apply to the Company or the fund;
  - 34.4.2 the Company will cease to issue and cancel shares in the Company or the fund and the ACD shall cease to redeem shares or arrange for the Company to issue or cancel them for the Company or the fund;
  - 34.4.3 no transfer of a share shall be registered and no other change to the register shall be made without the sanction of the ACD; and
  - 34.4.4 where the Company is being wound-up, the Company shall cease to carry on its business except in so far as it is beneficial for the winding up of the Company.

The corporate status and powers of the Company and, subject to the provisions of 38.4.1 and 38.4.2 above, the powers of the ACD, shall remain until the Company is dissolved.

The ACD shall, as soon as practicable after the Company or the fund falls to be wound up, realise the assets and meet the liabilities of the Company and, after paying out or retaining adequate provision for all liabilities properly payable and retaining provision for the costs of winding up, arrange for the Depositary to make one or more interim distributions out of the proceeds remaining (if any) to shareholders proportionately to their rights to participate in the scheme property of the Company or the fund. When the ACD has caused all of the scheme property to be realised and all of the liabilities of the Company or the fund to be realised, the ACD shall arrange for the Depositary to also make a final distribution (if any scheme property remains to be distributed) to shareholders as at the date on which the final account is sent to shareholders of any balance remaining in proportion to their holdings in the Company or the fund.

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

Following the completion of the winding up of the Company, the ACD shall notify the Registrar of Companies and shall notify the FCA that it has done so.

Following the completion of a winding up of either the Company or a fund, the ACD must prepare a final account showing how the winding up took place and how the scheme property was distributed. The Auditor shall make a report in respect of the final account stating their opinion as to whether the final account has been properly prepared. This final account and the Auditor's report must be sent to the FCA, to each shareholder and, in the case of the winding up of the Company, to the Registrar of Companies within two months of the termination of the winding up.

## 35 **Client Money**

In certain circumstances (including in relation to the purchase and redemption of shares), money in respect of shares will be transferred to a client money bank account with an approved bank that the ACD may from time to time select until such transactions can be completed. Money transferred to a client money account will be held in accordance with that part of the FCA Rules which deals with holding client money (the "**Client Money Rules**"). The purpose of utilising client money accounts is to protect shareholders should the ACD become insolvent during such a period. No interest will be paid on money held in these client money bank accounts.

Client money may be held with an approved bank outside the European Economic Area ("**EEA**"). In such case, the relevant accounts will be subject to the laws of that state and the client money may be treated in a different manner from that which would apply if the client money were held by a party located in the EEA.

Where client money is deposited into an account with an approved bank, the approved bank may have a security interest or lien over, or right of set-off in relation to such money, to the extent the ACD is permitted to grant such rights by the Client Money Rules).

The ACD may hold client money in an omnibus account which means that shareholder's money may be held in the same account as that of other shareholders. In an insolvency event shareholders would not have a claim against a specific amount in a specific account. Shareholders would claim against the client money pool in general. Pooled property in omnibus accounts held by the ACD may be used for the account of any of the relevant shareholders.

The ACD will not be responsible for any loss or damages suffered by shareholders because of any error or action taken or not taken by any third parties holding client money in accordance with the Client Money Rules, unless the loss arises because the ACD has been negligent or acted fraudulently or in bad faith. Should the approved bank, or banks, holding the client money bank account become insolvent, the ACD will attempt to recoup the money on behalf of shareholders. However, if the approved bank or banks cannot repay all the persons to whom it owes money, any shortfall may have to be shared proportionally between all its creditors including shareholders.

### 35.1 **Transfer of business:**

Except in respect of de minimis sums transferred in accordance with the Client Money Rules (where shareholder consent is not required), shareholders agree that the ACD may transfer to another person, as part of a transfer of business to that person, client money balances, provided that:

- 35.1.1 the sums transferred will be held for the relevant shareholder by the person to whom they are transferred in accordance with the Client Money Rules; or



- 35.1.2 if not held in accordance with Section 35.1.1, the ACD will exercise all due skill, care and diligence in assessing whether the person to whom the client money is transferred will apply adequate measures to protect these sums.

For the purpose of this section, de minimis shall mean £25 for retail investors and £100 for all other investors.

## 35.2 **Unclaimed balances:**

In certain circumstances, if the ACD has lost touch with a shareholder and there has been no movement on the account (notwithstanding any payments or receipts of charges, interest or similar items), the ACD will be permitted to pay the shareholder's client money balance to charity after six years. At this point, the ACD shall cease to treat such money as client money. The ACD will not do so until reasonable efforts have been made to contact the shareholder in accordance with the Client Money Rules. The shareholder will still be entitled to recover this money from the ACD at a later date irrespective of whether the ACD has paid the money to charity.

## 35.3 **Delivery versus payment:**

When an applicant applies for shares in a fund there is a window of time between the ACD receiving subscription money from the applicant and the ACD transferring the subscription money to the Depositary to be used to settle the creation of the applicant's shares. If the ACD transfers the subscription money to the Depositary by the close of business on the Business Day following receipt, the ACD is permitted to use an exemption to the FCA's client money rules which means that the ACD is not required to ensure that money is protected in a ring-fenced bank account. If the ACD transfers the subscription money to the Depositary outside of this window then the ACD is required to protect the money in a ring-fenced bank account in accordance with the FCA's client money rules.

Similarly, when a shareholder makes a redemption request for shares in a fund there is a window of time between the ACD receiving redemption money from the Depositary and the ACD transferring the redemption money to the shareholder. If the ACD transfers the redemption money to the shareholder by the close of business on the Business Day following receipt, the ACD is permitted to use an exemption to the FCA's client money rules which means that the ACD is not required to ensure money is protected in a ring-fenced bank account. If the ACD transfers the redemption money to a shareholder outside of this window then the ACD is required to protect the money in a ring-fenced bank account in accordance with the FCA's client money rules until such time as it is paid to the shareholder.

Money which is not held as client money will not be protected in the insolvency of the ACD. By agreeing to subscribe for shares in a fund, shareholders consent to the ACD operating the delivery versus payment exemption on subscriptions and redemptions as explained above.

## 36 **General Information**

### 36.1 **Typical investor profile:**

Each fund has its own investment objective and risk rating. Therefore, although the funds are available to all retail investors, each fund's suitability for an investor will depend on that investor's own requirements and their attitude to risk. Investors should be aware of and understand the risks associated with a particular fund before investing. As investments may occasionally experience periods of price volatility, the funds would be more suitable for investors who can afford to set aside the invested capital for a minimum period of 5 years. The risks associated with individual funds are detailed in Section 28 "Risk Factors", to which potential Shareholders should refer to see which risks apply to the funds they are considering.

## 36.2 **Accounting periods:**

The annual accounting period of the Company ends each year on 31 July (the accounting reference date). The interim accounting period ends each year on 31 January.

## 36.3 **Income allocations:**

36.3.1 Allocations of income are made in respect of the income available for allocation in each accounting period.

36.3.2 Except in the case of Merian Monthly Income Bond Fund, distributions of income for each fund are paid within two months of the annual and interim distribution dates, as set out more fully in schedule 1. Distributions of income out of the Merian Monthly Income Bond Fund will be made within one month of the annual and interim distribution dates, as set out more fully in schedule 1. Where a distribution date falls on a day which is not a Business Day, the amount of income to be distributed by a fund shall be paid on the preceding Business Day.

36.3.3 If a distribution remains unclaimed for a period of six years after it has become due, it will be forfeited and will revert to the Company.

36.3.4 The amount available for distribution in any accounting period is calculated by taking the aggregate of the income received or receivable for the account of the relevant fund in respect of that period, and deducting the charges and expenses of the relevant fund paid or payable out of income in respect of that accounting period. The ACD then makes such other adjustments as it considers appropriate (and after consulting the Auditor as appropriate) in relation to taxation, income equalisation, income unlikely to be received within 12 months following the relevant income allocation date, income which should not be accounted for on an accrual basis because of lack of information as to how it accrues, transfers between the income and capital account and any other adjustments (including for amortisation) which the ACD considers appropriate after consulting the Auditor. The ACD may adopt a policy of smoothing income over distribution periods to ensure a more regular payment where it considers this is in the interest of share-holders of each fund and is consistent with the objective and policy of the funds.

36.3.5 Income from debt securities is recognised on an effective yield basis. Effective yield is an income calculation that takes account of amortisation of any discount or premium on the purchase price of the debt security over the remaining life of the security.

## 36.4 **Annual reports:**

36.4.1 Annual reports of the Company will be published within four months of each annual accounting period and half-yearly reports will be published within two months of each interim accounting period.

36.4.2 The most recent annual and half-yearly long reports are available free of charge from the ACD upon request by telephone on 0808 100 8808, by post to the ACD at Millennium Bridge House, 2 Lambeth Hill, London, EC4V 4AJ or at [www.merian.com](http://www.merian.com) or on the ACD's website at [www.quilterinvestors.com](http://www.quilterinvestors.com).

## 36.5 **Securities Financing Transactions disclosures:**

The ACD is subject to the provisions of the European Regulation 2015/2365 on Reporting and Transparency of Securities Financing Transactions (the “SFTR”). The SFTR sets out certain disclosure requirements regarding the use of securities financing transactions

("SFTs") and total return swaps ("TRSs"). At present, the only fund which may use SFTs or TRSs is Merian UK Opportunities Fund. The required disclosures are as set in schedule 6.

**36.6 Documents relating to the Company:**

The following documents may be inspected free of charge between 9.00 am and 5.00 pm every Business Day at the offices of the ACD at Millennium Bridge House, 2 Lambeth Hill, London, EC4V 4AJ:

36.6.1 the most recent annual and half-yearly reports of the Company; and

36.6.2 the Instrument of Incorporation (and any amendment to the instrument of incorporation).

Shareholders may obtain copies of the above documents from the above address. Unless prohibited from doing so by the FCA Regulations, the ACD may make a charge at its discretion for copies of documents.

**36.7 Complaints:**

Complaints concerning the operation or marketing of the Company may be referred to the Registrar at Quilter Investors Limited, P.O Box 10278, Chelmsford, CM99 2AR or, if preferred, direct to the Financial Ombudsman Service at Exchange Tower, Harbour Exchange Square, London E14 9SR. Further details of the ACD's complaints policy are available on request.

**36.8 Market timing:**

The Company does not permit the funds to be used for the purpose of "market timing". For this purpose market timing is defined as "a trading strategy with the intention of taking advantage of short term changes in market prices". The Company will undertake monitoring activities to ensure that market timing is not taking place in any of its funds.

**36.9 Risk:**

Upon request to the ACD a shareholder can receive information relating to:

36.9.1 the quantitative limits applying in the risk management of the Company or a particular fund, as appropriate

36.9.2 the methods used in relation to 36.9.1 above; and

36.9.3 any recent developments of the risk and yields of the main categories of investment in the Company or a particular fund.

**36.10 Execution:**

The ACD will execute purchases, sales and switches of shares in the Company. However, the execution of purchases and sales of underlying investments will be undertaken by the Investment Adviser in accordance with the FCA Regulations on best execution. Further details of the Investment Adviser's execution policy are available on request from the ACD or at [www.merian.com](http://www.merian.com).

**36.11 Voting Strategy:**

The ACD may delegate the exercise of voting rights in relation to underlying investments to the Investment Adviser. Further details of the Investment Adviser's voting policy along with records of voting are available on request from the ACD.

**36.12 Cancellation of Shares:**

An applicant who is entitled to cancel and does so will not get a full refund of the money paid by him or her if the purchase price of the shares falls before the cancellation notice is received by the Registrar (on behalf of the ACD), because an amount equal to such fall (the “**shortfall**”) will be deducted from the refund he or she would otherwise receive. Where the purchase price has not yet been paid the applicant will be required to pay the amount of the shortfall to the ACD. The deduction does not apply where the service of the notice of the right to cancel precedes the entering into of the agreement. Cancellation rights must be exercised by posting a cancellation notice to the Registrar (on behalf of the ACD) to its office at Quilter Investors Limited, P.O Box 10278, Chelmsford, CM99 2AR on or before the 30th day after the date on which the applicant receives the notice of the right to cancel.

**36.13 Compensation:**

Shareholders may be entitled to compensation from the Financial Services Compensation Scheme if the Company cannot meet its obligations. This depends on the type of business and circumstances of the claim. In respect of most types of investment business, the first £50,000 is protected in full.

Further information about compensation arrangements is available from the Financial Services Compensation Scheme website [www.fscs.org.uk](http://www.fscs.org.uk).

## SCHEDULE 1

### Investment Objectives, Policies and Other Details of the Funds

Investment of the assets of each of the funds must comply with the FCA Regulations and with the fund's own investment objective and policy. Details of each fund's investment objective and policy and other fund specific information is set out in this schedule. The eligible securities and derivatives markets on which the funds may invest are contained in this schedule 1. A detailed statement of the investment and borrowing restrictions applicable to the Company is set out in schedule 2.

None of the funds will invest more than 10% in other collective investment schemes.

**Save for the Merian UK Alpha Fund, the Merian UK Mid Cap Fund and the Merian UK Smaller Companies Fund, all of the funds will be permitted to use derivatives for investment purposes. The use of derivatives for this purpose may affect the volatility or risk profile of these funds, though this is not the ACD's intention.**

**The Merian UK Alpha Fund, the Merian UK Mid Cap Fund and the Merian UK Smaller Companies Fund's use of derivatives will be limited to Efficient Portfolio Management purposes (EPM). The ACD consider that the use of derivatives for EPM purposes is not likely to affect the risk profile of these funds.** EPM is an investment technique where derivatives are used for one or more of the following purposes: reduction of risk, reduction of cost or generation of additional income at a level of risk which is consistent with a fund's risk profile and the risk diversification rules laid down in the FCA Regulations. In the event that either of the Merian UK Mid Cap Fund or the Merian UK Smaller Companies Fund wanted to use derivatives for other purposes besides EPM, the ACD would provide 60 days advance notice of this change to the relevant shareholders. **In the event that either the Merian UK Mid Cap Fund or the Merian UK Smaller Companies Fund did use derivatives for investment purposes this might, at times, increase the volatility of the fund's NAV and change the risk profile of the fund.**

The Merian UK Mid Cap Fund and Merian UK Smaller Companies Fund use the components of an index to determine portfolio construction. The administrator of each index is either (i) listed on the register of administrators and benchmarks maintained by the European Securities and Markets Authority ("**ESMA**") or (ii) will be listed on the ESMA register by the time required by applicable regulation.

The ACD reserves the right to reduce or waive the various minimum amounts referred to below in relation to investment in the funds.

## MERIAN CORPORATE BOND FUND

PRN: 644453

### Investment Objective and Policy

The fund aims to maximise total return through investment in a diversified portfolio of fixed interest and other debt securities.

Subject to the regulations, the property of the fund may include transferable securities; units in collective investment schemes (including those managed or operated by the ACD or an associate of the ACD), warrants, money market instruments, deposits and derivatives. More than 35% in value of the property of the fund may consist of Government and other public securities issued by one issuer in accordance with the investment management and borrowing powers of the Company set out in schedule 2.

The level of cash held will not normally exceed 20% of the value of the holding of the fund.

**The fund will be permitted to use derivatives for investment purposes. The use of derivatives for this purpose may affect the volatility or risk profile of the fund although this is not the ACD's intention.**

### Investment Approach

Portfolio construction is driven by an on-going assessment of the drivers of returns such as interest rates, bond prices, the economic outlook, inflationary expectations and global political issues. This will also include an assessment of any issuer's default risk and value relative to similar bonds in the market.

### Charges and Other Information

Classes of shares	A (GBP) Accumulation Shares A (GBP) Income Shares P (GBP) Accumulation Shares P (GBP) Income Shares R (GBP) Accumulation Shares R (GBP) Income Shares U1 (GBP) Accumulation Shares U1 (GBP) Income Shares U2 (GBP) Accumulation Shares U2 (GBP) Income Shares
Currency of denomination	Sterling
Minimum initial investment	£1,000 – A (GBP) Shares £1,000 – P (GBP) Shares £5,000,000 – R (GBP) Shares £100,000,000 – U1 (GBP) Shares

	£250,000,000 – U2 (GBP) Shares
Minimum subsequent investment	£500 – A (GBP) Shares £500 – P (GBP) Shares £150,000 – R (GBP) Shares £500,000 – U1 (GBP) Shares £1,000,000 – U2 (GBP) Shares
Minimum holding requirement	£1,000 – A (GBP) Shares £1,000 – P (GBP) Shares £5,000,000 – R (GBP) Shares £50,000,000 – U1 (GBP) Shares £125,000,000 – U2 (GBP) Shares
Minimum monthly investment (A (GBP) and P (GBP) shares only)	£250 – A (GBP) Shares and P (GBP) Shares
Minimum additional monthly investment (A (GBP) and P (GBP) shares only)	£50 – A (GBP) Shares and P (GBP) Shares
Initial charge	3.5% – A (GBP) Shares 3.5% – P (GBP) Shares Nil – R (GBP) Shares Nil – U1(GBP) Shares Nil – U2 (GBP) Shares
Fixed Ongoing Charge	1.15% - A (GBP) Shares* 0.80% - P (GBP) Shares* 0.65% - R (GBP) Shares* 0.60% – U1 (GBP) Shares* 0.55% – U2 (GBP) Shares*
Exit charge	0%
Annual accounting date	31 July (or other date within seven days)
Interim accounting date	31 January, 30 April, 31 October
Annual income allocation date	30 September
Interim income allocation date	31 March, 30 June, 31 December

***\*The ACD and the Depositary have agreed that to protect the income distribution, some or all of the fees and expenses (which include the Fixed Ongoing Charge) will be taken from the***

***capital of the fund. Fees and expenses deducted from capital will increase distributable income by the amount charged and the capital of the fund will be reduced by the same amount. Accordingly, this may result in capital erosion or constrain capital growth.***

#### **Eligible Securities and Derivatives Markets**

Australia	Australian Securities Exchange (ASX Limited)
	Sydney Futures Exchange
Canada	TSX Venture Exchange
	Montreal Stock Exchange
Germany	EUREX
Hong Kong	Hong Kong Exchanges
International	International Capital Market Association (ICMA)
Japan	Osaka Securities Exchange
	Tokyo Stock Exchange
Mexico	Mexican Stock Exchange
New Zealand	New Zealand Stock Exchange
	New Zealand Futures Exchange
Republic of Korea	Korean Exchange Incorporated
Singapore	Singapore Stock Exchange
	Singapore International Monetary Exchange
Switzerland	SWX Swiss Exchange
Thailand	Stock Exchange of Thailand
UK	LIFFE
USA	American Stock Exchange
	Boston Stock Exchange
	Chicago Board Options Exchange
	CME Group Exchanges
	NASDAQ
	New York Stock Exchange
	NYSE ARCA
	Philadelphia Stock Exchange
	The Over-the-Counter Market regulated by NASDAQ



In addition to the above, the fund may also invest on any market established in a European Economic Area member state on which transferable securities admitted to official listing in the member state are dealt in or traded.

## MERIAN MONTHLY INCOME BOND FUND

PRN: 644454

### Investment Objective and Policy

The fund aims to maximise total returns by investing primarily in a diversified portfolio of fixed, variable and zero rate bond investments, including convertible securities. There are no specific restrictions as to the economic sectors or geographic areas that the fund may invest in.

Subject to the regulations, the property of the fund may include transferable securities; units in collective investment schemes (including those managed or operated by the ACD or an associate of the ACD), warrants, money market instruments, deposits and derivatives.

More than 35% in value of the property of the fund may consist of Government and other public securities issued by one issuer in accordance with the investment management and borrowing powers of the Company set out in schedule 2.

**The fund will be permitted to use derivatives for investment purposes. The use of derivatives for this purpose may affect the volatility or risk profile of the fund although this is not the ACD's intention.**

### Investment Approach

Portfolio construction is driven by an on-going assessment of the drivers of returns such as interest rates, bond prices, the economic outlook, inflationary expectations and global political issues. This will also include an assessment of any issuer's default risk and value relative to similar bonds in the market.

### Charges and Other Information

Classes of shares	A (GBP) Accumulation Shares A (GBP) Income Shares P (GBP) Accumulation Shares P (GBP) Income Shares R (GBP) Accumulation Shares R (GBP) Income Shares U1 (GBP) Accumulation Shares U1 (GBP) Income Shares U2 (GBP) Accumulation Shares U2 (GBP) Income Shares
Currency of denomination	Sterling
Minimum initial investment	£1,000 – A (GBP) Shares £1,000 – P (GBP) Shares £5,000,000 – R (GBP) Shares £100,000,000 – U1 (GBP) Shares

	£250,000,000 – U2 (GBP) Shares
Minimum subsequent investment	£500 – A (GBP) Shares £500 – P (GBP) Shares £150,000 – R (GBP) Shares £500,000 – U1 (GBP) Shares £1,000,000 – U2 (GBP) Shares
Minimum holding requirement	£1,000 – A (GBP) Shares £1,000 – P (GBP) Shares £5,000,000 – R (GBP) Shares £50,000,000 – U1 (GBP) Shares £125,000,000 – U2 (GBP) Shares
Minimum monthly investment (A (GBP) and P (GBP) shares only)	£250 – A (GBP) Shares and P (GBP) Shares
Minimum additional monthly investment (A (GBP) and P (GBP) shares only)	£50 – A (GBP) Shares and P (GBP) Shares
Initial Charge	3.5% - A (GBP) Shares 3.5% - P (GBP) Shares Nil - R (GBP) Shares Nil – U1 (GBP) Shares Nil – U2 (GBP) Shares
Fixed Ongoing Charge	1.40% - A (GBP) Shares* 0.90% - P (GBP) Shares* 0.80% - R (GBP) Shares* 0.7125% - U1 (GBP) Shares* 0.65% - U2 (GBP) Shares*
Exit charge	0%
Annual accounting date	31 July (or other date within seven days)
Interim accounting date	31 January, 28 February, 31 March, 30 April, 31 May, 30 June, 31 August, 30 September, 31 October, 30 November, 31 December
Annual income allocation date	30 September
Interim income allocation date	31 January, 28 February, 31 March, 30 April, 31 May, 30 June, 31 July, 31 August, 31 October, 30

	November, 31 December
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***\*As the fund places emphasis on the generation of income, the ACD and the Depositary have agreed that to protect the income distribution, some or all of the fees and expenses (which include the Fixed Ongoing Charge) will be taken from the capital of the fund. Fees and expenses deducted from capital will increase distributable income by the amount charged and the capital of the fund will be reduced by the same amount. Accordingly, this may result in capital erosion or constrain capital growth.***

#### **Eligible Securities and Derivatives Markets**

Australia	Australian Securities Exchange (ASX Limited)
	Sydney Futures Exchange
Brazil	Rio De Janeiro Stock Exchange
	Sao Paulo Stock Exchange
	The Commodities and Futures Exchange
	Brazilian Futures Exchange
Canada	TSX Venture Exchange
	Montreal Stock Exchange
	Toronto Stock Exchange
	Gov of Canada Bond Market
Czech Republic	Prague Stock Exchange
Germany	EUREX
Hong Kong	Hong Kong Exchanges
International	International Capital Market Association (ICMA)
	EUROCLEAR
Japan	Nagoya Stock Exchange
	Osaka Securities Exchange
	Sapparo Stock Exchange
	The Over-the-Counter Market
	Tokyo Stock Exchange
Mexico	Mexican Stock Exchange
New Zealand	New Zealand Stock Exchange
	New Zealand Futures Exchange
Republic of Korea	Korean Exchange Incorporated

Singapore	Singapore Stock Exchange
	Singapore International Monetary Exchange
Switzerland	SWX Swiss Exchange
Thailand	Stock Exchange of Thailand
UK and Ireland	LIFFE
	Alternative Investment Market
USA	American Stock Exchange
	Boston Stock Exchange
	Chicago Board Options Exchange
	CME Group Exchanges
	NASDAQ
	New York Stock Exchange
	NYSE ARCA
	Philadelphia Stock Exchange
	United States Bond Market

In addition to the above, the fund may also invest on any market established in a European Economic Area member state on which transferable securities admitted to official listing in the member state are dealt in or traded.

## MERIAN UK ALPHA FUND

PRN: 807290

### Investment Objective and Policy

To maximise capital growth through investment in a portfolio of predominantly UK equities.

Investment will be in a portfolio of predominantly UK equities, either directly in transferable securities or through collective investment schemes, including those managed and operated by the ACD.

The Fund maintains a concentrated, high conviction portfolio consisting of companies which the Investment Adviser believes are undervalued relative to their growth prospects.

**For efficient portfolio management purposes only, investment may also be made into derivatives or forward transactions. The ACD considers that the use of derivatives for this purpose is not likely to affect the volatility or risk profile of the Fund.**

### Investment Approach

The fund is managed using a fundamental investment process, which means that stock selection is driven by research into a company's future prospects, evidenced by factors such as a strong balance sheet and earnings and growth potential. This assessment is conducted in the context of the economic environment to identify attractively priced investment opportunities.

### Charges and Other Information

Classes of shares	A (GBP) Accumulation Shares A (GBP) Income Shares R (GBP) Accumulation Shares R (GBP) Income Shares U1 (GBP) Accumulation Shares U1 (GBP) Income Shares U2 (GBP) Accumulation Shares U2 (GBP) Income Shares
Currency of denomination	Sterling
Minimum initial investment	£1,000 – A (GBP) Shares £5,000,000 – R (GBP) Shares £75,000,000 – U1 (GBP) Shares £250,000,000 – U2 (GBP) Shares
Minimum subsequent investment	£500 – A (GBP) Shares £150,000 – R (GBP) Shares £1,000,000 – U1 (GBP) Shares £1,000,000 – U2 (GBP) Shares

Minimum holding requirement	£1,000 – A (GBP) Shares £5,000,000 – R (GBP) Shares £37,500,000 – U1 (GBP) Shares £125,000,000 – U2 (GBP) Shares
Minimum monthly investment (A (GBP) shares only)	£100 – A (GBP) Shares
Minimum additional monthly investment (A (GBP) shares only)	£50 – A (GBP) Shares
Minimum monthly withdrawal	£100 – A (GBP) Shares
Initial charge	5% – A (GBP) Shares 5% – R (GBP) Shares 5% – U1 (GBP) Shares 5% – U2 (GBP) Shares
Fixed Ongoing Charge	1.60% – A (GBP) Shares* 0.85% – R (GBP) Shares* 0.775% – U1 (GBP) Shares* 0.70% – U2 (GBP) Shares*
Exit charge	0%
Annual accounting date	31 July
Interim accounting date	31 January
Annual income allocation date	30 September
Interim income allocation date	31 March

***\*The ACD and the Depositary have agreed that some or all of the fees and expenses (which include the Fixed Ongoing Charge) will be taken from the capital of the fund. Fees and expenses deducted from capital will increase distributable income by the amount charged and the capital of the fund will be reduced by the same amount. Accordingly, this may result in capital erosion or constrain capital growth.***

#### **Eligible Securities and Derivatives Markets**

International	International Capital Market Association (ICMA)
Canada	Montreal Stock Exchange Toronto Stock Exchange
Switzerland	SWX Swiss Exchange
UK and Ireland	Alternative Investment Market

USA

Any exchange registered with the SEC as a National Securities Exchange

In addition to the above, the fund may also invest on any market established in a European Economic Area member state on which transferable securities admitted to official listing in the member state are dealt in or traded.



## MERIAN UK EQUITY INCOME FUND

PRN: 644456

### Investment Objective and Policy

To achieve an above average yield with growth in income and capital appreciation over the long term, through the active management of a diversified portfolio invested primarily in UK equities. UK equities are equities of companies the majority of which will either be domiciled in the UK, or which derive a significant proportion of their income from the UK.

Subject to the regulations, the property of the fund may include transferable securities; units in collective investment schemes (including those managed or operated by the ACD or an associate of the ACD), warrants, money market instruments, deposits and derivatives.

**The fund will be permitted to use derivatives for investment purposes. The use of derivatives for this purpose may affect the volatility or risk profile of the fund although this is not the ACD's intention.**

### Investment Approach

The fund is managed using a fundamental investment process, which means that stock selection is driven by research into a company's future prospects, evidenced by factors such as a strong balance sheet and earnings and growth potential. This assessment is conducted in the context of the economic environment to identify attractively priced investment opportunities.

### Charges and Other Information

Classes of shares	A (GBP) Accumulation Shares A (GBP) Income Shares P (GBP) Accumulation Shares P (GBP) Income Shares R (GBP) Accumulation Shares R (GBP) Income Shares U1 (GBP) Accumulation Shares U1 (GBP) Income Shares U2 (GBP) Accumulation Shares U2 (GBP) Income Shares
Currency of denomination	Sterling
Minimum initial investment	£1,000 – A (GBP) Shares £1,000 – P (GBP) Shares £5,000,000 – R (GBP) Shares £75,000,000 – U1 (GBP) Shares £250,000,000 – U2 (GBP) Shares

Minimum subsequent investment	£500 – A (GBP) Shares £500 – P (GBP) Shares £150,000 – R (GBP) Shares £500,000 – U1 (GBP) Shares £1,000,000 – U2 (GBP) Shares
Minimum holding requirement	£1,000 – A (GBP) Shares £1,000 – P (GBP) Shares £5,000,000 – R (GBP) Shares £37,500,000 – U1 (GBP) Shares £125,000,000 – U2 (GBP) Shares
Minimum monthly investment (A (GBP) and P (GBP) shares only)	£250 – A (GBP) Shares and P (GBP) Shares
Minimum additional monthly investment (A (GBP) and P (GBP) shares only)	£50 – A (GBP) Shares and P (GBP) Shares
Initial charge	4% - A (GBP) Shares 4% - P (GBP) Shares Nil - R (GBP) Shares Nil – U1 (GBP) Shares Nil – U2 (GBP) Shares
Fixed Ongoing Charge	1.65% - A (GBP) Shares* 1.15% - P (GBP) Shares* 0.90% - R (GBP) Shares* 0.825% - U1 (GBP) Shares* 0.75% - U2 (GBP) Shares*
Exit charge	0%
Annual accounting date	31 July (or other date within seven days)
Interim accounting date	31 January, 30 April, 31 October
Annual income allocation date	30 September
Interim income allocation date	31 March, 30 June, 31 December

***\*As the fund places equal emphasis on the generation of income and capital growth, the ACD and the Depositary have agreed that to protect the income distribution, some or all of the fees and expenses (which include the Fixed Ongoing Charge) will be taken from the capital of the fund. Fees and expenses deducted from capital will increase distributable income by the***

***amount charged and the capital of the fund will be reduced by the same amount. Accordingly, this may result in capital erosion or constrain capital growth.***

**Eligible Securities and Derivatives Markets**

International	International Capital Market Association (ICMA)
UK and Ireland	Alternative Investment Market
USA	Chicago Board Options Exchange
	CME Group Exchanges
	NYSE EURONEXT - LIFFE

In addition to the above, the fund may also invest on any market established in a European Economic Area member state on which transferable securities admitted to official listing in the member state are dealt in or traded.

## MERIAN UK MID CAP FUND

PRN: 644457

### Investment Objective and Policy

To provide capital growth from investing primarily in a portfolio of medium sized UK companies.

Medium sized companies are defined for this purpose as those companies that are members of the FTSE 250 Index and those UK listed companies that have a market capitalisation consistent with inclusion in the FTSE 250 Index but are not included in this reference benchmark. Typically at least 75% of the invested assets will be held in companies meeting this definition. Liquidity will under normal circumstances not exceed 10% of the value of the holding of the fund.

Subject to the regulations, the property of the fund may include transferable securities; units in collective investment schemes (including those managed or operated by the ACD or an associate of the ACD), warrants, money market instruments, deposits and derivatives.

**The fund will initially only use derivatives for EPM purposes. The ACD considers that the use of derivatives for this purpose is not likely to affect the volatility or risk profile of the fund. The fund may use derivatives for purposes other than EPM, provided it has given shareholders 60 days' notice of such change. If the fund did use derivatives for investment purposes this might, at times, increase the volatility of the fund's NAV and change the risk profile of the fund.**

### Investment Approach

The fund is managed using a fundamental investment process, which means that stock selection is driven by research into a company's future prospects, evidenced by factors such as a strong balance sheet and earnings and growth potential. This assessment is conducted in the context of the economic environment to identify attractively priced investment opportunities.

### Charges and Other Information

Classes of shares	A (GBP) Accumulation Shares A (GBP) Income Shares P (GBP) Accumulation Shares P (GBP) Income Shares R (GBP) Accumulation Shares R (GBP) Income Shares U1 (GBP) Accumulation Shares U1 (GBP) Income Shares U2 (GBP) Accumulation Shares U2 (GBP) Income Shares
Currency of denomination	Sterling
Minimum initial investment	£1,000 – A (GBP) Shares £1,000 – P (GBP) Shares

	£5,000,000 – R (GBP) Shares £75,000,000 – U1 (GBP) Shares £250,000,000 – U2 (GBP) Shares
Minimum subsequent investment	£500 – A (GBP) Shares £500 – P (GBP) Shares £150,000 – R (GBP) Shares £500,000 – U1 (GBP) Shares £1,000,000 – U2 (GBP) Shares
Minimum holding requirement	£1,000 – A (GBP) Shares £1,000 – P (GBP) Shares £5,000,000 – R (GBP) Shares £37,500,000 – U1 (GBP) Shares £125,000,000 – U2 (GBP) Shares
Minimum monthly investment (A (GBP) and P (GBP) shares only)	£250 – A (GBP) Shares and P (GBP) Shares
Minimum additional monthly investment (A (GBP) and P (GBP) shares only)	£50 – A (GBP) Shares and P (GBP) Shares
Initial charge	4% - A (GBP) Shares 4% - P (GBP) Shares Nil - R (GBP) Shares Nil – U1 (GBP) Shares Nil – U2 (GBP) Shares
Fixed Ongoing Charge	1.60% - A (GBP) Shares 1.10% - P (GBP) Shares 0.85% - R (GBP) Shares 0.775% - U1 (GBP) Shares 0.70% - U2 (GBP) Shares
Exit charge	0%
Annual accounting date	31 July (or other date within seven days)
Interim accounting date	31 January (or six months from annual accounting date)
Annual income allocation date	30 September

Interim income allocation date	None
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### **Eligible Securities and Derivatives Markets**

International International Capital Market Association (ICMA)

UK and Ireland Alternative Investment Market

USA Chicago Board Options Exchange

CME Group Exchanges

NYSE EURONEXT – LIFFE

In addition to the above, the fund may also invest on any market established in a

European Economic Area member state on which transferable securities admitted to official listing in the member state are dealt in or traded.

## MERIAN UK SMALLER COMPANIES FUND

PRN: 644458

### Investment Objective and Policy

To provide capital growth from investing primarily in a portfolio of UK smaller companies.

Smaller companies are defined for this purpose as those companies which are quoted on a regulated market and which have market capitalisations no greater than the largest company in the Numis Smaller Companies Index at the time of the initial investment. Typically, the ACD will invest at least 80% of the portfolio in smaller companies. Liquidity will under normal circumstances not exceed 10% of the value of the holding of the fund.

Subject to the regulations, the property of the fund may include transferable securities; units in collective investment schemes (including those managed or operated by the ACD or an associate of the ACD), warrants, money market instruments, deposits and derivatives.

**The fund will initially only use derivatives for EPM purposes. The ACD considers that the use of derivatives for this purpose is not likely to affect the volatility or risk profile of the fund. The fund may use derivatives for purposes other than EPM, provided it has given shareholders 60 days' notice of such change. If the fund did use derivatives for investment purposes this might, at times, increase the volatility of the fund's NAV and change the risk profile of the fund.**

### Investment Approach

The fund is managed using a fundamental investment process, which means that stock selection is driven by research into a company's future prospects, evidenced by factors such as a strong balance sheet and earnings and growth potential. This assessment is conducted in the context of the economic environment to identify attractively priced investment opportunities.

### Charges and Other Information

Classes of shares	A (GBP) Accumulation Shares A (GBP) Income Shares P (GBP) Accumulation Shares P (GBP) Income Shares R (GBP) Accumulation Shares R (GBP) Income Shares U1 (GBP) Accumulation Shares U1 (GBP) Income Shares U2 (GBP) Accumulation Shares U2 (GBP) Income Shares
Currency of denomination	Sterling
Minimum initial investment	£1,000 – A (GBP) Shares £1,000 – P (GBP) Shares

	<p>£5,000,000 – R (GBP) Shares</p> <p>£75,000,000 – U1 (GBP) Shares</p> <p>£250,000,000 – U2 (GBP) Shares</p> <p>£250,000,000 – U2 (GBP) Shares</p>
Minimum subsequent investment	<p>£500 – A (GBP) Shares</p> <p>£500 – P (GBP) Shares</p> <p>£150,000 - R (GBP) Shares</p> <p>£500,000 – U1 (GBP) Shares</p> <p>£1,000,000 – U2 (GBP) Shares</p>
Minimum holding requirement	<p>£1,000 – A (GBP) Shares</p> <p>£1,000 – P (GBP) Shares</p> <p>£5,000,000 – R (GBP) Shares</p> <p>£37,500,000 – U1 (GBP) Shares</p> <p>£125,000,000 – U2 (GBP) Shares</p>
Minimum monthly investment (A (GBP) and P (GBP) shares only)	£250 – A (GBP) Shares and P (GBP) Shares
Minimum additional monthly investment (A (GBP) and P (GBP) shares only)	£50 – A (GBP) Shares and P (GBP) Shares
Initial charge	<p>4% - A (GBP) Shares</p> <p>4% - P (GBP) Shares</p> <p>Nil - R (GBP) Shares</p> <p>Nil – U1 (GBP) Shares</p> <p>Nil – U2 (GBP) Shares</p>
Fixed Ongoing Charge	<p>1.90% - A (GBP) Shares</p> <p>1.40% - P (GBP) Shares</p> <p>1.025% - R (GBP) Shares</p> <p>0.9375% - U1 (GBP) Shares</p> <p>0.85% - U2 (GBP) Shares</p>
Exit charge	0%
Annual accounting date	31 July (or other date within seven days)
Interim accounting date	31 January (or six months from annual accounting date)



Annual income allocation date	30 September
Interim income allocation date	None

### **Eligible Securities and Derivatives Markets**

International	International Capital Market Association (ICMA)
UK and Ireland	Alternative Investment Market
USA	Chicago Board Options Exchange
	CME Group Exchanges
	NYSE EURONEXT - LIFFE

In addition to the above, the fund may also invest on any market established in a

European Economic Area member state on which transferable securities admitted to official listing in the member state are dealt in or traded.

## MERIAN UK OPPORTUNITIES FUND

PRN: 644459

### Investment Objective and Policy

The fund aims to deliver an absolute return over rolling three year periods.

Notwithstanding that the fund is expressed to be an “absolute return” fund, any capital invested is, in fact, at risk. The fund aims to deliver a positive absolute return over rolling three year periods, but there is no guarantee that such return will be generated over that specific time period or within another time period.

The fund will obtain exposure (either directly or indirectly) principally to UK equities and convertible bonds. UK equities are equities of companies the majority of which will either be domiciled in the UK, or which derive a significant proportion of their income from the UK. Such investments will be across the market capitalisation spectrum, with the majority of these being companies included in the FTSE 100 and FTSE 250 indices. Up to 15 per cent of the funds NAV may be exposed to non-UK equities and convertible bonds.

More than 35% in value of the property of the fund may consist of Government and other public securities issued by one issuer in accordance with the investment management and borrowing powers of the Company set out in schedule 2.

The fund will principally use derivatives to take long and short positions in order to gain exposure to particular companies, industries or sectors. Where the fund gains exposure through derivatives its physical assets will consist of cash deposits or short term investment grade money market instruments to provide cover for this exposure.

The fund may also invest in transferable securities, units in collective investment schemes (including those managed or operated by the ACD), warrants, money market instruments and deposits.

**The fund is permitted to use derivatives for investment purposes. The use of derivatives for this purpose may affect the volatility or risk profile of the fund although this is not the ACD's intention.**

### Investment Approach

The fund is managed using a fundamental investment process, which means that stock selection is driven by research into a company's future prospects, evidenced by factors such as a strong balance sheet and earnings and growth potential. This assessment is conducted in the context of the economic environment to identify attractively priced investment opportunities.

### Charges and Other Information

Classes of shares	A (GBP) Accumulation Shares P (GBP) Accumulation Shares R (GBP) Accumulation Shares U1 (GBP) Accumulation Shares U2 (GBP) Accumulation Shares
Currency of denomination	Sterling
Minimum initial investment	£1,000 – A (GBP) Shares £1,000 – P (GBP) Shares

	£5, 000,000 – R (GBP) Shares £75,000,000 – U1 (GBP) Shares £250,000,000 – U2 (GBP) Shares
Minimum subsequent investment	£500 – A (GBP) Shares £500 – P (GBP) Shares £150,000 – R (GBP) Shares £500,000 – U1 (GBP) Shares £1,000,000 – U2 (GBP) Shares
Minimum holding requirement	£1,000 – A (GBP) Shares £1,000 – P (GBP) Shares £5,000,000 – R (GBP) Shares £37,500,000 – U1 (GBP) Shares £125,000,000 – U2 (GBP) Shares
Minimum monthly investment (A (GBP) and P (GBP) shares only)	£250 – A (GBP) Shares £250 – P (GBP) Shares
Minimum additional monthly investment (A (GBP) and P (GBP) shares only)	£50 – A (GBP) Shares £50 – P (GBP) Shares
Initial charge	Up to 4% – A (GBP) Shares Up to 4% – P (GBP) Shares Nil – R (GBP) Shares Nil – U1 (GBP) Shares Nil – U2 (GBP) Shares
Fixed Ongoing Charge	1.65% – A (GBP) Shares 1.15% – P (GBP) Shares 0.90% – R (GBP) Shares 0.825% – U1 (GBP) Shares 0.75% – U2 (GBP) Shares
Exit charge	0%
Annual accounting date	31 July (or other date within seven days)
Interim accounting date	31 January (or six months from annual accounting date)

Annual income allocation date	30 September
Interim income allocation date	None

### **Eligible Securities and Derivatives Markets**

International	International Capital Market Association (ICMA)
UK and Ireland	Alternative Investment Market
USA	Chicago Board Options Exchange
	CME Group Exchanges
	NYSE EURONEXT - LIFFE

In addition to the above, the fund may also invest on any market established in a

European Economic Area member state on which transferable securities admitted to official listing in the member state are dealt in or traded.

## **SCHEDULE 2**

### **Investment Management and Borrowing Powers**

#### **1 Investment management**

##### **1.1 Investment restrictions**

1.1.1 The property of each fund of the Company will be invested with the aim of achieving the investment objective of that fund but subject to the limits on investment set out in the FCA Regulations for UCITS schemes, ISA regulations (where applicable) and the fund's investment policy. These limits apply to each fund as summarised below:

1.1.2 Generally the Company will invest in the investments to which it is dedicated including approved securities which are transferable securities admitted to or dealt on a regulated market or in a market in an EEA State which is regulated, operates regularly and is open to the public, units in collective investment schemes, warrants, approved money market instruments, deposits and derivatives and forward transactions.

1.1.3 Eligible markets are regulated markets or markets established in an EEA State which are regulated, operate regularly and are open to the public; and markets which the ACD, after consultation with the Depositary, has decided are appropriate for the purpose of investment of or dealing in the property of the Company having regard to the relevant criteria in the FCA Regulations and guidance from the FCA. Such markets must operate regularly, be regulated, recognised, open to the public, adequately liquid and have arrangements for unimpeded transmission of income and capital to or to the order of the investors. The eligible securities and derivatives markets for each fund of the Company are set out in schedule 1 above.

1.1.4 New eligible securities markets may be added from time to time by agreement between the ACD and Depositary.

##### **1.2 Transferable securities**

1.2.1 Up to 10% of the value of each fund may be invested in transferable securities which are not approved securities.

1.2.2 Up to 5% of a fund may be invested in transferable securities other than certain Government and public securities and approved money market instruments issued by any one issuer. However, up to 10% in value of a fund may be invested in those securities and money market instruments (or certificates representing those securities) issued by the same issuer if the value of all such holdings combined does not exceed 40% of the value of the property of a fund. Up to 20% in value of the scheme property of a fund can consist of transferable securities or approved money market instruments issued by the same group (being companies included in the same group for the purposes of consolidated accounts as defined in accordance with Directive 83/349/EC or in the same group in accordance with international accounting standards).

1.2.3 Up to 35% of the scheme property of a fund may be invested in Government and public securities issued or guaranteed by any one issuer provided that the issuers are among the following:- (1) an EEA State, (2) a local authority of an EEA State, (3) a non-EEA State or (4) a public international body to which one or more EEA States belong. Subject to this restriction, there is no limit on the amount of the scheme property of a fund which may be invested in such Government and public securities or in any one issue.

- 1.2.4 **More than 35% in value of the scheme property of Merian Corporate Bond Fund, Merian Monthly Income Bond Fund and Merian UK Opportunities Fund may be invested in Government and public securities issued by any one issuer provided that the issuers are among the following:- the Government of the United Kingdom, of Northern Ireland, or the Governments of Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain or Sweden, the Governments of Australia, Canada, Japan, New Zealand, Norway, Switzerland and the United States of America or the European Investment Bank and the World Bank. Where this is the case up to 30% in value of the scheme property of the fund may consist of any one issue of such securities and the scheme property must include at least six different issues whether of that issuer or another issuer.**

### 1.3 **Collective Investment Schemes**

- 1.3.1 Investment may be made in other collective investment schemes including schemes managed by the ACD or an associate of the ACD subject to the FCA Regulations. If a substantial proportion of a fund's assets are invested in other collective investment schemes, the maximum level of management fees that may be charged by an investee collective investment scheme to the fund concerned will be 6%. The funds may invest in units of collective investment schemes and pay any related charges or expenses for investing in such units, and if the schemes are managed, operated or administered by the ACD (or one of its associates) the relevant fund may pay additional management or administrative charges to the ACD or its associate (as the case may be).
- 1.3.2 None of the funds will invest more than 10% of the scheme value in units in other schemes.
- 1.3.3 A fund may invest in collective investment schemes which are UCITS schemes or which (1) comply with the conditions necessary for them to enjoy the rights conferred by the UCITS Directive, or (2) are recognised under the provision of section 272 of the Financial Services and Market Act 2000 (individually recognised overseas schemes); or (3) are authorised as non-UCITS retail schemes; or (4) are authorised in another EEA state; or (5) are 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 (provided that for (2), (3) and (4)) the requirements of article 50(1)(e) of the UCITS Directive are also met), which comply with the rules relating to investment in other group schemes contained in the FCA Regulations and are themselves schemes which have terms which prohibit more than 10% of their assets consisting of units in other collective investment schemes.
- 1.3.4 A unit in a closed end fund is a transferable security if, in addition to satisfying the general criteria for transferable securities, either (where the closed end fund is constituted as an investment company or a unit trust) it is subject to corporate governance mechanisms applied to companies and 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) it is subject to corporate governance mechanisms equivalent to those applied to companies and it is managed by a person who is subject to national regulation for the purpose of investor protection.

## 1.4 Warrants and nil and partly paid securities

- 1.4.1 Up to 100% in value of the scheme property of a fund may consist of warrants, provided that warrants may only be held if it is reasonably foreseeable there will be no change to the scheme property between the acquisition of the warrant and its exercise and the rights conferred by the proposed warrant and all other warrants forming part of the scheme property at the time of the acquisition of the proposed warrant will be exercised and that the exercise of the rights conferred by the warrants will not contravene the FCA Regulations. **If the scheme property of a fund consists of warrants then its Net Asset Value may, at times, be highly volatile.**
- 1.4.2 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 fund at any time when the payment is required without contravening the FCA Regulations.
- 1.4.3 A warrant which is an investment falling within article 80 of the Regulated Activities Order (Certificates representing certain securities) and which is akin to an investment falling within article 79 (Instruments giving entitlement to investments) of the Regulated Activities Order may not be included in the scheme property unless it is listed on an eligible securities market.

## 1.5 Money market instruments

- 1.5.1 Up to 100% in value of the scheme property of a fund can consist of money market instruments in accordance with the FCA Regulations ("**approved money market instruments**").
- 1.5.2 Notwithstanding the above up to 10% of the scheme property of a fund may be invested in money market instruments which do not meet these criteria.

## 1.6 Deposits

Up to 20% in value of the scheme property of a fund can consist of deposits with a single body. A fund may only invest in deposits with an approved bank and which are repayable on demand, or have the right to be withdrawn, and maturing in no more than 12 months.

## 1.7 Derivatives and forward transactions

Derivative transactions may be used for the purposes of investment, hedging and meeting the investment objectives of a fund provided they are of a type permitted by the FCA Regulations and are economically appropriate to the reduction of risks or costs. **schedule 1 sets out which funds will use derivatives for the purposes of investment, and those which will only use derivatives for the purposes of Efficient Portfolio Management.** In pursuing a fund's objective the ACD may make use of a variety of derivative instruments in accordance with the Regulations. **Use of derivatives will not contravene any relevant investment objectives or limits but if derivatives are used for investment purposes then this might, at times, increase the volatility of the fund NAV and change the risk profile of the fund.** In broad terms, the Regulations permit the following techniques:

- 1.7.1 Except as set out in 1.7.4 below there is no upper limit on the use of transactions in derivatives or forward transaction for a fund but they must fall under 1.7.2.
- 1.7.2 A transaction in a derivative or forward transaction must:
- (i) be in an approved derivative effected on or under the rules of an eligible derivatives market; or

- (ii) if an OTC derivative, be in a future, an option or a contract for differences which must be entered into with a counterparty that is acceptable in accordance with the FCA Regulations, must be on approved terms as to valuation and close out and must be capable of valuation.

1.7.2.2 have the underlying consisting of any or all of the following to which the fund is dedicated:

- (i) transferable securities;
- (ii) permitted money market instruments;
- (iii) permitted deposits;
- (iv) permitted derivatives;
- (v) permitted collective investment scheme units;
- (vi) financial indices;
- (vii) interest rates;
- (viii) foreign exchange rates; and
- (ix) currencies.

1.7.2.3 not cause a fund to diverge from its investment objectives, must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more transferable securities, money market instruments, units in collective investment schemes, or derivatives and any OTC forward transaction must be with an approved counterparty.

1.7.3 Use of derivatives must be supported by a risk management process maintained by the ACD which should take account of the investment objectives and policy of the fund.

1.7.4 Global exposure within a fund is a measure of the potential loss to the fund from the use of derivative instruments. This is calculated using the "Commitment approach" or the "Value-at-Risk ("**VaR**") approach".

The "Commitment approach" converts derivatives into the equivalent position in the underlying asset using the conversion methods set out in CESR Guidelines 10-788 and thereby measures the incremental exposure provided by derivatives, after all appropriate netting or hedging positions have been removed.

If a fund uses the Commitment approach, transactions may only be entered into if the commitment exposure created by the transactions, in terms of the principal or notional principal of the derivative, does not exceed the Net Asset Value of the scheme property and their global exposure to the underlying asset does not exceed the investment limit laid down in the FCA Regulations.

The "VaR approach" is an estimate of the potential loss at a given confidence level, or probability, over a specific time period.

"Absolute" VaR is expressed as a percentage of the Net Asset Value of a fund. The Absolute VaR limit of a fund has to be set at or below 20% of its Net Asset Value.



“Relative” VaR is the VaR of a fund expressed as a multiple of the VaR of the benchmark or reference portfolio. The reference portfolio for VaR purposes may be different from the benchmark used for performance calculation. For a fund whose VaR is calculated using the relative VaR approach, the relative VaR limit on the fund must be set at, or below, twice the VaR on the comparable benchmark or reference portfolio.

The above VaR calculations will be based upon a one month holding period and a 99% confidence interval. The holding period and historical observation period may change provided that they are in accordance with the requirements of the FCA.

Funds using the VaR approach are required by the applicable regulations, to calculate their expected level of leverage using the “gross sum of notional” method. The gross sum of notional method is a measure of incremental leverage from the use of derivatives in which each derivative is converted into an equivalent position in the underlying asset using the conversion methods set out in CESR Guidelines 10-788. The exposures are summed together (regardless of whether there are positive or negative figures) and taking no account of hedging and netting to produce the gross sum of notional leverage. Therefore this is a measure of derivative use rather than market exposure. As such, the gross sum of notional method can produce a high indication of derivative usage but this may be materially reduced by applying hedging and netting reductions as used by the Commitment approach.

Global exposure for the Merian UK Alpha Fund, Merian UK Equity Income Fund, Merian UK Mid Cap Fund and Merian UK Smaller Companies Fund, is calculated using the Commitment approach. For the Merian Monthly Income Bond Fund and Merian UK Opportunities Fund this is measured using the Absolute VaR approach, while the Merian Corporate Bond Fund is measured using the Relative VaR approach and has the iBoxx Sterling Non-Gilts index as the reference portfolio.

Leverage is not expected to exceed 400% of the Net Asset Value of the Merian Corporate Bond Fund and Merian Monthly Income Bond Fund and 200% of the Net Asset Value of the Merian UK Opportunities Fund. These figures are not limits and may be exceeded in certain circumstances. For example, a fund may indicate high leverage levels when it has acquired a large number of derivatives which have large notional values but which make small risk contributions.

- 1.7.5 The exposure to any one counterparty in an OTC derivative transaction must not exceed 5% in value of the scheme property of a fund. This limit is raised to 10% where the counterparty is an approved bank.
- 1.7.6 Transactions may be effected in which the ACD has, either directly or indirectly, an interest that may potentially involve a conflict of its obligation to the Company. Where a conflict cannot be avoided, the ACD will have regard to its fiduciary responsibility to act in the best interests of the Company and its investors. The ACD will ensure that investors are treated fairly and that such transactions are effected on terms which are not less favourable to the Company than if the potential conflict had not existed.
- 1.7.7 Operational costs and fees arising from EPM techniques and/or the use of derivatives are paid for by the relevant fund. The identity of the entities to which operational costs and fees are paid will be disclosed in the annual report.
- 1.7.8 A fund may receive cash, high quality government bonds and equities to the extent deemed necessary by the Investment Adviser in respect of OTC derivative transactions for a fund, provided however that such collateral must comply with the requirements of the FCA.

A documented haircut policy is in place for the Company detailing the policy in respect of each class of assets received and which takes into account the characteristics of the assets and the results of any stress tests conducted as required. Any re-investment of cash collateral shall be diversified in accordance with the requirements of the FCA. Re-invested cash collateral exposes the Company to certain risks such as the risk of a failure or default of the issuer of the relevant security in which the cash collateral has been invested. Investors should consult Section 28 of this Prospectus for information on counterparty risk and credit risk in this regard.

## 1.8 Combinations of Investments

- 1.8.1 In applying the limits in 1.2.2, 1.6 and 1.7.5 not more than 20% in value of the scheme property of the fund is to consist of any combination of two or more of the following: (a) transferable securities or money market instruments issued by; or (b) deposits made with; or (c) exposures from OTC derivatives transactions made with; a single body.

## 1.9 Concentration

- 1.9.1 The Company must not hold more than:

- 1.9.1.1 10% of the transferable securities issued by a body corporate which do not carry rights to vote on any matter at a general meeting of that body; or
- 1.9.1.2 10% of the debt securities issued by any single body\*; or
- 1.9.1.3 10% of the money market instruments issued by any single body\*; or
- 1.9.1.4 25% of the units in a collective investment scheme\*.

***\*The Company need not comply with these limits if, at the time of acquisition, the net amount in issue of the relevant investment cannot be calculated.***

- 1.9.2 The Company 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 Company 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 Company such power.

## 1.10 General

- 1.10.1 No fund may invest in the shares of another fund of the Company.
- 1.10.2 Underwriting and sub-underwriting contracts and placings may also, subject to certain conditions set out in the FCA Regulations, be entered into for the account of the Company.
- 1.10.3 Cash or near cash must not be retained in the scheme property of a fund except in order to enable the pursuit of that fund's investment objective; or for redemption of shares in that fund; or efficient management of the fund in accordance with its investment objective or for a purpose which may reasonably be regarded as ancillary to the investment objectives of that fund.

## 2 **Stock lending**

- 2.1 The Company, or the Depositary at the Company's request, may enter into stock lending transactions (involving a disposal of securities in a fund and re-acquisition of equivalent securities) when it reasonably appears to the Company to be appropriate to do so with a view to generating additional income for the relevant fund with an acceptable degree of risk. Such transactions must comply with conditions set out in the FCA Regulations, which require (inter alia) that:
- 2.1.1 the stock lending transaction must be of a kind described in Section 263B of the Taxation of Chargeable Gains Act 1992;
  - 2.1.2 the terms of the agreement under which the Depositary is to re-acquire the securities for the account of the Company must be acceptable to the Depositary and in accordance with good market practice;
  - 2.1.3 the counterparty must be acceptable in accordance with the FCA Regulations.
- 2.2 The collateral obtained must be acceptable to the Depositary and must also be adequate and sufficiently immediate as set down in the FCA Regulations.

## 3 **Borrowing powers**

- 3.1 The Company may, subject to the FCA Regulations, borrow money from an eligible institution or an approved bank for the use of the Company on the terms that the borrowing is to be repayable out of the scheme property.
- 3.1.1 Borrowing must be on a temporary basis and must not be persistent and in any event must not exceed three months without the prior consent of the Depositary, which may be given only on such conditions as appear appropriate to the Depositary to ensure that the borrowing does not cease to be on a temporary basis.
  - 3.1.2 The ACD must ensure that borrowing does not, on any Business Day, exceed 10% of the value of the scheme property of a fund.
- 3.2 These borrowing restrictions do not apply to "back to back" borrowing for cover for transactions in derivatives and forward transactions.

### **SCHEDULE 3**

#### **Other Schemes managed by the Authorised Corporate Director**

The ACD acts as authorised corporate director of the following open-ended investment companies:

Merian Investment Funds Series II

Quilter Investors Balanced OEIC

Quilter Investors Cirilium OEIC

Quilter Investors Diversified Portfolio

Quilter Investors Multi-Asset OEIC

Quilter Investors OEIC

Quilter Investors Series I

Quilter Investors Series II

The ACD also acts as manager of the following authorised unit trust:

Quilter Investors Trust

## SCHEDULE 4

### List of Delegates and Sub-Delegates

Depository's delegate	
Citibank N.A.	
Depository's sub-delegates	
<b>Australia</b>	Citigroup Pty. Limited
<b>Austria</b>	Citibank Europe plc, Dublin
<b>Belgium ( LUX)</b>	Citibank Europe plc, UK Branch
<b>Brazil</b>	Citibank, N.A., Brazilian Branch
<b>Bulgaria</b>	Citibank Europe plc Bulgaria Branch
<b>Canada</b>	Citibank Canada
<b>Chile</b>	Banco de Chile
<b>China Hong Kong Stock Connect</b>	Citibank, N.A., Hong Kong Branch
<b>Colombia</b>	Cititrust Colombia S.A. Sociedad Fiduciaria
<b>Croatia</b>	Privedna banka Zagreb d.d.
<b>Cyprus</b>	Citibank Europe plc, Greece branch
<b>Czech Republic</b>	Citibank Europe plc, organizacni slozka
<b>Denmark</b>	Nordea Danmark, filial af Nordea Bank AB (publ), Sverige
<b>Egypt</b>	Citibank, N.A., Cairo Branch
<b>Estonia</b>	Swedbank AS
<b>Finland</b>	Nordea Bank AB (publ), Finnish Branch
<b>France</b>	Citibank Europe plc UK branch
<b>Germany</b>	Citigroup global markets deutschland ag
<b>Greece</b>	Citibank Europe plc, Greece Branch
<b>Hong Kong</b>	Citibank NA Hong Kong
<b>Hungary</b>	Citibank Europe plc Hungarian Branch Office
<b>Iceland</b>	Citibank is a direct member of Clearstream Banking, which is an ICSD

<b>India</b>	Citibank NA Mumbai Branch
<b>Indonesia</b>	Citibank, N.A., Jakarta Branch
<b>Ireland</b>	Citibank NA London Branch
<b>Israel</b>	Citibank, N.A., Israel Branch
<b>Italy</b>	Citibank, N.A., Milan Branch
<b>Japan</b>	Citibank Japan limited
<b>Korea (South)</b>	Citibank Korea Inc.
<b>Latvia</b>	Swedbank AS acting through its agent Swedbank AS
<b>Lithuania</b>	Swedbank AS acting through its agent Swedbank AS
<b>Malaysia</b>	Citibank Berhad
<b>Malta</b>	Citibank is a direct member of Clearstream Banking, which is an ICSD
<b>Mexico</b>	Banco Nacional de Mexico, S.A.
<b>Morocco</b>	Citibank Maghreb
<b>Netherlands</b>	Citibank Europe plc, UK Branch
<b>New Zealand</b>	Citibank, N.A., New Zealand Branch
<b>Norway</b>	DNB Bank ASA
<b>Peru</b>	Citibank del Peru S.A
<b>Philippines</b>	Citibank, N.A., Manila Branch
<b>Poland</b>	Bank Handlowy w Warszawie SA
<b>Portugal</b>	Citibank Europe plc, sucursal em Portugal
<b>Romania</b>	Citibank Europe plc, Dublin - Romania Branch
<b>Russia</b>	AO Citibank
<b>Singapore</b>	Citibank, N.A., Singapore Branch
<b>Slovak Republic</b>	Citibank Europe plc pobočka zahraničnej banky
<b>Slovenia</b>	UniCredit Banka Slovenia d.d. Ljubljana
<b>South Africa</b>	Citibank NA South Africa branch
<b>Spain</b>	Citibank Europe plc, Sucursal en Espana
<b>Sri Lanka</b>	Citibank NA Colombo Branch
<b>Sweden</b>	Citibank Europe plc, Sweden Branch

<b>Switzerland</b>	Citibank NA London branch
<b>Taiwan</b>	Citibank Taiwan Limited
<b>Thailand</b>	Citibank, N.A. Bangkok Branch
<b>Turkey</b>	Citibank, A.S.
<b>United Arab Emirates ADX &amp; DFM</b>	Citibank NA UAE
<b>United Arab Emirates NASDAQ Dubai</b>	Citibank NA UAE
<b>United Kingdom</b>	Citibank NA london branch
<b>USA</b>	Citibank NA New York offices

## SCHEDULE 5

### Past Performance Information

For the following funds, the performance charts have been calculated on a bid to bid basis in Sterling, with income reinvested. The source of data is Morningstar.

The table shows the performance for all funds to 31 December 2017.

Past performance data relates to the share class referred to in the left hand column below which has been selected as a representative share class in accordance with industry guidance. The performance figures for other share classes in each fund will be different. Please consult the KIID for the relevant share class for more detail.

**Please note that past performance is not an indication of future performance.**

Name and Share Class	Percentage Growth 1y 01/01/17 to 31/12/2017	Percentage Growth 1y 01/01/16 to 31/12/2016	Percentage Growth 1y 01/01/15 to 31/12/2015	Percentage Growth 1yr 01/01/2014 to 31/12/2014	Percentage Growth 1yr 01/01/2013 to 31/12/2013
Merian Corporate Bond Fund  R (GBP) Accumulation Shares*	5.39	9.61	-2.40	9.14	4.42
Merian Monthly Income Bond Fund  R (GBP) Accumulation Shares*	6.34	6.92	-3.71	1.07	7.91
Merian UK Alpha Fund**  R (GBP) Accumulation Shares	14.16	12.47	-2.52	1.24	31.13
Merian UK Equity Income Fund  R (GBP) Accumulation Shares*	12.44	6.16	4.18	5.46	32.32
Merian UK Mid Cap Fund  R (GBP) Accumulation Shares*	27.99	10.01	24.72	8.14	38.38



Merian UK Smaller Companies Fund  R (GBP) Accumulation Shares	38.29	11.71	21.16	-0.31	39.42
Merian UK Opportunities Fund  R (GBP) Accumulation Shares	2.46	-11.60	1.37	5.97	13.19

\*As this share class launched part way through the period covered in the table above, its past performance has been extended. This extension is based on the performance of the A (GBP) Accumulation or A (GBP) Income share class, where that share class has a longer performance history. It is therefore a representation of what the performance of this share class would have been.

\*\*The Merian UK Alpha Fund was previously a sub-fund of Quilter Investors Trust until the assets of the sub-fund were transferred by way of scheme of arrangement to a new sub-fund of the Company on 15 June 2018. The strategy of the Fund did not change as a result of the transfer.

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## **SCHEDULE 6**

### **Securities Financing Transactions**

As described in schedules 2 and 3, Merian UK Opportunities Fund (the “Fund”) may enter into contracts for differences (“CFDs”). CFDs are considered TRSs for the purposes of the SFTR. The limitations on the use of derivatives (including CFDs) are explained in schedule 2. The Fund’s use of CFDs is consistent with its investment objective and policy, and accordingly CFDs may be used for efficient portfolio management and investment purposes.

Subject to the limitations referred to above, any assets of the Fund may be subject to CFDs. Up to 20% of the Fund’s assets may be the subject of CFDs, with an expectation that at any time up to 10% of the Fund’s assets may be subject to such arrangements.

CFDs will only be entered into with “approved counterparties” as defined in the FCA Handbook of Rules and Guidance. Other than this restriction, there are no pre-specified restrictions on the legal status, country of origin or minimum credit rating of any counterparty in such transactions.

The types of acceptable collateral, as well as the diversification requirements, are explained in schedule 2. Any collateral obtained by the Fund pursuant to a CFD will be valued in accordance with the ACD’s valuation and haircut policy detailed above. Such haircut policy allows for the fact that the valuation of the collateral or liquidity profile may deteriorate over time.

Section 28 and schedule 3 provide descriptions of the risks associated with the use of derivatives and CFDs.

The assets of the Fund that are subject to CFDs and any collateral received are held by the Depositary.

The reuse of collateral is limited by the FCA Regulations to certain asset classes. Such reuse should not result in a change to the Fund’s investment objectives nor increase substantially the Fund’s risk profile. The relevant diversification requirements are set out in schedule 2.

All of the revenues arising from CFDs, net of direct and indirect operational costs, will be retained by the Fund.

The ACD will disclose in the Company’s annual report and half-yearly reports certain information regarding its use of CFDs.

## **SCHEDULE 7**

### **Directory**

#### **Authorised Corporate Director**

Quilter Investors Limited  
Millennium Bridge House  
2 Lambeth Hill  
London EC4V 4AJ

#### **Investment Adviser**

Merian Global Investors (UK) Limited  
Millennium Bridge House  
2 Lambeth Hill  
London EC4P 4WR

#### **Registrar**

DST Financial Services International Limited  
DST House  
Saint Nicholas Lane  
Basildon  
Essex SS15 5FS

#### **Administrator**

Citibank Europe plc  
1, North Wall Quay  
Dublin 1  
Ireland

#### **Depository**

*Registered and Head Office:*

Citibank Europe plc, UK Branch  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB

#### **Legal Adviser**

Macfarlanes LLP  
20 Cursitor Street  
London EC4A 1LT

#### **Auditor**

KPMG LLP  
15 Canada Square  
London E14 5GL