

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

Smith & Williamson Fund Administration Limited trading as St Vincent St Fund Administration, the authorised corporate director of the Company, is the person responsible for the information contained in this Prospectus. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained herein does not contain any untrue or misleading statement or omit any matters required by the Collective Investment Schemes Sourcebook to be included in it. Smith & Williamson Fund Administration Limited trading as St Vincent St Fund Administration accepts responsibility accordingly.

## **PROSPECTUS**

**OF**

### **SVS CORNELIAN INVESTMENT FUNDS**

**(An open-ended investment company  
incorporated with limited liability and  
registered in England and Wales  
under registered number IC000097)**

**A UCITS Scheme with FCA Product Reference Number: 194101**

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

This Prospectus is dated, and is valid as at 09 August 2019.

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

Contents	Page
<b>1 DEFINITIONS .....</b>	<b>1</b>
<b>2 DETAILS OF THE COMPANY .....</b>	<b>7</b>
2.1 General information .....	7
2.2 The structure of the Company .....	8
<b>3 CLIENT MONEY .....</b>	<b>10</b>
<b>4 BUYING, REDEEMING AND SWITCHING SHARES .....</b>	<b>10</b>
4.1 Money Laundering.....	11
4.2 Buying Shares .....	11
4.3 Redeeming Shares.....	14
4.4 Switching and Share Class Conversion .....	15
4.5 Dealing Charges .....	17
4.6 Transfers .....	19
4.7 Restrictions and Compulsory Transfer and Redemption and Conversions....	19
4.8 Issue of Shares in exchange for In Specie Assets .....	20
4.9 In Specie Redemptions .....	20
4.10 Suspension of Dealings in the Company.....	21
4.11 Governing Law.....	21
<b>5 VALUATION OF THE COMPANY .....</b>	<b>21</b>
5.1 General .....	21
5.2 Calculation of the Net Asset Value .....	22
5.3 Price per Share in each Sub-fund and each Class .....	24
5.4 Pricing Basis.....	24
5.5 Publication of Prices.....	25
<b>6 RISK FACTORS .....</b>	<b>25</b>
6.1 General .....	25
6.2 Effect of Initial Charge or Redemption Charge .....	25
6.3 Dilution .....	25
6.4 Charges to Capital .....	26
6.5 Suspension of Dealings in Shares.....	26
6.6 Liabilities of the Company and the Sub-funds .....	26
6.7 Currency Exchange Rates .....	26
6.8 Derivatives .....	26
6.9 Credit and Fixed Interest Securities.....	27
6.10 Higher Volatility and Concentrated Portfolios .....	27
6.11 Custody .....	27
6.12 Liquidity .....	27
6.13 Tax .....	27
6.14 Inflation and Interest Rates .....	27
6.15 Emerging Markets .....	28
6.16 Counterparty and Settlement .....	28
6.17 Investment in Collective Investment Schemes.....	28
6.18 Leverage Risk .....	29
<b>7 MANAGEMENT AND ADMINISTRATION .....</b>	<b>29</b>
7.1 Regulatory Status .....	29
7.2 Authorised Corporate Director .....	29
7.3 The Depositary .....	31
7.4 The Investment Adviser .....	32
7.5 The Registrar .....	33
7.6 The Auditors .....	34
7.7 Conflicts of Interest .....	34
<b>8 FEES AND EXPENSES.....</b>	<b>35</b>
8.1 Ongoing.....	35
8.2 Charges payable to the ACD .....	37

8.3	Depository's Fee and Expenses.....	38
8.4	Investment Adviser's Fee .....	40
8.5	Allocation of Fees and Expenses between Sub-funds .....	40
<b>9</b>	<b>INSTRUMENT OF INCORPORATION .....</b>	<b>40</b>
<b>10</b>	<b>SHAREHOLDER MEETINGS AND VOTING RIGHTS .....</b>	<b>40</b>
10.1	Class, Company and Sub-fund Meetings.....	40
10.2	Requisitions of Meetings .....	40
10.3	Notice and Quorum .....	41
10.4	Voting Rights.....	41
10.5	Variation of Class or Sub-fund Rights .....	42
<b>11</b>	<b>TAXATION .....</b>	<b>42</b>
11.1	General .....	42
11.2	Taxation of an Equity Sub-Fund.....	42
11.3	Taxation of a Bond Sub-Fund.....	43
11.4	Taxation of a Shareholder - Equity Sub-Fund .....	44
11.5	Taxation of a Shareholder - Bond Sub-Fund.....	45
11.6	SDRT Stamp Duty Reserve Tax .....	46
11.7	Automatic Exchange of Financial Account Information.....	46
<b>12</b>	<b>UP OF THE COMPANY AND TERMINATION OF A SUB-FUND .....</b>	<b>47</b>
<b>13</b>	<b>GENERAL INFORMATION .....</b>	<b>48</b>
13.1	Accounting Periods.....	48
13.2	Notice to Shareholders .....	49
13.3	Income Allocations.....	49
13.4	Annual Reports .....	49
13.5	Documents of the Company .....	49
13.6	Material Contracts .....	50
13.7	Provision of Investment Advice .....	50
13.8	Telephone Recordings .....	50
13.9	Complaints .....	50
13.10	Compensation .....	51
13.11	Risk Management.....	51
13.12	Indemnity .....	51
13.13	Strategy for the exercise of voting rights .....	51
13.14	Payment for external research when fund management is conducted within the EU .....	51
13.15	Best Execution.....	53
13.16	Inducements and soft commission.....	54
<b>APPENDIX I .....</b>	<b>SUB-FUND DETAILS .....</b>	<b>55</b>
<b>APPENDIX II .....</b>	<b>ELIGIBLE SECURITIES MARKETS AND ELIGIBLE DERIVATIVES MARKETS.....</b>	<b>88</b>
<b>APPENDIX III .....</b>	<b>INVESTMENT AND BORROWING POWERS OF THE COMPANY.....</b>	<b>90</b>
<b>APPENDIX IV .....</b>	<b>LIST OF AUTHORISED COLLECTIVE INVESTMENT SCHEMES OPERATED BY THE ACD..</b>	<b>116</b>
<b>APPENDIX V .....</b>	<b>PAST PERFORMANCE AND INVESTOR PROFILES .....</b>	<b>118</b>
<b>APPENDIX VI .....</b>	<b>RISK LEVELS AND VOLATILITY .....</b>	<b>127</b>
<b>APPENDIX VII.....</b>	<b>TYPICAL INVESTOR PROFILE(S).....</b>	<b>130</b>
<b>APPENDIX VIII.....</b>	<b>DIRECTORY .....</b>	<b>131</b>

## **Important Information**

No person has been authorised by the Company or the ACD to give any information or to make any representations in connection with the offering of Shares other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been made by the Company or the ACD. 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.

This Prospectus has been prepared solely for, and is being made available to investors for the purposes of evaluating an investment in Shares in the Sub-funds. Investors should only consider investing in the Sub-funds if they understand the risks involved including the risk of losing all capital invested.

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 in the United States of America under any applicable legislation. They may not be offered or sold in the United States of America, any state of the United States of America or in its territories and possessions or offered or sold to US persons. The Company and the ACD have not been and will not be registered in the United States of America under any applicable legislation.

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 and a copy of the Instrument of Incorporation is available on request from Smith & Williamson Fund Administration Limited trading as St Vincent St Fund Administration.

This Prospectus has been issued for the purpose of section 21 of the Financial Services and Markets Act 2000 by Smith & Williamson Fund Administration Limited trading as St Vincent St Fund Administration.

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.

All communications in relation to this Prospectus shall be in English.

This Prospectus is based on information, law and practice at the date hereof. The Company and ACD cannot be bound by an out of date prospectus when a new version has been issued and investors should check with Smith & Williamson Fund Administration Limited trading as St Vincent St Fund Administration that this is the most recently published prospectus.

**Important: If you are in any doubt about the contents of this Prospectus you should consult your Professional Adviser.**

## 1 DEFINITIONS

<b>“ACD”</b>	Smith & Williamson Fund Administration Limited trading as St Vincent St Fund Administration, the authorised corporate director of the Company
<b>“ACD Agreement”</b>	An agreement between the Company and the ACD
<b>“Approved Bank”</b>	<p>(In relation to a bank account opened by the Company):</p> <p>If the account is opened at a branch in the United Kingdom:</p> <p>(a) If the account is opened at a branch in the United Kingdom:</p> <ul style="list-style-type: none"><li>(i) The Bank of England; or</li><li>(ii) The central bank of a member state of the OECD; or</li><li>(iii) A bank; or</li><li>(iv) A building society; or</li><li>(v) A bank which is supervised by the central bank or other banking regulator of a member state of the OECD; or</li></ul> <p>(b) If the account is opened elsewhere:</p> <ul style="list-style-type: none"><li>(i) A bank in (a); or</li><li>(ii) A credit institution established in an EEA State other than in the United Kingdom and duly authorised by the relevant Home State Regulator; or</li><li>(iii) A bank which is regulated in the Isle of Man or the Channel Islands; or</li><li>(iv) A bank supervised by the South African Reserve Bank</li></ul>
<b>“Associate”</b>	Any other person whose business or domestic relationship with the ACD or the ACD’s associate might reasonably be expected to give rise to a community of interest between them

	which may involve a conflict of interest in dealings with third parties
<b>“Auditor”</b>	KPMG LLP, or such other entity as is appointed to act as auditor to the Company from time to time
<b>“Business Day”</b>	A day on which the London Stock Exchange is open. If the London Stock Exchange is closed as a result of a holiday or for any other reason, or there is a holiday elsewhere or other reason which impedes the calculation of the fair market value of the Sub-fund’s portfolio of securities or a significant portion thereof, the ACD may decide that any Business Day shall not be construed as such
<b>“Class” or “Classes”</b>	In relation to Shares, means (according to the context) all of the Shares related to a single Sub-fund or a particular class or classes of Share related to a single Sub-fund
<b>“Client Money”</b>	Client money means any money that a firm receives from or holds for, or on behalf of, a shareholder in the course of, or in connection with, its business unless otherwise specified
<b>“COLL”</b>	Refers to the appropriate chapter or rule in the COLL Sourcebook
<b>“the COLL Sourcebook”</b>	The Collective Investment Schemes Sourcebook issued by the FCA as amended from time to time
<b>“Company”</b>	SVS Cornelian Investment Funds
<b>“Dealing Day”</b>	Monday to Friday where these days are Business Days
<b>“Depositary”</b>	NatWest Trustee & Depositary Services Limited, or such other entity as is appointed to act as Depositary
<b>“Director” or “Directors”</b>	The directors of the Company from time to time (including the ACD)
<b>“EEA State”</b>	A member state of the European Union and any other state which is within the European Economic Area
<b>“Efficient Portfolio Management” or “EPM”</b>	For the purposes of this Prospectus, means an investment technique where derivatives are used for one or more of the following purposes: reduction of risk, reduction of costs or the

	generation of additional capital or income for the Sub-fund with a risk level which is consistent with the risk profile of the Sub-fund and the risk diversification rules laid down in COLL
<b>“Eligible Institution”</b>	One of certain eligible institutions as defined in the glossary of definitions to the FCA Handbook
<b>“EMT”</b>	means the European MiFID Template
<b>“the FCA”</b>	The Financial Conduct Authority, or such successor regulatory authority as may be appointed from time to time, and (where applicable) its predecessors including the Financial Services Authority
<b>“the FCA Handbook”</b>	The FCA’s Handbook of Rules and Guidance (including the COLL Sourcebook)
<b>“FCA Regulations”</b>	The rules contained in the Collective Investment Schemes Sourcebook (COLL), and the Investment Funds Sourcebook (FUND), as part of the FCA Rules as they may be amended or updated from time to time
<b>“the Financial Services Register”</b>	<p>The public record, as required by section 347 of the Financial Services and Markets Act 2000 (The public record) of every:</p> <ul style="list-style-type: none"> <li>(a) Authorised person;</li> <li>(b) AUT;</li> <li>(c) ICVC;</li> <li>(d) Recognised scheme;</li> <li>(e) Recognised investment exchange;</li> <li>(f) Recognised clearing house;</li> <li>(g) Individual to whom a prohibition order relates;</li> <li>(h) Approved person; and</li> <li>(i) Person within such other class (if any) as the FCA may determine;</li> </ul> <p>Except as provided by any transitional provisions</p>
<b>“Home State”</b>	(a) (In relation to a credit institution) the



EEA State in which the credit institution has been authorised in accordance with the Banking Consolidation Directive

(b) (In relation to an investment firm):

(i) Where the investment firm is a natural person, the EEA State in which his head office is situated;

(ii) Where the investment firm is a legal person, the EEA State in which its registered office is situated or, if under its national law it has no registered office, the EEA State in which its head office is situated

(c) (In relation to an insurer with an EEA right) the EEA State in which the registered office of the insurer is situated

(d) (In relation to a market) the EEA State in which the registered office of the body which provides trading facilities is situated or, if under its national law it has no registered office, the EEA State in which that body's head office is situated

(e) (In relation to a Treaty firm) the EEA State in which its head office is situated, in accordance with paragraph 1 of Schedule 4 to the Act (Treaty rights)

<b>“ICVC”</b>	Investment Company with Variable Capital
<b>“Instrument Incorporation”</b>	of The instrument of incorporation of the Company as amended from time to time
<b>“Investment Adviser”</b>	Cornelian Asset Managers Limited, the investment Adviser to the ACD in respect of the Company
<b>“IOSCO”</b>	The International Organisation of Securities Commissions
<b>“MiFID II”</b>	means the Markets in Financial Instruments Directive, effective from 3 January 2018
<b>“Net Asset Value” or “NAV”</b>	The value of the Scheme Property of the Company or of any Sub-fund (as the context may require) less the liabilities of the Company (or of the Sub-fund concerned) as calculated in accordance with the Instrument of

## Incorporation

<b>“OEIC Regulations”</b>	The Open-Ended Investment Companies Regulations 2001 as amended or re-enacted from time to time
<b>“OTC”</b>	Over-the-counter: a derivative transaction which is not traded on an investment exchange
<b>“Register”</b>	The register of Shareholders of the Company
<b>“Registrar”</b>	Smith & Williamson Fund Administration Limited trading as St Vincent St Fund Administration, or such other entity as is appointed to act as Registrar to the Company from time to time
<b>“Regulated Activities Order”</b>	The Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544)
<b>“Regulations”</b>	The OEIC Regulations and the FCA Handbook (including the COLL Sourcebook)
<b>“RMP”</b>	Stands for Risk Managed Passive and denotes how a particular Sub-fund is managed i.e. the Sub-fund is actively managed in line with a risk managed approach but the underlying assets are passive collective investment schemes
<b>“Scheme Property”</b>	The scheme property of the Company or a Sub-fund (as appropriate) required under the COLL Sourcebook to be given for safekeeping to the Depositary
<b>“SDRT”</b>	Stamp Duty Reserve Tax
<b>“Share” or “Shares”</b>	A share or shares in the Company (including larger denomination shares, and smaller denomination shares equivalent to one thousandth of a larger denomination share)
<b>“Shareholder”</b>	A holder of registered Shares in the Company
<b>“Sub-fund” or “Sub-funds”</b>	A sub-fund of the Company (being part of the Scheme Property of the Company which is pooled separately) to which specific assets and liabilities of the Company may be allocated and which is invested in accordance with the investment objective applicable to such sub-fund
<b>“Switch”</b>	The exchange where permissible of Shares of one Sub-fund or fund for Shares of another Sub-fund or fund

<b>“UCITS Scheme”</b>	A scheme constituted in accordance with the UCITS Directive (a European Directive relating to undertakings for collective investment in transferable securities which has been adopted in the UK)
<b>“Valuation Point”</b>	The point on a Dealing Day whether on a periodic basis or for a particular valuation, at which the ACD carries out a valuation of the Scheme Property for the Company or a Sub-fund (as the case may be) for the purpose of determining the price at which Shares of a Class may be issued, cancelled or redeemed. The current Valuation Point is 12:00 p.m. London time on each Dealing Day with the exception of Christmas Eve and New Year’s Eve or a bank holiday in England and Wales, or the last Business Day prior to those days annually where the valuation may be carried out at a time agreed in advance between the ACD and the Depositary
<b>“VAT”</b>	Value Added Tax

## **2 DETAILS OF THE COMPANY**

### **2.1 General information**

#### **2.1.1 General**

SVS Cornelian Investment Funds (the Company) is an investment company with variable capital incorporated in England and Wales under registered number IC000097 and authorised by the Financial Conduct Authority with effect from 26 February 2001. The Company has an unlimited duration.

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 has paid the price on purchase of the Shares.

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

#### **2.1.2 Head Office**

The head office of the Company is at 25 Moorgate, London EC2R 6AY.

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

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

#### **2.1.3 Base Currency**

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

#### **2.1.4 Share Capital**

Maximum £100,000,000,000

Minimum £1

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

Information on the typical investor profile for each Sub-fund is set out in Appendix VII.

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

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

especially where transactions are deemed disruptive, particularly from possible market timers or investors who, in its opinion, have a pattern of short-term or excessive trading or whose trading has been or may be disruptive to a Sub-fund(s). For these purposes, the ACD may consider an investor's trading history in the Sub-fund(s) or other Smith & Williamson Fund Administration Limited funds and accounts under common ownership or control.

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

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

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

The Company is a UCITS scheme.

FCA Product Reference Number: 194101

Approval by the FCA in this context refers only to approval under the OEIC Regulations 2001 (as amended) and does not in any way indicate or suggest endorsement or approval of the Sub-funds as an investment.

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

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

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

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

Please also see paragraph 6.6 below "Liabilities of the Company and the Sub-funds".

## 2.2.2 Shares

### Classes of Share within the Sub-funds

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

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

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

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

The net proceeds from subscriptions to a Sub-fund will be invested in the specific pool of assets constituting that Sub-fund. The Company will maintain for each current Sub-fund a separate pool of assets, each invested for the exclusive benefit of the relevant Sub-fund. To the extent that any Scheme Property, or any assets to be received as part of the Scheme Property, or any costs, charges or expenses to be paid out of the Scheme Property, are not attributable to one Sub-fund only, the ACD will allocate such Scheme Property, assets, costs, charges or expenses between Sub-funds in a manner which is fair to all Shareholders of the Company.

The Company may issue income and accumulation Shares in respect of each Sub-fund. Further details of the Shares presently available for each Sub-fund, including details of their criteria for subscription and fee structure, are set out in Appendix I.

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

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

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

Net Shares are Shares in respect of which income allocated to them is distributed periodically to the relevant Shareholders (in the case of income Shares) or credited periodically to capital (in the case of accumulation Shares), in either case in accordance with relevant tax law, net of any tax deducted or accounted for by the Company. Gross Shares are income or accumulation Shares where, in accordance with relevant tax law, distribution or allocation of income is made without any tax being deducted or accounted for by the Company. All references in this Prospectus are to net Shares unless otherwise stated.

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

Shareholders are entitled (subject to certain restrictions) to Switch all or part of their Shares in a Class or a Sub-fund for Shares of another Class within the same Sub-fund or for Shares of the same or another Class within a different Sub-fund of the Company. Details of this switching facility and the restrictions are set out in paragraph 4.4.1 “Switching”.

Where the ACD has a direct legal relationship with the Shareholder and has given not less than 60 days’ notice in writing, the ACD may convert all or some of a Shareholder’s shares for shares of a different Share Class within the same Sub-fund if it is fair and in the best interests of the Shareholder.

### **3 CLIENT MONEY**

As required by the FCA’s client money rules, the ACD will hold money received from clients or on the client’s behalf in accordance with those rules in a pooled client bank account, with an approved bank (as defined in the FCA Rules) in the UK.

The ACD will not be liable for any acts or omissions of the approved bank. The approved bank will be responsible for any acts or omissions within its control.

In the event of the insolvency of any party, clients’ money may be pooled which means that shareholders may not have a claim against a specific account and may not receive their full entitlement, as any shortfall may be shared pro rata amongst all clients.

The ACD is covered by the Financial Services Compensation Scheme (FSCS). The FSCS may pay compensation if the ACD is unable to meet its financial obligations. For further information about the compensation provided by the FSCS (including the amounts covered and eligibility to claim) refer to the FSCS website [www.FSCS.org.uk](http://www.FSCS.org.uk) or call the FSCS on 020 7741 4100 or 0800 678 1100.

### **4 BUYING, REDEEMING AND SWITCHING SHARES**

The dealing office of the ACD is normally open from 9.00 a.m. to 5.00 p.m. (London time) on each Business Day to receive postal requests for the purchase, sale and switching of Shares. The ACD may vary these times at its discretion. Requests to deal in Shares may also be made by telephone by FCA regulated entities on each Business Day (at the ACD’s discretion) between 9.00 a.m. and

5.00 p.m. (London time) directly to the office of the ACD (telephone: 0141 222 1150 or such other number as published from time to time). The initial purchase must, at the discretion of the ACD, be accompanied by an application form.

The ACD, may at its sole discretion, accept instructions to purchase, switch, transfer or redeem Shares on the basis of an authority communicated by electronic means (which will not include email) and sent by the Shareholder or delivered on their behalf by a person that is authorised by the FCA or regulated in another jurisdiction by an equivalent supervisory authority, subject to:

- (a) prior agreement between the ACD and the person making the communication as to:
  - (i) the electronic media by which such communications may be delivered; and
  - (ii) how such communications will be identified as conveying the necessary authority; and
- (b) assurance from any person who may give such authority on behalf of the investor that they will have obtained the required appointment in writing from the Shareholder.

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

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

#### **4.1 Money Laundering**

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

#### **4.2 Buying Shares**

##### **4.2.1 Procedure**

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



For details of dealing charges see paragraph 4.5 below. Application forms may be obtained from the ACD.

Valid applications to purchase Shares in a Sub-fund will be processed at the Share price calculated, based on the Net Asset Value per Share, at the next Valuation Point following receipt of the application, except in the case where dealing in a Sub-fund has been suspended as set out in paragraph 4.10.

As stated above, the ACD may accept requests to buy shares by electronic communication. Electronic communication does not include email.

Settlement is due within four Business Days of the Valuation Point. An order for the purchase of Shares will only be deemed to have been accepted by the ACD once it is in receipt of cleared funds for the application.

Where the minimum investment levels allow, shares can be purchased by sending a completed application form to the ACD, either;

- (a) accompanied by a cheque (up to a maximum value of £50,000), or
- (b) having made a telegraphic transfer to the ACD's bank account. Application forms are available from the ACD.

The ACD, at its discretion, has the right to cancel a purchase deal if settlement is materially overdue (being more than five Business Days of receipt of an application form or other instruction) and any loss arising on such cancellation shall be the liability of the applicant. The ACD is not obliged to issue Shares unless it has received cleared funds from an investor.

The ACD reserves the right to charge interest at 4% above the prevailing Bank of England base rate, on the value of any settlement received later than the fourth Business Day following the Valuation Point.

No interest will be paid on funds held prior to investment. Shares that have not been paid for cannot be redeemed.

A purchase of Shares in writing or by telephone or any other communication media made available is a legally binding contract. Applications to purchase, once made are, except in the case where cancellation rights are applied, irrevocable. For postal applications payment must be received in full and accompany the application. Telephone calls may be recorded by the ACD, its delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes, please see paragraph "Telephone Recordings" below for further information.

However, subject to its obligations under the Regulations, the ACD has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for Shares in whole or part, and in this event the ACD will return any money sent, or the balance of such monies, at the risk of the applicant.

Any subscription monies remaining after a whole number of Shares have been issued will not be returned to the applicant. Instead, smaller denomination

Shares will be issued. A smaller denomination Share is equivalent to one thousandth of a larger denomination Share.

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

No interest payment will be made on client money held by the ACD, prior to investment in a Sub-fund. Client money will be held in a designated client money account with the Royal Bank of Scotland plc.

#### **4.2.2 Documents the buyer will receive**

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

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

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

In the event of such a sale or realisation, the ACD shall be entitled to transfer such investments to such persons as it shall specify and, recover any shortfall from that investor.

#### **4.2.3 Regular Savings Plan**

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

#### **4.2.4 Minimum Subscriptions and Holdings**

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

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

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

#### **4.2.5 Initial Offer**

There will be no initial offer period for SVS Cornelian Defensive RMP Fund, SVS Cornelian Progressive RMP Fund, SVS Cornelian Managed Growth RMP Fund, SVS Cornelian Cautious RMP Fund and SVS Cornelian Growth RMP Fund. The initial price of a share in these funds is £1.

### **4.3 Redeeming Shares**

#### **4.3.1 Procedure**

Every shareholder has the right to require that the Company redeem his 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, in which case the shareholder may be required to redeem his entire holding.

As stated above, the ACD may accept requests to redeem shares by electronic communication. Electronic communication does not include email.

Requests to redeem shares may be made writing to the Transfer Agency Team at 206 St Vincent Street, Glasgow G2 5SG. The ACD may also, at its discretion and by prior agreement accept instructions to redeem shares from FCA regulated entities to the ACD by telephone on 0141 222 1150 or by fax. For details of dealing charges see paragraph 4.5 below. Telephone calls may be recorded by the ACD, its delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes, please see paragraph "Telephone Recordings" below for further information.

#### **4.3.2 Documents a redeeming Shareholder will receive**

A confirmation giving details of the number and price of Shares redeemed will be sent to the redeeming Shareholder (or the first named Shareholder, in the case of joint Shareholders) together with a form of renunciation for completion and execution by the Shareholder (or, in the case of a joint holding, by all the joint Shareholders) no later than the end of the Business Day following the later of the request to redeem Shares or the Valuation Point by reference to which the price is determined.

Payment of redemption proceeds will normally be made by cheque to the first named Shareholder (at their risk), or, at the ACD's discretion, via telegraphic transfer in accordance with any instruction received (the ACD may recover any bank charge levied on such transfers). Instructions to make payments to third

parties (other than intermediaries associated with the redemption) will not normally be accepted.

Such payment will be made within four Business Days of the later of;

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

No interest will be paid on funds held whilst the ACD awaits receipt of all relevant documentation necessary to complete a redemption. Shares that have not been paid for cannot be redeemed.

#### **4.3.3 Minimum Redemption**

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

### **4.4 Switching and Share Class Conversion**

#### **4.4.1 Switching**

Subject to any restrictions on the eligibility of investors for a particular Sub-fund or fund, a Shareholder in a Sub-fund or fund may at any time Switch all or some of his Shares of one Sub-fund or fund ("the Original Shares") for Shares of another Sub-fund in the Company or fund ("the New Shares"). The number of New Shares issued will be determined by reference to the respective prices of New Shares and Original Shares at the Valuation Point applicable at the time the Original Shares are redeemed and the New Shares are issued.

Switching may be effected by writing to the ACD. The ACD may, at its sole discretion and by prior agreement, accept switching instructions by telephone from FCA regulated entities only. Telephone calls may be recorded by the ACD, its delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes, please see paragraph "Telephone Recordings" below for further information.

The ACD may at its discretion make a charge on the switching of Shares between Sub-funds or funds. Any such charge on switching does not constitute a separate charge payable by a Shareholder, but is rather the application of any redemption charge on the Original Shares and any initial charge on the New Shares, subject to certain waivers. For details of the charges on switching currently payable, please see paragraph 4.5.3 "Charges on Switching".

If a partial Switch would result in the Shareholder holding a number of Original Shares or New Shares of a value which is less than the minimum holding in the

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

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

As stated above, the ACD may accept requests to switch shares by electronic communication. Electronic communication does not include email.

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

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

#### **4.4.2 Share Class Conversion**

If applicable, a holder of shares in a Share Class ("Old Class Shares") of a Sub-fund may exchange all or some of his shares for shares of a different Share Class within the same Sub-fund ("New Class Shares"). 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. This transaction will not be included in the calculations 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 Shares and Old Shares at the valuation point applicable at the time the Old Class Shares are converted to New Class Shares.

Share Class Conversions may be effected in writing to the Transfer Agency Team (which, in the case of joint shareholders must be signed by all the joint holders). A converting shareholder must be eligible to hold the shares into which the Share Class Conversion is to be made. It is the ACD's intention that Share Class Conversions will be processed at the next Valuation Point following receipt of the instruction, however the ACD reserves the right to defer a Share Class Conversion until no later than after the next Annual Accounting Date if it is in

the interests of other Shareholders. The ACD may accept requests to convert Shares by electronic communication. Electronic communication does not include email.

If the Share Class 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 Share Class Conversion of the Old Shares.

Please note that, under current tax law, a Share Class Conversion of shares between different share classes in the same Sub-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 Sub-fund will not be given a right by law to withdraw from or cancel the transaction.

#### **4.5 Dealing Charges**

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

##### **4.5.1 Initial Charge**

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

The initial charge (which is deducted from subscription monies) is payable by the Shareholder to the ACD.

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

From the initial charge received, or out of its other resources, the ACD may pay a commission to relevant intermediaries including the Investment Adviser and its Associates.

##### **4.5.2 Redemption Charge**

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

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

#### 4.5.3 Charges on Switching

On the switching of Shares between Sub-funds or funds a switching charge may be applied. There is currently no charge for switching Shares in one Sub-fund or fund for Shares in another Sub-fund or fund.

#### 4.5.4 Dilution Levy

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

The dilution levy is calculated by reference to the costs of dealing in the underlying investments of the relevant Sub-fund, including any dealing spreads, commission and transfer taxes.

The need to charge a dilution levy will depend on the volume of purchases and redemptions. It is not possible to predict accurately whether dilution would occur at any point in time.

The ACD's policy is that it may require a dilution levy on the purchase and redemption of Shares if, in its opinion, the existing Shareholders (for purchases) or remaining Shareholders (for redemptions) might otherwise be adversely affected. For example, the dilution levy may be charged in the following circumstances: where the Scheme Property of a Sub-fund is in continual decline; on a Sub-fund experiencing large levels of net purchases relative to its size; on “large deals” (typically being a purchase or redemption of Shares to a size exceeding 5% of the Net Asset Value of the relevant Sub-fund); in any case where the ACD is of the opinion that the interests of existing or remaining Shareholders require the imposition of a dilution levy.

This policy is intended to mitigate the dilutive effect of Shareholder transactions on the future growth of the Company.

Based on future projections and on its experience of managing the Company the ACD is unlikely to impose a dilution levy unless it considers that the dealing costs relating to a Shareholder transaction are significant and will have a material impact on the relevant Sub-fund.

If a dilution levy is required then, based on future projections, the estimated rate of such a levy is given below. The actual percentages can only be accurately calculated at the time at which they are applied and, as such, these percentages are subject to change.

Sub-fund name	Sales (creation)	Redemptions (liquidation)
SVS Cornelian Cautious Fund	0.26	0.07

SVS Cornelian Growth Fund	0.29	0.06
SVS Cornelian Defensive Fund	0.23	0.07
SVS Cornelian Managed Income Fund	0.25	0.06
SVS Cornelian Managed Growth Fund	0.25	0.06
SVS Cornelian Progressive Fund	0.34	0.06
SVS Cornelian Defensive RMP Fund	0.11	0.1
SVS Cornelian Progressive RMP Fund	0.05	0.05
SVS Cornelian Managed Growth RMP Fund	0.09	0.09
SVS Cornelian Cautious RMP Fund	0.1	0.1
SVS Cornelian Growth RMP Fund	0.07	0.07

The ACD, in its absolute discretion, may waive or reduce the dilution levy. The ACD may alter its current dilution policy in accordance with the procedure set out in the Regulations.

#### 4.6 Transfers

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

#### 4.7 Restrictions and Compulsory Transfer and Redemption and Conversions

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

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

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

The ACD may give notice to the Shareholder(s) of the affected Shares requiring the transfer of such Shares to a person who is qualified or entitled to own them or that a request in writing be given for the redemption of such Shares in accordance with the COLL Sourcebook. If any Shareholder upon whom such a



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

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

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

In addition, where the ACD considers it is in the best interests of Shareholders, the ACD may convert/transfer a Shareholder's holding in one class of Shares to another class of Shares in the same sub fund. The ACD shall give prior written notice to the Shareholders concerned of the proposed conversion/transfer, including details of the new class of Shares and reminding Shareholders of their rights to redeem.

#### **4.8 Issue of Shares in exchange for In Specie Assets**

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

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

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

#### **4.9 In Specie Redemptions**

If a Shareholder requests the redemption of Shares the ACD may, where it considers that deal to be substantial in relation to the total size of a Sub-fund or in some way detrimental to the Sub-fund, arrange for scheme property having the appropriate value to be transferred to the Shareholder (an 'in specie transfer'), in place of payment for the Shares in cash. Before the redemption is effected, the ACD must give written notice to the Shareholder of the intention to make an in specie transfer, so that the Shareholder can require the net proceeds from the sale of the relevant scheme property (rather than the scheme property itself) if the Shareholder so desires.

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

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

The ACD may, with the prior agreement of the Depositary, and must without delay if the Depositary so requires temporarily suspend the issue, cancellation, sale and redemption of Shares in any or all of the Sub-funds where due to exceptional circumstances it is in the interests of all the Shareholders in the relevant Sub-fund or Sub-funds.

The ACD and the Depositary must ensure that the suspension is only allowed to continue for as long as is justified having regard to the interests of Shareholders.

The ACD will notify Shareholders as soon as is practicable after the commencement of the suspension, including details of the exceptional circumstances which have led to the suspension, in a clear, fair and not misleading way and giving Shareholders details of how to find further information about the suspension.

The ACD or the Depositary (as appropriate) will immediately inform the FCA of the suspension and the reasons for it and will follow this up as soon as practicable with written confirmation of the suspension and the reasons for it to the FCA and the regulator in each EEA state where the Company is offered for sale.

Where such suspension takes place, the ACD will publish details on its website or other general means, sufficient details to keep Shareholders appropriately informed about the suspension, including, if known, its possible duration.

During the suspension none of the obligations in COLL 6.2 (Dealing) will apply but the ACD will comply with as much of COLL 6.3 (Valuation and Pricing) during the period of suspension as is practicable in light of the suspension.

Suspension will cease as soon as practicable after the exceptional circumstances leading to the suspension have ceased but the ACD and the Depositary will formally review the suspension at least every 28 days and will inform the FCA of the review and any change to the information given to Shareholders.

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

#### **4.11 Governing Law**

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

### **5 VALUATION OF THE COMPANY**

#### **5.1 General**

The price of a Share is calculated by reference to the Net Asset Value of the Sub-fund to which it relates. The Net Asset Value per Share of a Sub-fund is currently calculated at 12:00 p.m. (London time) (this being the Valuation Point) on each Dealing Day.

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

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

“Late Trading” is defined as the acceptance of a subscription, redemption or Switch order received after the Fund’s applicable valuation point for that Dealing Day. Late Trading is not permitted. A request for dealing in Shares must be received by the Valuation Point on a particular Dealing Day in order to be processed on that Dealing Day. A dealing request received after this time will be held over and processed on the next Dealing Day, using the Net Asset Value per Share calculated as at the Valuation Point on that next Dealing Day.

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

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

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

5.2.3 Scheme Property which is not cash (or other assets dealt with in paragraph 5.2.3(d) below) or a contingent liability transaction shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:

(a) Units or shares in a collective investment scheme:

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

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

(iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists or if the most recent price available does not reflect the ACD’s best estimate

of the value of the units or shares, at a value which, in the opinion of the ACD, is fair and reasonable;

- (b) Any other transferable security:
  - (i) if a single price for buying and redeeming the security is quoted, at that price; or
  - (ii) if separate buying and redemption prices are quoted, at the average of the two prices; or
  - (iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists or if the most recent price available does not reflect the ACD's best estimate of the value of the security, at a value which, in the opinion of the ACD, is fair and reasonable;
- (c) Scheme Property other than that described in paragraphs 5.2.3(a) and 5.2.3(b) above, at a value which, in the opinion of the ACD, is fair and reasonable;
- (d) Cash and amounts held in current and deposit accounts and in other time related deposits shall be valued at their nominal values.

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

- (a) if it is a written option (and the premium for writing the option has become part of the Scheme Property), deduct the amount of the net valuation of premium receivable. If the Scheme Property is an off exchange option the method of valuation shall be agreed between the ACD and the Depositary;
- (b) if it is an off exchange future, include it at the net value of closing out in accordance with a valuation method agreed between the ACD and the Depositary;
- (c) if it is any other form of contingent liability transaction, include it at the net value on closing out (whether as a positive or negative value). If the Scheme Property is an off exchange derivative, include it at a valuation method agreed between the ACD and the Depositary.
- (d) 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.
- (e) Subject to paragraphs 5.2.4(f) and 5.2.4(g) below, agreements for the unconditional sale or purchase of Scheme Property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and if, in the opinion of the ACD, their omission will not materially affect the final net asset amount.

- (f) Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph 5.2.4(e).
- (g) All agreements are to be included under paragraph 5.2.4(e) which are, or ought reasonably to have been, known to the person valuing the Scheme Property.
- (h) Deduct an estimated amount for anticipated tax liabilities at that point in time including (as applicable and without limitation) capital gains tax, income tax, corporation tax, VAT, stamp duty, SDRT and any foreign taxes or duties.
- (i) Deduct an estimated amount for any liabilities payable out of the Scheme Property and any tax or duty thereon, treating periodic items as accruing from day to day.
- (j) Deduct the principal amount of any outstanding borrowings whenever repayable and any accrued but unpaid interest on borrowings.
- (k) Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.
- (l) Add any other credits or amounts due to be paid into the Scheme Property.
- (m) Add a sum representing any interest or any income accrued due or deemed to have accrued but not received.
- (n) Currencies or values in currencies other than Sterling shall be converted at the relevant Valuation Point at a rate of exchange that is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders.

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

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

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

### **5.4 Pricing Basis**

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

## **5.5 Publication of Prices**

The prices of all Shares are published on the website [www.fundlistings.com](http://www.fundlistings.com). Prices of Shares may also be obtained by calling 0141 222 1151 during the ACD's normal business hours. As the ACD deals on a forward pricing basis, the price that appears in these sources will not necessarily be the same as the one at which investors can currently deal. The ACD may also, at its sole discretion, decide to publish certain Share prices in other third party websites or publications but the ACD does not accept responsibility for the accuracy of the prices published in or for the non-publication of prices by, these sources for reasons beyond the control of the ACD.

## **6 RISK FACTORS**

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

### **6.1 General**

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 the value of investments will occur. The value of investments and the income derived from them may fall as well as rise and investors may not recoup the original amount they invest in the Company. There is no certainty that the investment objective of the Sub-funds will actually be achieved and no warranty or representation is given to this effect. The level of any yield for a Sub fund may be subject to fluctuations and is not guaranteed. The entire market of a particular asset class or geographical sector may fall, having a more pronounced effect on funds heavily invested in that asset class or region. There will be a variation in performance between funds with similar objectives due to the different assets selected.

### **6.2 Effect of Initial Charge or Redemption Charge**

Where an initial charge or redemption charge is imposed, an investor who realises his Shares may not (even in the absence of a fall in the value of the relevant investments) realise the amount originally invested.

In particular, where a redemption charge is payable, investors should note that the percentage rate at which the redemption charge is calculated is based on the market value rather than the initial value of the Shares. If the market value of the Shares has increased the redemption charge will show a corresponding increase. Currently there is no redemption charge levied on Shares.

The Shares therefore should be viewed as medium to long term investments.

### **6.3 Dilution**

A Sub-fund may suffer a reduction in the value of its Scheme Property due to dealing costs incurred when buying and selling investments. To offset this dilution effect the ACD may require the payment of a dilution levy in addition to the price of Shares when bought or as a deduction when sold.

#### **6.4 Charges to Capital**

Where the investment objective of a Sub-fund is to treat the generation of income as a higher priority than capital growth, or the generation of income and capital growth have equal priority, all or part of the ACD's fee may be charged against capital instead of against income. The treatment of the ACD's fee may increase the amount of income (which may be taxable) available for distribution to Shareholders in the Sub-fund concerned.

In addition, the ACD and the Depositary have agreed that, for certain Sub-funds income expense payments may be treated as a capital expense.

The Sub-funds concerned and the allocation of these payments are detailed in Appendix 1.

Where a Sub-fund treats any income expense payment as a capital expense, this may result in capital erosion or constrain capital growth.

#### **6.5 Suspension of Dealings in Shares**

Investors are reminded that in certain circumstances their right to redeem Shares (including a redemption by way of switching) may be suspended.

#### **6.6 Liabilities of the Company and the Sub-funds**

As explained in paragraph 2.2.1 where, under the OEIC Regulations, each Sub-fund is a segregated portfolio of assets and those assets can only be used to meet the liabilities of, or claims against, that Sub-fund. Whilst the provisions of the OEIC Regulations provide for segregated liability between Sub-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 Sub-fund will always be completely insulated from the liabilities of another Sub-fund of the Company in every circumstance.

#### **6.7 Currency Exchange Rates**

Currency fluctuations may adversely affect the value of a Sub-fund's investments and the income thereon and, depending on an investor's currency of reference, currency fluctuations may adversely affect the value of his investment in Shares.

#### **6.8 Derivatives**

The Investment Adviser may employ derivatives solely for the purposes of hedging with the aim of reducing the risk profile of the Sub-funds, or reducing costs, or generating additional capital or income, in accordance with Efficient Portfolio Management ("EPM").

To the extent that derivative instruments are utilised for hedging purposes, the risk of loss to the Sub-funds may be increased where the value of the derivative

instrument and the value of the security or position which it is hedging are insufficiently correlated.

For more information in relation to investment in derivatives please see paragraphs 17 and 18 in Appendix III.

#### **6.9 Credit and Fixed Interest Securities**

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

The value of a fixed interest security will fall in the event of the default or reduced credit rating of the issuer. Generally, the higher the yield, 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. BBB is described as having adequate capacity to meet financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the bond issuer to meet its financial commitments.

#### **6.10 Higher Volatility and Concentrated Portfolios**

The Sub-funds may invest in one particular type of asset, industry, or geographical preference (e.g. the technology or oil sectors). Such concentration can give rise to higher risk than a fund which has spread its investments more broadly.

The Sub-funds may also simply hold a limited number of investments. Should one or more of those investments decline or be otherwise adversely affected, it may have a more pronounced effect on the Funds' value than if a larger number of investments were held. This may lead to a high turnover of stocks in the Sub-funds.

#### **6.11 Custody**

There may be a risk of a loss where the assets of the Sub-funds are held by the custodian or the broker that could result from the insolvency, negligence or fraudulent action of the custodian, sub-custodian or broker.

#### **6.12 Liquidity**

Depending on the types of assets the Sub-funds invests in there may be occasions where there is an increased risk that a position cannot be liquidated in a timely manner at a reasonable price.

#### **6.13 Tax**

Tax laws currently in place may change in the future which could affect the value of your investments. See the section headed 'Taxation' in this Prospectus for further details about taxation of the Company.

#### **6.14 Inflation and Interest Rates**



The real value of any returns that an investor may receive from a Sub-fund could be affected by interest rates and inflation over time.

#### **6.15 Emerging Markets**

Emerging markets tend to be more volatile than more established markets and therefore your money is at greater risk. Risk factors such as local political and economic conditions should also be considered.

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 within the funds. A counterparty may not pay or deliver on time or as expected.

Lack of liquidity or efficiency in certain stock markets or foreign exchange markets in certain emerging markets may mean that from time to time the Investment Adviser may experience more difficulty in purchasing or selling securities than it would in a more developed market.

Given the possible lack of a regulatory structure it is possible that securities in which investments are made may be found to be fraudulent. As a result, it is possible that loss may be suffered.

The currencies of certain emerging countries prevent the undertaking of currency hedging techniques.

Some emerging markets may restrict the access of foreign investors to securities. As a result, certain securities may not always be available to a Sub-fund because the maximum permitted number of an investment by foreign shareholders has been reached. In addition, the outward remittance by foreign investors of their share of net profits, capital and dividends may be restricted or require governmental approval.

Accounting, financial reporting standards and disclosure requirements in emerging markets may differ from those in more developed markets and, accordingly, investment possibilities may be difficult to properly assess.

#### **6.16 Counterparty and Settlement**

A Sub-fund will be exposed to a credit risk on parties with whom it trades and will also bear the risk of settlement default.

#### **6.17 Investment in Collective Investment Schemes**

A Sub-fund may invest in other collective investment schemes. As an investor in another collective investment scheme, a Sub-fund will bear, along with the other investors, its portion of the expenses of the other collective investment scheme, including the management, performance and/or other fees. These fees will be in addition to the management fees and other expenses which a Fund bears directly with its own operations.

Risk factors associated with the objectives of the Sub-funds are given below:

Sub-fund name	Equity	Fixed	Collective	Currency
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		income	Investment Scheme	
SVS Cornelian Cautious Fund	x	x	x	x
SVS Cornelian Growth Fund	x	x	x	x
SVS Cornelian Defensive Fund		x	x	x
SVS Cornelian Managed Income Fund	x	x	x	x
SVS Cornelian Managed Growth Fund	x	x	x	x
SVS Cornelian Progressive Fund	x		x	x
SVS Cornelian Defensive RMP Fund		x	x	x
SVS Cornelian Progressive RMP Fund	x		x	x
SVS Cornelian Managed Growth RMP Fund	x	x	x	x
SVS Cornelian Cautious RMP Fund	x	x	x	x
SVS Cornelian Growth RMP Fund	x	x	x	x

#### 6.18 Leverage Risk

Leverage is where a Sub-fund borrows money in order to meet redemption requests or, through the use of derivatives, for the purpose of buying or selling assets. Where assets are bought or sold using borrowed money this increases the risk that in the case of losses that these are compounded and as a result have a material negative impact on the value of the Sub-fund.

## 7 MANAGEMENT AND ADMINISTRATION

### 7.1 Regulatory Status

The ACD, the Depositary and the Investment Adviser are authorised and regulated by the Financial Conduct Authority.

### 7.2 Authorised Corporate Director

#### 7.2.1 General

The ACD is Smith & Williamson Fund Administration Limited trading as St Vincent St Fund Administration which is a private company limited by shares incorporated in England and Wales on 30 July 1985.

Name of Director

David Cobb

Kevin Stopps

Paul Wyse

James Gordon

Brian McLean

Dean Buckley (Non-Executive Director)

Victoria Muir (Non-Executive Director)

Linda Robinson (Non-Executive Director)

No director is engaged in any significant business activity not connected with the business of the ACD or other Smith & Williamson Holdings Limited subsidiaries.

<b>Registered Office:</b>	25 Moorgate, London EC2R 6AY
<b>Principal Place of Business:</b>	25 Moorgate, London EC2R 6AY
<b>Share Capital:</b>	It has a share capital of £50,000 Ordinary Shares of £1 each, all of which are issued and paid up.
<b>Ultimate Holding Company:</b>	Smith & Williamson Holdings Limited, a company incorporated in England and Wales and listed on the London Stock Exchange.

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

It has therefore delegated to the Investment Adviser the function of managing and acting as the investment adviser for the investment and reinvestment of the assets of the Sub-funds (as further explained in paragraph 7.4 below). It has also delegated to the Registrar certain functions relating to the register (as further explained in paragraph 7.5 below).

### 7.2.2 Terms of Appointment

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

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

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

ACD may retain the services of any person to assist it in the performance of its functions.

Details of the fees payable to the ACD are set out in paragraph 8.2 “Charges payable to the ACD” below.

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

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

### **7.3 The Depositary**

NatWest Trustee & Depositary Services Limited is the Depositary of the Company. The Depositary is incorporated in England as a private limited company. Its registered and head office is at 250 Bishopsgate, London EC2M 4AA. The ultimate holding company of the Depositary is the Royal Bank of Scotland Group plc, which is incorporated in Scotland. The principal business activity of the Depositary is the provision of trustee and depositary services.

#### **7.3.1 Duties of the Depositary**

The Depositary is responsible for the safekeeping of scheme property, monitoring the cash flows of the Fund, and must ensure that certain processes carried out by the ACD are performed in accordance with the applicable rules and scheme documents.

#### **7.3.2 Conflicts of interest**

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

It is possible that the Depositary and/or its delegates and sub-delegates may in the course of its or their business be involved in other financial and professional activities which may on occasion have potential conflicts of interest with the UCITS or a particular Sub-fund and/or other funds managed by the ACD or other funds for which the Depositary acts as the depositary, trustee or custodian. The Depositary will, however, have regard in such event to its obligations under the Depositary Agreement and the Regulations and, in particular, will use reasonable endeavours to ensure that the performance of its duties will not be impaired by any such involvement it may have and that any conflicts which may arise will be resolved fairly and in the best interests of Shareholders collectively so far as practicable, having regard to its obligations to other clients.

The Depositary operates independently from the Company, Shareholders, the ACD and its associated suppliers and the Custodian. As such, the Depositary does not anticipate any conflicts of interest with any of the aforementioned parties.

#### **7.3.3 Delegation of Safekeeping Functions**

The Depositary is permitted to delegate (and authorise its delegate to sub-delegate) the safekeeping of Scheme Property.

The Depositary has delegated safekeeping of the Scheme Property to The Bank of New York Mellon London Branch (BNYM LB) (“the Custodian”). In turn, the Custodian has delegated the custody of assets in certain markets in which the Fund may invest to various sub-delegates (“sub-custodians”). A list of sub-custodians is available from the ACD on request.

#### **7.3.4 Updated Information**

Up-to-date information regarding the Depositary, its duties, its conflicts of interest and the delegation of its safekeeping functions will be made available to shareholders on request.

#### **7.3.5 Terms of Appointment**

The Depositary was appointed under a Depositary Agreement between the ACD, the Company and the Depositary (the “Depositary Agreement”). Under the Depositary Agreement, the Depositary is free to render similar services to others and the Depositary, the Company and the ACD are subject to a duty not to disclose confidential information.

The powers, duties, rights and obligations of the Depositary, the Company and the ACD under the Depositary Agreement shall, to the extent of any conflict, be overridden by the FCA Rules.

Under the Depositary Agreement the Depositary will be liable to the Company for any loss of Financial Instruments held in Custody or for any liabilities incurred by the Company as a result of the Depositary’s negligent or intentional failure to fulfil its obligations.

However, the Depositary Agreement excludes the Depositary from any liability except in the case of fraud, wilful default, negligence or failure to exercise due care and diligence in the performance or non-performance of its obligations. It also provides that the Depositary will be entitled to be indemnified from the Scheme Property for any loss suffered in the performance or non-performance of its obligations except in the case of fraud, wilful default, negligence or failure to exercise due care and diligence on its part.

The Depositary Agreement may be terminated on three months’ notice by the Company or the Depositary or earlier on certain breaches or the insolvency of a party. However, termination of the Depositary Agreement will not take effect, nor may the Depositary retire voluntarily, until the appointment of a new Depositary.

Details of the fees payable to the Depositary are given in the section titled Depositary’s Fee and Expenses.

### **7.4 The Investment Adviser**

#### **7.4.1 General**

The ACD has appointed the Investment Adviser, Cornelian Asset Managers Limited, to provide investment management services to the ACD. The

Investment Adviser is authorised and regulated by the Financial Conduct Authority.

The Investment Adviser's registered office is at 30 Charlotte Square, Edinburgh, EH2 4ET.

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

#### **7.4.2 Terms of Appointment**

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

The Investment Adviser will receive a fee paid by the ACD out of its remuneration received each month from the Sub-funds as explained in paragraph 8.4.

Upon termination of the ACD Agreement and the appointment of another ACD (the New ACD), the ACD may transfer any sums being held as client money to the New ACD, who will continue to hold the money in accordance with FCA client money rules

The Shareholder will be given the opportunity, upon request, to have the proceeds returned by submitting a written request to the Transfer Agency team at 206 St Vincent Street, Glasgow, G2 5SG.

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

### **7.5 The Registrar**

#### **7.5.1 General**

On behalf of the Company the ACD has also appointed Smith & Williamson Fund Administration Limited trading as St Vincent St Fund Administration to act as registrar and to provide fund accounting and other administration services to the Company.

The registered office of the Registrar is 25 Moorgate, London EC2R 6AY.

The Register is kept and maintained at 206 St Vincent Street, Glasgow G2 5SG.

### **7.5.2 Register of Shareholders**

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

The plan register, being a record of persons who subscribe for Shares through Individual Savings Accounts (ISAs), can be inspected at the office of the Registrar.

### **7.6 The Auditors**

The auditors of the Company are KPMG LLP, whose address is Saltire Court, 20 Castle Terrace, Edinburgh EH1 2EG.

### **7.7 Conflicts of Interest**

The ACD, the Investment Adviser and other companies within the ACD's and the Investment Adviser's group may, from time to time, act as investment adviser or advisers to other funds or sub-funds which follow similar investment objectives to those of the Sub-funds. It is therefore possible that the ACD and/or the Investment Adviser may in the course of their business have potential conflicts of interest with the Company or a particular Sub-fund or that a conflict exists between the Company and other funds managed by the ACD. Each of the ACD and the Investment Adviser will, however, have regard in such event to its obligations under the ACD Agreement and the Investment Management Agreement respectively and, in particular, to its obligation to act in the best interests of the Company so far as practicable, having regard to its obligations to other clients, when undertaking any investment business where potential conflicts of interest may arise. Where a conflict of interest cannot be avoided, the ACD and the Investment Adviser will ensure that the Company and other collective investment schemes it manages are fairly treated.

The ACD acknowledges that there may be some situations where the organisational or administrative arrangements in place for the management of conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the Company or its shareholders will be prevented. Should any such situations arise the ACD will disclose these to shareholders in the report and accounts or otherwise in an appropriate format.

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

The ACD maintains a written conflict of interest policy. The ACD acknowledges that there may be some situations where the organisational or administrative arrangements in place for the management of conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the Company or its shareholders will be prevented. Should any such situations arise the ACD will, as a last resort if the conflict cannot be avoided, disclose these to shareholders in the report and accounts or otherwise in an appropriate format.

Details of the ACD's conflicts of interest policy are available from the ACD on request.

## **8 FEES AND EXPENSES**

The ACD pays an element of the annual management charge to its Investment Adviser, Cornelian Asset Managers Limited.

### **8.1 Ongoing**

All costs, charges, fees or expenses, other than the charges made in connection with the subscription and redemption of Shares (see paragraph 4.5) payable by a Shareholder or out of Scheme Property are set out in this section.

The Company or each Sub-fund (as the case may be) may, so far as the COLL Sourcebook allows, also pay out of the Scheme Property all relevant costs, charges, fees and expenses including the following:

- (a) fees payable to brokers for the execution of trades and any other expenses, including fiscal charges (including stamp duty) and other disbursements which are necessary to be incurred in effecting transactions (ie acquiring and disposing of investments) for the Sub-fund and normally shown in contract notes, confirmation notes and difference accounts as appropriate;
- (b) fees payable to external research providers for research relating to certain instruments. External research will be paid via research payment accounts (RPAs) as detailed in paragraph 13.14 below. Each Sub-fund will pay the amounts attributable to it for external research in accordance with the FCA rules and/or guidelines. Such payments will be accrued within the daily NAV calculation for each relevant Fund and paid monthly;
- (c) fees and expenses in respect of establishing and maintaining the register of shareholders, including any sub-registers kept for the purpose of the administration of Individual Savings Accounts, are payable quarterly out of the property of the Sub-funds;
- (d) any costs incurred in or about the listing of Shares in the Company on any Stock Exchange, and the creation, conversion and cancellation of Shares;
- (e) any costs incurred by the Company in publishing the price of the Shares in a national or other newspaper or any other media;
- (f) any costs incurred in producing and dispatching any payments made by the Company, or the yearly and half-yearly reports of the Company;
- (g) any fees, expenses or disbursements of any legal or other professional adviser of the Company;
- (h) any costs incurred in taking out and maintaining an insurance policy in relation to the Company;



- (i) any costs incurred in respect of meetings of Shareholders convened for any purpose;
- (j) any payment permitted by clause 6.7.15R of the COLL Sourcebook;
- (k) interest on borrowings and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;
- (l) taxation and duties payable in respect of the Scheme Property or the issue or redemption of Shares;
- (m) the audit fees of the Auditors (including VAT) and any expenses of the Auditors;
- (n) the fees of the FCA, in accordance with the FCA's Fee Manual, together with any corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which Shares in the Company are or may be marketed;
- (o) any expense incurred in relation to company secretarial duties including the cost of maintenance of minute books and other documentation required to be maintained by the Company;
- (p) the total amount of any cost relating to the authorisation and incorporation of the Company and of its initial offer or issue of Shares;
- (q) any payments otherwise due by virtue of a change to the Regulations;
- (r) any value added or similar tax relating to any change or expense set out herein;
- (s) for Sub-funds; SVS Cornelian Progressive Fund, SVS Cornelian Defensive Fund, SVS Cornelian Managed Growth Fund, SVS Cornelian Managed Income Fund, SVS Cornelian Defensive RMP Fund, SVS Cornelian Progressive RMP Fund, SVS Cornelian Managed Growth RMP Fund, SVS Cornelian Cautious RMP Fund and SVS Cornelian Growth RMP Fund any costs incurred in preparing, translating, producing (including printing), distributing and modifying the instrument of incorporation, the prospectus, the Key Investor Information Document (apart from the costs of distributing the Key Investor Information Document) or reports, accounts, statements, contract notes, distribution vouchers and other like documentation or any other relevant document required under the Regulations; and
- (t) for Sub-funds; SVS Cornelian Progressive Fund, SVS Cornelian Defensive Fund, SVS Cornelian Managed Growth Fund, SVS Cornelian Managed Income Fund, SVS Cornelian Defensive RMP Fund, SVS Cornelian Progressive RMP Fund, SVS Cornelian Managed Growth RMP Fund, SVS Cornelian Cautious RMP Fund and SVS Cornelian Growth RMP Fund fees and expenses in respect of establishing, maintaining and the administration of regular savings plans, are payable quarterly out of the property of these Sub-funds.

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

Expenses are allocated between capital and income in accordance with the Regulations. However, the approach for a given Sub-fund is set out in Appendix I. Where expenses are deducted in the first instance from income if and only if this is insufficient, deductions will be made from capital (save for any charge made in respect of SDRT within paragraph 11 “Taxation”). If deductions were made from capital, this would result in capital erosion and constrain growth.

## **8.2 Charges payable to the ACD**

### **8.2.1 Annual Management Charge**

The ACD receives a periodic charge for managing the Company based upon the value of the property of the Company accruing on a daily basis in arrears by reference to the value of the property of the Company on the previous Dealing Day. The amount due for each month is payable as soon as practicable after the month-end. The current annual management charges for the Sub-fund (expressed as a percentage per annum of the Net Asset Value of each Sub-fund) are set out in Appendix I. The Investment Adviser’s fee is paid by the ACD out of the annual management charge.

Any fees payable to the ACD may be reduced or waived by the ACD at its discretion.

### **8.2.2 Registration Fees**

The ACD is entitled to receive a fee out of the Scheme Property for providing registration services, (including establishing and maintaining sub-registers where applicable), out of which the ACD will pay the fees of the Registrar. Such fee is payable quarterly. The current fees payable to the ACD are £5.00 per annum per Shareholder, per each Sub-fund of the Company. For each Sub-fund a Transaction Fee of £10 is also levied for each transaction.

A £5.00 charge per annum is also payable per holder on an ISA sub-register.

### **8.2.3 Expenses**

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

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

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

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

The Smith & Williamson Fund Administration Limited remuneration policy is designed to be compliant with the UCITS V Remuneration Code contained in SYSC 19E of the FCA Handbook, and provides a framework to attract, retain and reward employees and partners and to maintain a sound risk management

framework, with particular attention to conduct risk. The overall policy is designed to promote the long term success of the group. The policy is designed to reward partners, directors and employees for delivery of both financial and non-financial objectives which are set in line with company strategy.

Details of the Smith & Williamson Fund Administration Limited remuneration policy are available on the website <http://smithandwilliamson.com/footer-pages/remuneration-code-disclosure>. A paper copy of the remuneration policy can be obtained free of charge by telephoning 0141 222 1151.

### 8.3 Depositary's Fee and Expenses

The Depositary is entitled to receive out of Scheme Property by way of remuneration a periodic charge, which will be calculated and accrue daily in arrears by reference to the value of the property of the Company on the previous Dealing Day and be paid monthly as soon as practicable after the end of each month, and certain additional charges and expenses. The rate of the Depositary's periodic charge in respect of each Sub-fund will be such rate or rates as agreed from time to time between the ACD and the Depositary in accordance with the COLL Sourcebook.

The current rate of the Depositary's periodic charge in respect of each Sub-fund is:

- (a) 0.025% per annum plus VAT on Scheme Property below £100,000,000;
- (b) 0.02% per annum plus VAT on Scheme Property between £100,000,000 and £200,000,000; and
- (c) 0.015% per annum plus VAT on Scheme Property between £200,000,000 and £300,000,000; and
- (d) 0.010% per annum plus VAT on Scheme Property above £300,000,000.

but always subject to a minimum of £7,500 per annum on an averaged basis (total average minimum fee across all sub-funds combined is £82,500 per annum).

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

The first accrual in relation to the Company will take place in respect of the period beginning on the day on which the first valuation of that Company is made and ending on the last Business Day of the month in which that day falls. In the event of the termination of a Sub-fund, the Depositary shall continue to be entitled to a periodic charge in respect of that Sub-fund for the period up to and including the day on which the final distribution in the termination of the Sub-fund shall be made or, in the case of a termination following the passing of an extraordinary resolution approving a scheme of arrangement, up to and including the final day on which the Depositary is responsible for the safekeeping of the Scheme Property. Such periodic charge will be calculated, be subject to the same terms and accrue and be paid as described above, except that for the purpose of calculating the periodic charge in respect of any day falling after the day on which the termination of the Sub-fund commences, the

value of the Scheme Property shall be its Net Asset Value determined at the beginning of each such day.

The Depositary Agreement between the Company and the Depositary provides that in addition to a periodic charge the Depositary may also be paid by way of remuneration custody fees where it acts as Custodian and other transaction and bank charges. At present the Depositary delegates the function of custody of the Scheme Property to The Bank of New York Mellon London Branch (BNYM LB).

The remuneration for acting as custodian is calculated at such rate and/or amount as the ACD, the Depositary and the Custodian may agree from time to time.

The current remuneration ranges from between 0.003% per annum to 0.50 %\* per annum of the value of the Scheme Property, plus VAT (if any) calculated at an ad valorem rate determined by the territory or country in which the assets of the Sub-funds are held. The current range of transaction charges is between £5.00 and £87.53 per transaction plus VAT (if any).

\*With the exception of:

- USA (Physical Securities) - £14 per line per calendar month.
- Not in Bank / Not in Custody Assets - £65 per line per calendar month.

Custody and transaction charges will be payable monthly in arrears.

In addition to the remuneration referred to above, the Depositary is entitled to receive reimbursement for expenses properly incurred by it in discharge of its duties or exercising any powers conferred upon it in relation to the Company and each Sub-fund. Such expenses include, but are not restricted to:

- (a) delivery of stock to the Depositary or custodian;
- (b) custody of assets;
- (c) collection of income and capital;
- (d) submission of tax returns;
- (e) handling tax claims;
- (f) preparation of the Depositary's annual report;
- (g) arranging insurance;
- (h) calling Shareholder meetings and otherwise communicating with Shareholders;
- (i) dealing with distribution warrants;
- (j) taking professional advice;
- (k) conducting legal proceedings;

- (l) such other duties as the Depositary is permitted or required by law to perform.

VAT (if any) in connection with any of the above is payable in addition.

Expenses not directly attributable to a particular Sub-fund will be allocated between Sub-funds. In each such case such expenses and disbursements will also be payable if incurred by any person (including the ACD or an associate or nominee of the Depositary or of the ACD) who has had the relevant duty delegated to it pursuant to the COLL Sourcebook by the Depositary.

#### **8.4 Investment Adviser's Fee**

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

Further details of this agreement are summarised in paragraph 7.4.2 "Terms of Appointment" above.

#### **8.5 Allocation of Fees and Expenses between Sub-funds**

All the above fees, duties and charges (other than those borne by the ACD) will be charged to the Sub-fund in respect of which they were incurred. This includes any charges and expenses incurred in relation to the Register of Shareholders, except that these will be allocated and charged to each class of Shares on a basis agreed between the ACD and the Depositary.

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

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

### **9 INSTRUMENT OF INCORPORATION**

The Instrument of Incorporation is available for inspection at the ACD's offices at 25 Moorgate, London EC2R 6AY.

### **10 SHAREHOLDER MEETINGS AND VOTING RIGHTS**

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

The Company has dispensed with the holding of annual general meetings.

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

#### **10.2 Requisitions of Meetings**

The ACD may requisition a general meeting at any time.

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

### **10.3 Notice and Quorum**

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

### **10.4 Voting Rights**

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

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

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

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

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

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

Where all the Shares in a Sub-fund are registered to, or held by, the ACD or its associates and they are therefore prohibited from voting and a resolution (including an extraordinary resolution) is required to conduct business at a

meeting, it shall not be necessary to convene such a meeting and a resolution may, with the prior written agreement of the Depositary, instead be passed with the written consent of Shareholders representing 50% or more, or for an extraordinary resolution 75% or more, of the Shares in issue.

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

## **10.5 Variation of Class or Sub-fund Rights**

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

# **11 TAXATION**

## **11.1 General**

The following summary is only intended as a general summary of United Kingdom (“UK”) tax law and HM Revenue & Customs practice, as at the date of this Prospectus, applicable to the Sub-fund and to individual and corporate investors who are the absolute beneficial owners of a holding in the Sub-fund which is held as an investment. The summary’s applicability to, and the tax treatment of, investors will depend upon the particular circumstances of each investor (and it will not apply to persons, such as certain institutional investors, who are subject to a special tax regime). It should not be treated as legal or tax advice. Accordingly, if investors are in any doubt as to their taxation position, they should consult their professional adviser. Levels and bases of, and reliefs from, taxation are subject to change in the future.

The following is divided into sections relating to “Bond Sub-Fund” and “Equity Sub-Fund”. A “Bond Sub-Fund” is a Sub-Fund which invests more than 60% of its market value in “Qualifying Investments” (at all times in each accounting period). The term “Qualifying Investments” includes money placed at interest and securities that are not shares, including but not limited to government and corporate debt securities and cash on deposit. The tax issues relating to the Sub-fund and the investors within it are treated separately in this section. It is anticipated that the Sub-fund will for most periods be an Equity Sub-Fund for these purposes, but that depending on how it is invested it may constitute a Bond Sub-Fund for some periods.

## **11.2 Taxation of an Equity Sub-Fund**

### **11.2.1 Taxation of Capital Gains**

An Equity Sub-Fund is not subject to UK taxation on capital gains arising on the disposal of its investments. In the unlikely event that the Sub-fund be considered to be trading in securities under tax law, and to the extent an investment is disposed in a non-distributor/reporting fund, any gains made will be treated as taxable income and not exempt gains.

### **11.2.2 Tax on income**

An Equity Sub-Fund will be liable to corporation tax at a rate equal to the lower rate of income tax, currently 20%, on its income after relief for expenses (which include fees payable to the ACD and to the Depositary). Dividends and similar income distributions from UK and non-UK resident companies are generally exempt from corporation tax. Dividends and similar income distributions from UK authorised unit trusts and UK ICVCs are also generally exempt from corporation tax to the extent the underlying income derives from dividends.

Foreign dividends and similar income are generally treated as exempt for the purposes of UK corporation tax. This income may be subject to withholding tax in certain jurisdictions.

Dividend income received from certain countries are likely to be elected to be treated as taxable income in the UK in order to obtain a beneficial rate of withholding tax in the source country.

Profits from loan relationships are treated as taxable income, as for a Bond Sub-Fund.

### **11.3 Taxation of a Bond Sub-Fund**

#### **11.3.1 Taxation of Capital Gains**

Bonds or loan relationships held are taxable as income (see below) and are not subject to capital gains tax. Capital gains, for example on investment in equities, (except insofar as treated as income gains - see below) accruing to a Bond Sub-Fund will be exempt from UK tax on chargeable gains.

#### **11.3.2 Tax on Income**

A Bond Sub-Fund will be liable to UK corporation tax at 20% on income, translated (where appropriate) into Sterling, from investments in debt, debt-related securities and cash deposits less deductible expenses. Such income will be computed according to the generally accepted accounting practice relevant to the Sub-fund.

The total will be taxed under the Loan Relationship rules. Any income received from UK equities will be exempt from UK corporation tax.

A Bond Sub-Fund would generally be entitled to make up distribution accounts in such a way that the income distribution (including accumulations of income, which are deemed to be paid and reinvested as capital) to Shareholders is treated as if it were interest for UK tax purposes. If so entitled, the Sub-fund intends that distributions will be made in this way.

- The treatment of distributions as interest distributions for UK tax purposes is significant because:
- distributions made should be deductible for corporation tax purposes against UK taxable income.

The income, less interest distributions, expenses (including the ACD's and Depositary's fees) and any non-UK withholding taxes, is subject to UK



corporation tax at a rate equal to the basic rate of income tax (currently 20%). Any corporation tax charge should not be significant.

Capital gains (except insofar as treated as accrued income gains - see above) accruing to a Bond Sub-Fund will be exempt from UK tax on chargeable gains.

#### **11.4 Taxation of a Shareholder - Equity Sub-Fund**

##### **11.4.1 Income distributions**

Accumulations and distributions of income ('distributions') comprise income for UK tax purposes.

UK resident individuals and (the trustees of) certain trusts liable to UK income tax will be taxable on accumulations and distributions of income.

From 6 April 2017, additional rate taxpayers are required to pay tax at 38.1% on their distributions while the rate for higher rate taxpayers is 32.5% and for basic rate taxpayers it is 7.5%. Individuals with a net adjusted income of £100,000 will also have their personal allowances reduced £1 for every £2 on the income above this limit. The personal allowance will be reduced to nil above an income level of approximately £123,000. These limits may change in the future.

Distributions to Shareholders within the charge to corporation tax are deemed to comprise two elements:

- (a) where an Equity Sub-Fund's gross income is not wholly derived from UK dividend income, part of any distribution will be deemed to be reclassified as an annual payment received by such Shareholders after deduction of income tax at the basic rate, currently 20% ("deemed tax deducted"). Such Shareholders will be subject to corporation tax on the grossed-up amount of the annual payments but will be entitled to the repayable deemed tax deducted; and
- (b) the remainder, is exempt from UK corporation tax.

Details of the proportions of distributions comprising exempt income and annual payments will be shown on the tax voucher of the Equity Sub-Fund concerned.

These rules do not apply or are modified in relation to life insurance companies, in particular those with pensions and ISA business, life reinsurance business or overseas life assurance business.

##### **11.4.2 Capital gains**

Shareholders who are resident in the UK may be liable to UK taxation on capital gains arising from the sale or other disposal, including redemption, of Shares. Individuals and certain trusts generally compute their gains by deducting from the net sale proceeds the capital gains base cost in respect of Shares. The resulting gains will be taxable at the capital gains tax rate, and may be reduced by capital losses brought forward from previous tax years or losses in the year, and by annual exemptions. Exempt Shareholders, which include UK charities, UK approved pension trusts, ISAs (and their individual investors), would not normally be liable to capital gains tax on their disposal of Shares.

Shareholders within the charge to corporation tax are taxed on the capital gain made computed on the basis of the rules described above. They are, however, entitled to indexation allowance on the basic cost to the date of disposal. In certain cases, the “loan relationships” provisions mentioned below in relation to Bond Sub-Funds could apply.

Special rules apply to life insurance companies who beneficially own shares.

#### **11.4.3 Inheritance tax**

A gift by a shareholder of his shareholding in the Company or the death of a Shareholder may give rise to a liability to inheritance tax, except where 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 Shareholding at less than the full market value may be treated as a gift.

### **11.5 Taxation of a Shareholder - Bond Sub-Fund**

#### **11.5.1 Income Distributions: Interest Distributions**

Accumulations and distributions of income (‘distributions’) comprise income for UK tax purposes. Shareholders will be taxable on the amount distributed. Additional rate taxpayers will be liable to income tax on their distributions at 45%, higher rate taxpayers at 40% (after their £500 personal savings allowance has been exhausted) and basic rate taxpayers at 20% (after their £1,000 personal savings allowance has been exhausted). There is also a 0% starting rate band for savings income of up to £5,000 for those investors who qualify for it.

#### **11.5.2 Capital gains**

Shareholders who are resident in the UK may be liable to UK taxation on capital gains arising from the sale or other disposal, including redemption, of shares. Individuals and certain trusts generally compute their gains by deducting from the net sale proceeds the capital gains base cost in respect of shares and will be taxable at the capital gains tax. The gain may be reduced by capital losses brought forward from previous tax years or losses in the year, and by annual exemptions. Exempt shareholders, which include UK charities, UK approved pension funds, ISAs (and their individual investors), would not normally be expected to be liable to capital gains tax on their disposal of shares.

In respect of shareholders subject to corporation tax, holdings in a Sub-fund will be treated as holdings of loan relationships and recognised using a fair value basis of accounting (which entails movements in the value of the holdings being brought into account in each accounting period as loan relationship credits or debits). No indexation allowance or taper relief is available.

#### **11.5.3 Inheritance tax**

A gift by a Shareholder of his shareholding in the Company or the death of a Shareholder may give rise to a liability to inheritance tax, except where 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 shareholding at less than the full market value may be treated as a gift.

#### **11.6 SDRT Stamp Duty Reserve Tax**

On 30 March 2014, Schedule 19 Stamp Duty Reserve Tax (SDRT) ceased to be chargeable on dealings in shares in an OEIC. As such, the provisions relating to SDRT no longer apply. However, investors should note that should SDRT or a similar tax relating to dealings on shares in OEICs be reintroduced in the future, all such costs will be paid out of the Sub-fund's Scheme Property and charged to capital.

However it should be noted that in the unlikely event of either of (i) third party transfer of shares or (ii) non-pro rata in specie redemptions, occurring within the Sub-fund, SDRT may still be triggered and where applicable be charged to the investor".

#### **11.7 Automatic Exchange of Financial Account Information**

##### **11.7.1 US Foreign Account Tax Compliance Act (FATCA)**

The US Foreign Account Tax Compliance Act (FATCA) is designed to help the Internal Revenue Service (the IRS) combat US tax evasion. It requires financial institutions, such as the Fund (or the Sub-Fund(s)), 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 Fund (or a Sub-Fund) to US withholding taxes on certain US-sourced income and gains. Under an intergovernmental agreement between the US and the United Kingdom, the Fund (or each Sub-Fund) may be deemed compliant, and therefore not subject to the withholding tax, if it identifies and reports US taxpayer information directly to HMRC.

Shareholders may be asked to provide additional information to the ACD to enable the Fund (or each Sub-Fund) to satisfy these obligations. Institutional Shareholders may be required to provide a Global Intermediary Identifications Number (GIIN). Failure to provide requested information may subject a Shareholder to liability for any resulting US withholding taxes, US tax information reporting and/or mandatory redemption, transfer or other termination of the Shareholder's interest in its shares. The Global Intermediary Identification Number for each Sub-Fund is available on request

##### **11.7.2 Common Reporting Standard**

The Common Reporting Standard (CRS) is the reporting standard approved and developed by the Organisation of Economic Co-operation and Development (OECD) in 2014, and came into force with effect from 1st January 2016. This requires financial institutions such as the Fund (or the Sub-Fund(s)), to report non-UK resident investors, other than US Persons, to other agreed jurisdictions on an annual basis. The objective of this reporting is the same as the FATCA regulations but on a worldwide basis and is based on Residency rather than citizenship as with the US model, and will encompass natural persons and legal entities.

## 12 WINDING UP OF THE COMPANY AND TERMINATION OF A SUB-FUND

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

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

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

- (a) if an extraordinary resolution to that effect is passed by Shareholders; or
- (b) when the period (if any) fixed for the duration of the Company or a particular Sub-fund by the Instrument of Incorporation expires, or any event occurs on the occurrence of which the Instrument of Incorporation provides that the Company or a particular Sub-fund is to be wound up (for example, if the Share capital of the Company or (in relation to any Sub-fund) the Net Asset Value of the Sub-fund is below £3 million, or if a change in the laws or regulations of any country means that, in the ACD's opinion, it is desirable to terminate the Sub-fund); or
- (c) on the date stated in any agreement by the FCA to a request by the ACD for the revocation of the authorisation order in respect of the Company or for the termination of the relevant Sub-fund.

On the occurrence of any of the above:

- (a) COLL 6.2 (Dealing), COLL 6.3 (Valuation and Pricing) and COLL 5 (Investment and borrowing powers) will cease to apply to the Company or the relevant Sub-fund;
- (b) the Company will cease to issue and cancel Shares in the Company or the relevant Sub-fund and the ACD shall cease to sell or redeem Shares or arrange for the Company to issue or cancel them for the Company or the relevant Sub-fund;
- (c) no transfer of a Share shall be registered and no other change to the Register of Shareholders shall be made without the sanction of the ACD;
- (d) where the Company is being wound up or a Sub-fund terminated, the Company or the Sub-fund shall cease to carry on its business except in so far as it is beneficial for the winding up of the Company or for the termination of the Sub-fund;

- (e) the corporate status and powers of the Company and subject to (a) to (d) above, the powers of the Depositary shall continue until the Company is dissolved.

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

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

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

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

## **13 GENERAL INFORMATION**

### **13.1 Accounting Periods**

The annual accounting period of the Company ends each year on 15 April (the accounting reference date) with an interim accounting period ending on 15 October.

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

### **13.2 Notice to Shareholders**

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

### **13.3 Income Allocations**

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

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

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

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

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

### **13.4 Annual Reports**

An Annual report of the Company will be published within four months of each annual accounting period and a half-yearly report will be published within two months of each interim accounting period. The annual and half-yearly reports are available upon request.

### **13.5 Documents of the Company**

The following documents may be inspected free of charge during normal business hours on any Business Day at the offices of the ACD at 25 Moorgate, London EC2R 6AY:

- (a) the Prospectus;
- (b) the most recent annual and half yearly reports of the Company;

- (c) the Instrument of Incorporation (and any amending documents); and
- (d) the material contracts referred to below.

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

#### 13.6 **Material Contracts**

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

- (a) the ACD Agreement between the Company, and the ACD; and
- (b) the Depositary Agreement between the Company, the Depositary and the ACD.

Details of the above contracts are given under section 7 “Management and Administration”.

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

All information concerning the Company and about investing in Shares of the Company is available from the ACD at 206 St Vincent Street, Glasgow G2 5SG. The ACD is not authorised to give investment advice and persons requiring such advice should consult a professional adviser. All applications for Shares are made solely on the basis of the current prospectus of the Company, and investors should ensure that they have the most up to date version.

#### 13.8 **Telephone Recordings**

Please note that the ACD may record telephone calls for training and monitoring purposes and to confirm investors’ instructions. Recordings will be provided on request for a period of at least five years from the date of such recording, or, where requested by a competent regulatory authority, for a period of seven years, where the ACD can identify the call. If you ask the ACD to send you a recording of a particular call, the ACD may ask for further information to help identify the exact call to which your request relates.

#### 13.9 **Complaints**

Complaints may be brought in writing to the ACD at The Compliance Director, Smith & Williamson Fund Administration Limited trading as St Vincent St Fund Administration, 25 Moorgate, London EC2R 6AY or by telephone to 0141 222 1151

In the unlikely event that an unsatisfactory response is provided, you may be able to refer your complaint to the Financial Ombudsman Service at Exchange Tower, Exchange Square, London E14 9SR, telephone number 0800 023 4 567.

A copy of the ACD’s guide to making a complaint is available on request.

Making a complaint will not prejudice your rights to commence legal proceedings.

Further information regarding any compensation scheme or any other investor-compensation scheme of which the ACD or any Sub-fund is a member (including, if relevant, membership through a branch) or any alternative arrangement provided, are also available on request.

#### **13.10 Compensation**

Under the Financial Services Compensation Scheme (FSCS), in the event of firm default your investment is protected up to the value of £85,000 per person per firm.

#### **13.11 Risk Management**

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

- (a) the quantitative limits applying in the risk management of any Sub-fund;
- (b) the methods used in relation to 12.11(a); and
- (c) any recent development of the risk and yields of the main categories of investment.

#### **13.12 Indemnity**

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

#### **13.13 Strategy for the exercise of voting rights**

The ACD has a strategy for determining when and how voting rights attached to ownership of the Scheme Property are to be exercised for the benefit of each Sub-fund. A summary of this strategy is available from the ACD on request. Voting records and further details of the actions taken on the basis of this strategy in relation to each Sub-fund are available free of charge from the ACD on request.

#### **13.14 Payment for external research when fund management is conducted within the EU**

The Investment Manager uses research to inform its decision making. The Investment Manager is authorised to pay for research out of the scheme property of the Sub-funds to supplement other research available to it, such as internal research and research bought out of the ACD's own resources.



The purchase of investment research may benefit a Sub-fund, taking into account its investment objective, policy and strategy, by complementing the Investment Manager's internal research, providing additional insight on corporate entities, industries and sectors which lead to better informed investment decisions for the Sub-funds.

The Investment Manager may act for a range of products which have a common investment strategy. The Investment Manager sets an annual research budget, as agreed with the ACD, which is based upon the quantity of research to be provided by a set list of providers. The required research is further categorised into research which helps inform:

- a) the Investment Manager's macro-economic and strategic asset allocation considerations;
- b) particular asset allocation decisions; or
- c) the Investment Manager's decisions to purchase, hold or sell a particular equity.

This set budget can only be used to pay for research, via research payment accounts (RPAs), to benefit the products in scope depending on their particular use of research. Sub-funds will either benefit from each of (a) to (c) above or only from (a) and (b) and contributions will be calculated accordingly.

Each Sub-fund contributes proportionally to the relevant research budget according to its size and use of research as explained above. The budget is reviewed regularly by the Investment Manager (and at a minimum will be reviewed annually), and the budget will not be increased without shareholders being provided with advance notice in line with the FCA rules.

The Investment Manager will, using robust quality criteria, regularly assess the quality of the research it purchases to ensure that it continues to contribute to better investment decisions for the Sub-funds. As part of this process, the Investment Manager will ensure that research is only acquired to the extent that it may benefit the relevant Sub-fund.

The Investment Manager will use RPAs to pay for global macro research and research relating to equity instruments.

The ACD maintains oversight of the Investment Manager's policy on research including the process whereby the Investment Manager will assess the quality of research purchased.

The budgeted amount for research and the amount of the estimated research charge for each of the Sub-funds for the current period is set out below.

Fund	Annual allocated amount of set budget (inclusive of VAT)
SVS Cornelian Defensive	£17,158.85

SVS Cornelian Defensive RMP	£270.10
SVS Cornelian Cautious	£65,234.76
SVS Cornelian Cautious RMP	£450.06
SVS Cornelian Managed Growth	£88,419.26
SVS Cornelian Managed Growth RMP	£267.35
SVS Cornelian Managed Income	£8,028.49
SVS Cornelian Growth	£72,352.43
SVS Cornelian Growth RMP	£308.54
SVS Cornelian Progressive	£37,832.63
SVS Cornelian Progressive RMP	£232.95

Further information for the Sub-funds in relation to their use of research budgets will be disclosed in the Annual Report and Accounts for each accounting period. The ACD will provide shareholders on request with a statement of the following information for the most recent annual accounting period:

- a) the providers who have been paid from the RPA;
- b) the total amount each provider was paid;
- c) the benefits and services received by the firm; and
- d) how the total amount spent from the account compares to the budget set out above and if there is any rebate or carry over of residual monies.

If the amount budgeted for research is not spent during the relevant period, the Investment Manager will either: (a) rebate that amount proportionally to the Sub-funds; or (b) offset it against the research budget and charge for the Sub-funds calculated for the following period.

Investors should ensure that they are reviewing the most up to date version of this Prospectus, which can be found on the ACD's website.

### 13.15 **Best Execution**

The ACD must act in the best interests of each Sub-fund when executing decisions to deal on behalf of the relevant Sub-fund. The ACD's order execution policy sets out the (i) systems and controls that have been put in place and (ii) the factors which the ACD expects the Investment Adviser to consider when effecting transactions and placing orders in relation to the Sub-funds. This policy

has been developed in accordance with the ACD's obligations under the Regulations to obtain the best possible result for the Company.

Details of the order execution policy are available from the ACD on request. If you have any questions regarding the policy please contact the ACD or your professional adviser.

#### **13.16 Inducements and soft commission**

When executing orders, or placing orders with other entities for execution, that relate to financial instruments for, or on behalf of, the Sub-funds, an Investment Adviser or the ACD (as relevant) will not accept and retain any fees, commissions or monetary benefits; or accept any non-monetary benefits, where these are paid or provided by any third party or a person acting on behalf of a third party.

The Investment Adviser or ACD will return to each relevant Sub-fund as soon as reasonably possible after receipt any fees, commissions or any monetary benefits paid or provided by any third party or a person acting on behalf of a third party in relation to the services provided to that Sub-fund, and disclose in the annual report the fees, commissions or any monetary benefits transferred to them.

However, the Investment Adviser or ACD may accept without disclosure minor non-monetary benefits that are capable of enhancing the quality of service provided to the Sub-fund; and of a scale and nature such that they could not be judged to impair their compliance with its duty to act honestly, fairly and professionally in the best interests of each Sub-fund.

## APPENDIX I

### SUB-FUND DETAILS

#### Ongoing Charges Figure (OCF)

The OCF provides investors with a clearer picture of the total annual costs in running a collective investment scheme and is based on the previous year's expenses. The figure may vary from year to year and it excludes the costs of buying or selling assets for the Sub-fund (but includes transaction charges incurred by investing in any other collective investment schemes). Where there is not enough historic data available, or when historic data will not provide a reliable indication of future costs, an estimated OCF will be calculated based on the most reliable information available (OCF (Estimated)). The OCF is displayed in the Key Investor Information Document (KIID). A copy of the KIID for each Sub-fund listed below can be provided free of charge on request.

In the descriptions below, "expected volatility" is the measure of the anticipated volatility of a Fund given the mix of assets held, taking account of the historical volatility of those asset classes. The Funds are constructed to ensure that the calculated expected volatility remains below the maximum level ascribed. The expected volatility measure is not the same as a Fund's actual (or historic) share price volatility.

"RPI" means the Retail Price Index.

### SUB-FUND DETAILS

<b>Name:</b>	SVS Cornelian Cautious Fund
<b>Product Reference Number:</b>	645155
<b>Type of Sub-fund:</b>	UCITS scheme
<b>Investment Objective and Policy:</b>	<p>The objective of the Fund is to achieve long term capital growth and income delivering average annual investment returns (total returns, net of fees) of at least RPI + 1.5% over a five to seven year investment cycle.</p> <p>Ordinarily the assets will be invested in direct and indirect investments with a balance between fixed income and equity investments. To enable the creation of a diversified portfolio the Fund may also invest in other transferable securities and collective investment schemes. There is no specific limit in exposure to any sector or geographic area. There may be occasions when it is deemed necessary to hold a high level of cash or short dated government bonds. Derivatives and forward transactions may be used for Efficient Portfolio Management.</p> <p>This Fund is managed within Cornelian risk level B on a risk scale of A to E (with A being</p>

the lowest risk and E being the highest risk). For details on which risk level is most suitable for investors please see Appendix VI. The Fund is one of a range of funds designed to achieve their RPI+ objectives whilst each being managed below an upper expected risk limit. This upper expected risk limit is expressed using the upper expected volatility of the Fund calculated by an independent third party and is based on the historical volatility of the asset classes held in the Fund. The upper expected volatility may change from time to time and the current upper expected volatility at any time is available at [www.cornelianam.com/about-us/svs-cornelian-funds/](http://www.cornelianam.com/about-us/svs-cornelian-funds/). The Fund's upper expected volatility is not the same as the Fund's actual (or historic) share price volatility. Details of the methodology employed to calculate the upper expected volatility can be found in Appendix VI of the Prospectus or from the Investment Adviser's web-site.

**Benchmark**

RPI + 1.5% is the target set for the Fund's performance to match or exceed over a five to seven year investment cycle.

The ACD has selected this target benchmark as the ACD believes it best reflects the target of returns above inflation over a five to seven year investment cycle after costs.

**Final Accounting Date:**

15 April

**Interim Accounting Date:**

15 October

**Income Distribution Dates:**

15 June (final)  
15 December (interim)

**Shares Classes and type of Shares:**

Income Class B  
Income Class C\*\*  
Income Class D  
Income Class E  
Income Class F\*\*\*

Accumulation Class B  
Accumulation Class C\*\*  
Accumulation Class D  
Accumulation Class E  
Accumulation Class F\*\*\*

**Initial Charge:**

Class B Nil  
Class C Nil  
Class D Nil

	Class E Nil Class F Nil
<b>Redemption Charge:</b>	Nil
<b>Switching Charge:</b>	Nil
<b>Annual Management Charge:</b>	Class B 1.00% Class C - up to 0.75% Class D 0.75% Class E 1.25% Class F 0.60%
<b>Trail Commission:</b>	Class B Nil Class C Nil Class D Nil Class E Nil Class F Nil
<b>Allocation of charges:</b>	All expenses other than those relating directly to the purchase and sale of investments will be allocated 50% to income and 50% to capital. However, research costs will be allocated 100% to capital for the purposes of distribution.
<b>Investment Minima:*</b> Lump Sum:	Class B £1,000 Class C £20,000,000 Class D £1,000,000 Class E £1,000 Class F £30,000,000
<b>Holding:</b>	Class B £1,000 Class C £20,000,000 Class D £1,000,000 Class E £1,000 Class F £30,000,000
<b>Top-up:</b>	N/A (providing minimum holding is maintained)
<b>Regular Savings Plan:</b>	£50 per month (Class B and D)
<b>Redemption:</b>	N/A (providing minimum holding is maintained)
<b>Past Performance:</b>	Past performance information is set out in Appendix V

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

\*\* Class C shares are reserved for investors who are clients of the Investment Adviser's discretionary service that invests in one or more of the following funds: SVS Cornelian Cautious Fund, SVS Cornelian Defensive Fund, SVS

Cornelian Growth Fund, SVS Cornelian Managed Growth Fund, SVS Cornelian Managed Income Fund and SVS Cornelian Progressive Fund.

\*\*\*

Class F shares are only available to clients of adviser firms who distribute such shares where each adviser firm has entered into a written agreement with the Investment Adviser relating to the conditions for investment in such shares.

## SUB-FUND DETAILS

<b>Name:</b>	SVS Cornelian Growth Fund
<b>Product Reference Number:</b>	645154
<b>Type of Sub-fund:</b>	UCITS scheme
<b>Investment Objective and Policy:</b>	<p>The objective of the Fund is to achieve long term capital growth delivering average annual investment returns (total returns, net of fees) of at least RPI + 2.5% over a five to seven year investment cycle.</p> <p>Ordinarily the emphasis of the assets will be to invest in equities, bonds, government securities and equity funds. To enable the creation of a diversified portfolio the Fund may also invest in other transferable securities and collective investment schemes. There is no specific limit in exposure to any sector or geographic area. There may be occasions when it is deemed necessary to hold a high level of cash or short dated government bonds. Derivatives and forward transactions may be used for Efficient Portfolio Management.</p> <p>This Fund is managed within Cornelian risk level D on a risk scale of A to E (with A being the lowest risk and E being the highest risk). For details on which risk level is most suitable for investors please see Appendix VI. The Fund is one of a range of funds designed to achieve their RPI+ objectives whilst each being managed below an upper expected risk limit. This upper expected risk limit is expressed using the upper expected volatility of the Fund calculated by an independent third party and is based on the historical volatility of the asset classes held in the Fund. The upper expected volatility may change from time to time and the current upper expected volatility at any time is available at <a href="http://www.cornelianam.com/about-us/svs-cornelian-funds/">www.cornelianam.com/about-us/svs-cornelian-funds/</a>. The Fund's upper expected volatility is not the same as the Fund's actual (or historic) share price volatility. Details of the methodology employed to calculate the upper expected volatility can be found in Appendix VI of the Prospectus or from the Investment Adviser's web-site.</p>



<b>Benchmark</b>	<p>RPI + 2.5% is the target set for the Fund's performance to match or exceed over a five to seven year investment cycle.</p> <p>The ACD has selected this target benchmark as the ACD believes it best reflects the target of returns above inflation over a five to seven year investment cycle after costs.</p>
<b>Final Accounting Date:</b>	15 April
<b>Interim Accounting Dates:</b>	15 October
<b>Income Distribution Dates:</b>	15 June (final) 15 December (interim)
<b>Shares Classes and type of Shares:</b>	<p>Income Class B Income Class C** Income Class D Income Class E Income Class F***</p> <p>Accumulation Class B Accumulation Class C** Accumulation Class D Accumulation Class E Accumulation Class F***</p>
<b>Initial Charge:</b>	<p>Class B Nil Class C Nil Class D Nil Class E Nil Class F Nil</p>
<b>Redemption Charge:</b>	Nil
<b>Switching Charge:</b>	Nil
<b>Annual Management Charge:</b>	<p>Class B 1.00% Class C - up to 0.75% Class D 0.75% Class E 1.25% Class F 0.60%</p>
<b>Trail Commission:</b>	<p>Class B Nil Class C Nil Class D Nil Class E Nil Class F Nil</p>
<b>Allocation of Charges:</b>	All expenses other than those relating directly to the purchase and sale of investments will be allocated 100% to income. However, research costs will be allocated 100% to capital for the purposes

	of distribution.
<b>Investment Minima:*</b>	
Lump Sum:	Class B £1,000 Class C £20,000,000 Class D £1,000,000 Class E £1,000 Class F £30,000,000
Holding:	Class B £1,000 Class C £20,000,000 Class D £1,000,000 Class E £1,000 Class F £30,000,000
Top-up:	N/A (providing minimum holding is maintained)
Regular Savings Plan:	£50 per month (Class B and D)
Redemption:	N/A (providing minimum holding is maintained)
<b>Past Performance:</b>	Past performance information is set out in Appendix V

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

\*\* Class C shares are reserved for investors who are clients of the Investment Adviser's discretionary service that invests in one or more of the following funds: SVS Cornelian Cautious Fund, SVS Cornelian Defensive Fund, SVS Cornelian Growth Fund, SVS Cornelian Managed Growth Fund, SVS Cornelian Managed Income Fund and SVS Cornelian Progressive Fund.

\*\*\* Class F shares are only available to clients of adviser firms who distribute such shares where each adviser firm has entered into a written agreement with the Investment Adviser relating to the conditions for investment in such shares.

## SUB-FUND DETAILS

<b>Name:</b>	SVS Cornelian Defensive Fund
<b>Product Reference Number:</b>	645157
<b>Type of Sub-fund:</b>	UCITS scheme
<b>Investment Objective and Policy:</b>	<p>The objective of the Fund is to achieve long term capital growth and income delivering average annual investment returns (total returns, net of fees) of at least RPI + 1.0% over a five to seven year investment cycle.</p> <p>The majority of the assets will be fixed income funds, government securities and cash and 'near cash' instruments. To enable the creation of a diversified portfolio the Fund may also invest in transferable securities and other collective investment schemes. There is no specific limit in exposure to any sector or geographic area. There may be occasions when it is deemed necessary to hold a high level of cash or short dated government bonds. Derivatives and forward transactions may be used for Efficient Portfolio Management.</p> <p>This Fund is managed within Cornelian risk level A on a risk scale of A to E (with A being the lowest risk and E being the highest risk). For details on which risk level is most suitable for investors please see Appendix VI. The Fund is one of a range of funds designed to achieve their RPI+ objectives whilst each being managed below an upper expected risk limit. This upper expected risk limit is expressed using the upper expected volatility of the Fund calculated by an independent third party and is based on the historical volatility of the asset classes held in the Fund. The upper expected volatility limit may change from time to time and the current upper expected volatility at any time is available at <a href="http://www.cornelianam.com/about-us/svs-cornelian-funds/">www.cornelianam.com/about-us/svs-cornelian-funds/</a>. The Fund's upper expected volatility is not the same as the Fund's actual (or historic) share price volatility. Details of the methodology employed to calculate the upper expected volatility can be found in Appendix VI of the Prospectus or from the Investment Adviser's web-site.</p>
<b>Benchmark</b>	RPI + 1.0% is the target set for the Fund's performance to match or exceed over a five

to seven year investment cycle.

The ACD has selected this target benchmark as the ACD believes it best reflects the target of returns above inflation over a five to seven year investment cycle after costs.

<b>Final Accounting Date:</b>	15 April
<b>Interim Accounting Dates:</b>	15 October
<b>Income Distribution Dates:</b>	15 June (final) 15 December (interim)
<b>Shares Classes and type of Shares:</b>	Income Class B Income Class C** Income Class D Income Class E Income Class F***  Accumulation Class B Accumulation Class C** Accumulation Class D Accumulation Class E Accumulation Class F***
<b>Initial Charge:</b>	Class B Nil Class C Nil Class D Nil Class E Nil Class F Nil
<b>Redemption Charge:</b>	Nil
<b>Switching Charge:</b>	Nil
<b>Annual Management Charge:</b>	Class B 1.00% Class C - up to 0.75% Class D 0.75% Class E 1.25% Class F 0.60%
<b>Trail Commission:</b>	Class B Nil Class C Nil Class D Nil Class E Nil Class F Nil
<b>Allocation of Charges:</b>	All expenses other than those relating directly to the purchase and sale of investments will be allocated 50% to income and 50% to capital. However, research costs will be allocated 100% to capital for the purposes of distribution.

**Investment Minima:\***

Lump Sum	Class B £1,000 Class C £20,000,000 Class D £1,000,000 Class E £1,000 Class F £30,000,000
Holding	Class B £1,000 Class C £20,000,000 Class D £1,000,000 Class E £1,000 Class F £30,000,000
Top-up	N/A (providing minimum holding is maintained)
Regular Savings Plan	£50 per month
Redemption	N/A (providing minimum holding is maintained)
<b>Past Performance:</b>	Past performance information is set out in Appendix V

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

\*\* Class C shares are reserved for investors who are clients of the Investment Adviser's discretionary service that invests in one or more of the following funds: SVS Cornelian Cautious Fund, SVS Cornelian Defensive Fund, SVS Cornelian Growth Fund, SVS Cornelian Managed Growth Fund, SVS Cornelian Managed Income Fund and SVS Cornelian Progressive Fund.

\*\*\* Class F shares are only available to clients of adviser firms who distribute such shares where each adviser firm has entered into a written agreement with the Investment Adviser relating to the conditions for investment in such shares.

## SUB-FUND DETAILS

<b>Name:</b>	SVS Cornelian Managed Growth Fund
<b>Product Reference Number:</b>	645158
<b>Type of Sub-fund:</b>	UCITS scheme
<b>Investment Objective and Policy:</b>	<p>The objective of the Fund is to achieve long term capital growth and income delivering average annual investment returns (total returns, net of fees) of at least RPI + 2.0% over a five to seven year investment cycle.</p> <p>Ordinarily the majority of the assets will be invested in equities, bonds, government securities and equity funds. To enable the creation of a diversified portfolio the Fund may also invest in other transferable securities and collective investment schemes. There is no specific limit in exposure to any sector or geographic area. There may be occasions when it is deemed necessary to hold a high level of cash or short dated government bonds. Derivatives and forward transactions may be used for Efficient Portfolio Management.</p> <p>This Fund is managed within Cornelian risk level C on a risk scale of A to E (with A being the lowest risk and E being the highest risk). For details on which risk level is most suitable for investors please see Appendix VI. The Fund is one of a range of funds designed to achieve their RPI+ objectives whilst each being managed below an upper expected risk limit. This upper expected risk limit is expressed using the upper expected volatility of the Fund calculated by an independent third party and is based on the historical volatility of the asset classes held in the Fund. The upper expected volatility may change from time to time and the current upper expected volatility at any time is available at <a href="http://www.cornelianam.com/about-us/svs-cornelian-funds/">www.cornelianam.com/about-us/svs-cornelian-funds/</a>. The Fund's upper expected volatility is not the same as the Fund's actual (or historic) share price volatility. Details of the methodology employed to calculate the upper expected volatility can be found in Appendix VI of the Prospectus or from the Investment Adviser's web-site.</p>
<b>Benchmark</b>	RPI + 2.0% is the target set for the Fund's performance to match or exceed over a five to seven year investment cycle.

The ACD has selected this target benchmark as the ACD believes it best reflects the target of returns above inflation over a five to seven year investment cycle after costs.

<b>Final Accounting Date:</b>	15 April
<b>Interim Accounting Dates:</b>	15 October
<b>Income Distribution Dates:</b>	15 June (final)
	15 December (interim)

<b>Shares Classes and type of Shares:</b>	Income Class B
	Income Class C**
	Income Class D
	Income Class E
	Income Class F***
	Accumulation Class B
	Accumulation Class C**
	Accumulation Class D
	Accumulation Class E
	Accumulation Class F***

<b>Initial Charge:</b>	Class B Nil
	Class C Nil
	Class D Nil
	Class E Nil
	Class F Nil
<b>Redemption Charge:</b>	Nil

<b>Switching Charge:</b>	Nil
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<b>Annual Management Charge:</b>	Class B 1.00%
	Class C - up to 0.75%
	Class D 0.75%
	Class E 1.25%
	Class F 0.60%

<b>Trail Commission:</b>	Class B Nil
	Class C Nil
	Class D Nil
	Class E Nil
	Class F Nil

<b>Allocation of Charges:</b>	All expenses other than those relating directly to the purchase and sale of investments will be allocated 50% to income and 50% to capital. However, research costs will be allocated 100% to capital for the purposes of distribution.
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<b>Investment Minima:*</b>	
<b>Lump Sum:</b>	Class B £1,000
	Class C £20,000,000
	Class D £1,000,000

	Class E £1,000 Class F £30,000,000
Holding:	Class B £1,000 Class C £20,000,000 Class D £1,000,000 Class E £1,000 Class F £30,000,000
Top-up:	N/A (providing minimum holding is maintained)
Regular Savings Plan:	£50 per month
Redemption:	N/A (providing minimum holding is maintained)
Past Performance:	Past performance information is set out in Appendix V

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

\*\* Class C shares are reserved for investors who are clients of the Investment Adviser's discretionary service that invests in one or more of the following funds: SVS Cornelian Cautious Fund, SVS Cornelian Defensive Fund, SVS Cornelian Growth Fund, SVS Cornelian Managed Growth Fund, SVS Cornelian Managed Income Fund and SVS Cornelian Progressive Fund.

\*\*\* Class F shares are only available to clients of adviser firms who distribute such shares where each adviser firm has entered into a written agreement with the Investment Adviser relating to the conditions for investment in such shares.



## SUB-FUND DETAILS

<b>Name:</b>	SVS Cornelian Progressive Fund
<b>Product reference Number:</b>	645159
<b>Type of Sub-fund:</b>	UCITS scheme
<b>Investment Objective and Policy:</b>	<p>The objective of the Fund is to achieve long term capital growth delivering average annual investment returns (total returns, net of fees) of at least RPI + 3.0% over a five to seven year investment cycle.</p> <p>Ordinarily the assets will be primarily invested in equities or equity funds. To enable the creation of a diversified portfolio the Fund may also invest in other transferable securities and collective investment schemes. There is no specific limit in exposure to any sector or geographic area. There may be occasions when it is deemed necessary to hold a high level of cash or short dated government bonds. Derivatives and forward transactions may be used for Efficient Portfolio Management.</p> <p>This Fund is managed within Cornelian risk level E on a risk scale of A to E (with A being the lowest risk and E being the highest risk). For details on which risk level is most suitable for investors please see Appendix VI. The Fund is one of a range of funds designed to achieve their RPI+ objectives whilst each being managed below an upper expected risk limit. This upper expected risk limit is expressed using the upper expected volatility of the Fund calculated by an independent third party and is based on the historical volatility of the asset classes held in the Fund. The upper expected volatility may change from time to time and the current upper expected volatility at any time is available at <a href="http://www.cornelianam.com/about-us/svs-cornelian-funds/">www.cornelianam.com/about-us/svs-cornelian-funds/</a>. The Fund's upper expected volatility is not the same as the Fund's actual (or historic) share price volatility. Details of the methodology employed to calculate the upper expected volatility can be found in Appendix VI of the Prospectus or from the Investment Adviser's web-site.</p>
<b>Benchmark</b>	<p>RPI + 3.0% is the target set for the Fund's performance to match or exceed over a five to seven year investment cycle.</p> <p>The ACD has selected this target benchmark as the ACD believes it best reflects the target of returns above inflation over a five to seven year investment</p>

	cycle after costs.
<b>Final Accounting Date:</b>	15 April
<b>Interim Accounting Dates:</b>	15 October
<b>Income distribution dates:</b>	15 June (final) 15 December (interim)
<b>Shares Classes and type of Shares:</b>	Income Class B Income Class C** Income Class D Income Class E Income Class F***  Accumulation Class B Accumulation Class C** Accumulation Class D Accumulation Class E Accumulation Class F***
<b>Initial Charge:</b>	Class B Nil Class C Nil Class D Nil Class E Nil Class F Nil
<b>Redemption Charge:</b>	Nil
<b>Switching Charge:</b>	Nil
<b>Annual Management Charge:</b>	Class B 1.00% Class C - up to 0.75% Class D 0.75% Class E 1.25% Class F 0.60%
<b>Trail Commission:</b>	Class B Nil Class C Nil Class D Nil Class E Nil Class F Nil
<b>Allocation of Charges:</b>	All expenses other than those relating directly to the purchase and sale of investments will be allocated 100% to income. However, research costs will be allocated 100% to capital for the purposes of distribution.
<b>Investment Minima:*</b>	
<b>Lump Sum:</b>	Class B £1,000 Class C £20,000,000 Class D £1,000,000 Class E £1,000

	Class F £30,000,000
<b>Holding:</b>	Class B £1,000 Class C £20,000,000 Class D £1,000,000 Class E £1,000 Class F £30,000,000
<b>Top-up:</b>	N/A (providing minimum holding is maintained)
<b>Regular Savings Plan:</b>	£50 per month
<b>Redemption:</b>	N/A (providing minimum holding is maintained)
<b>Past Performance:</b>	Past performance information is set out in Appendix V

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

\*\* Class C shares are reserved for investors who are clients of the Investment Adviser's discretionary service that invests in one or more of the following funds: SVS Cornelian Cautious Fund, SVS Cornelian Defensive Fund, SVS Cornelian Growth Fund, SVS Cornelian Managed Growth Fund, SVS Cornelian Managed Income Fund and SVS Cornelian Progressive Fund.

\*\*\* Class F shares are only available to clients of adviser firms who distribute such shares where each adviser firm has entered into a written agreement with the Investment Adviser relating to the conditions for investment in such shares.

## SUB-FUND DETAILS

<b>Name:</b>	SVS Cornelian Managed Income Fund
<b>Product Reference Number:</b>	678779
<b>Type of Sub-fund:</b>	UCITS scheme
<b>Investment Objective and Policy:</b>	<p>The objective of the Fund is to achieve long term capital growth and income delivering average annual investment returns (total returns, net of fees) of at least RPI + 2.0% over a five to seven year investment cycle.</p> <p>Ordinarily the majority of the assets will be invested in equities, bonds, government securities and equity funds. To enable the creation of a diversified portfolio the Fund may also invest in other transferable securities and collective investment schemes. There is no specific limit in exposure to any sector or geographic area. There may be occasions when it is deemed necessary to hold a high level of cash or short dated government bonds. Derivatives and forward transactions may be used for Efficient Portfolio Management.</p> <p>This Fund is managed within Cornelian risk level C on a risk scale of A to E (with A being the lowest risk and E being the highest risk). For details on which risk level is most suitable for investors please see Appendix VI. The Fund is one of a range of funds designed to achieve their RPI+ objectives whilst each being managed below an upper expected risk limit. This upper expected risk limit is expressed using the upper expected volatility of the Fund calculated by an independent third party and is based on the historical volatility of the asset classes held in the Fund. The upper expected volatility limit may change from time to time and the current upper expected volatility at any time is available at <a href="http://www.cornelianam.com/about-us/svs-cornelian-funds/">www.cornelianam.com/about-us/svs-cornelian-funds/</a>. The Fund's upper expected volatility is not the same as the Fund's actual (or historic) share price volatility. Details of the methodology employed to calculate the upper expected volatility can be found in Appendix VI of the Prospectus or from the Investment Adviser's web-site.</p>
<b>Benchmark</b>	<p>RPI + 2.0% is the target set for the fund's performance to match or exceed over a five to seven year investment cycle.</p> <p>The ACD has selected this target benchmark as the ACD believes it best reflects the target of returns</p>

above inflation over a five to seven year investment cycle after costs.

<b>Final Accounting Date:</b>	15 April
<b>Interim Accounting Dates:</b>	15 October
<b>Income Distribution Dates:</b>	15 June (final) 15 September (interim) 15 December (interim) 15 March (interim)
<b>Shares Classes and type of Shares:</b>	Income Class B Income Class C** Income Class D Income Class E Income Class F***  Accumulation Class B Accumulation Class C** Accumulation Class D Accumulation Class E Accumulation Class F***
<b>Initial Charge:</b>	Class B Nil Class C Nil Class D Nil Class E Nil Class F Nil
<b>Redemption Charge:</b>	Nil
<b>Switching Charge:</b>	Nil
<b>Annual Management Charge:</b>	Class B 1% Class C - up to 0.75% Class D 0.75% Class E 1.25% Class F 0.60%
<b>Trail Commission:</b>	Class B Nil Class C Nil Class D Nil Class E Nil Class F Nil
<b>Allocation of Charges:</b>	All expenses will be allocated to capital.
<b>Investment Minima:*</b>	
Lump Sum:	Class B £1,000 Class C £20,000,000 Class D £1,000,000 Class E £1,000 Class F £30,000,000

Holding:	Class B £1,000 Class C £20,000,000 Class D £1,000,000 Class E £1,000 Class F £30,000,000
Top-up:	N/A (providing minimum holding is maintained)
Regular Savings Plan:	£50 per month
Redemption:	N/A (providing minimum holding is maintained)
Past Performance:	Once past performance is available it will be set out in Appendix V.

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

\*\* Class C shares are reserved for investors who are clients of the Investment Adviser's discretionary service that invests in one or more of the following funds: SVS Cornelian Cautious Fund, SVS Cornelian Defensive Fund, SVS Cornelian Growth Fund, SVS Cornelian Managed Growth Fund, SVS Cornelian Managed Income Fund and SVS Cornelian Progressive Fund.

\*\*\* Class F shares are only available to clients of adviser firms who distribute such shares where each adviser firm has entered into a written agreement with the Investment Adviser relating to the conditions for investment in such shares.

## SUB-FUND DETAILS

<b>Name:</b>	SVS Cornelian Defensive RMP Fund
<b>Product reference Number:</b>	766135
<b>Type of Sub-fund:</b>	UCITS scheme
<b>Investment Objective and Policy:</b>	<p>The objective of the Fund is to achieve long term capital growth and income delivering average annual investment returns (total returns, net of fees) of at least RPI + 1.0% over a five to seven year investment cycle.</p> <p>Ordinarily, a majority of the assets will be invested in passive funds that track the performance of an underlying index, thereby mainly gaining exposure to fixed income funds, government securities and cash and 'near cash' investments. To enable the creation of a diversified portfolio the Fund may also invest in transferable securities and other collective investment schemes. There is no specific limit in exposure to any sector or geographic area. There may be occasions when it is deemed necessary to hold a high level of cash or short dated government bonds. Derivatives and forward transactions may be used for Efficient Portfolio Management.</p> <p>This Fund is managed within Cornelian risk level A on a risk scale of A to E (with A being the lowest risk and E being the highest risk). For details on which risk level is most suitable for investors please see Appendix VI. The Fund is one of a range of funds designed to achieve their RPI+ objectives whilst each being managed below an upper expected risk limit. This upper expected risk limit is expressed using the upper expected volatility of the Fund calculated by an independent third party and is based on the historical volatility of the asset classes held in the Fund. The upper expected volatility may change from time to time and the current upper expected volatility at any time is available at <a href="http://www.cornelianam.com/about-us/svs-cornelian-funds/">www.cornelianam.com/about-us/svs-cornelian-funds/</a>. The Fund's upper expected volatility is not the same as the Fund's actual (or historic) share price volatility. Details of the methodology employed to calculate the upper expected volatility can be found in Appendix VI of the Prospectus or from the Investment Adviser's web-site.</p>
<b>Benchmark</b>	<p>RPI + 1.0% is the target set for the Fund's performance to match or exceed over a five to seven year investment cycle.</p> <p>The ACD has selected this target benchmark as the</p>

ACD believes it best reflects the target of returns above inflation over a five to seven year investment cycle after costs.

<b>Final Accounting Date:</b>	15 April
<b>Interim Accounting Date:</b>	15 October
<b>Income Distribution Dates:</b>	15 June (final) 15 September (interim) 15 December (interim) 15 March (interim)
<b>Shares Classes and type of Shares:</b>	Income Class G Income Class H Accumulation Class G Accumulation Class H
<b>Initial Charge:</b>	Class G Nil Class H Nil
<b>Redemption Charge:</b>	Nil
<b>Switching Charge:</b>	Nil
<b>Annual Management Charge:</b>	Class G 0.30% Class H 0.40%
<b>Trail Commission:</b>	Class G Nil Class H Nil
<b>Allocation of charges:</b>	All expenses other than those relating directly to the purchase and sale of investments will be allocated 50% to income and 50% to capital. However, research costs will be allocated 100% to capital for the purposes of distribution.
<b>Investment Minima:*</b>	
Lump Sum:	Class G £1,000,000 Class H £1,000
Holding:	Class G £1,000,000 Class H £1,000
Top-up:	N/A (providing minimum holding is maintained)
Regular Savings Plan:	£50 per month
Redemption:	N/A (providing minimum holding is maintained)
<b>Past Performance:</b>	Past performance information is set out in Appendix V



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

## SUB-FUND DETAILS

<b>Name:</b>	SVS Cornelian Progressive RMP Fund
<b>Product reference Number:</b>	766137
<b>Type of Sub-fund:</b>	UCITS scheme
<b>Investment Objective and Policy:</b>	<p>The objective of the Fund is to achieve long term capital growth delivering average annual investment returns (total returns, net of fees) of at least RPI + 3.0% over a five to seven year investment cycle.</p> <p>A majority of the assets will be invested in passive funds that track the performance of an underlying index, thereby primarily gaining exposure to equities and/or equity investments. To enable the creation of a diversified portfolio the Fund may also invest in other transferable securities and collective investment schemes. There is no specific limit in exposure to any sector or geographic area. There may be occasions when it is deemed necessary to hold a high level of cash or short dated government bonds. Derivatives and forward transactions may be used for Efficient Portfolio Management.</p> <p>This Fund is managed within Cornelian risk level E on a risk scale of A to E (with A being the lowest risk and E being the highest risk). For details on which risk level is most suitable for investors please see Appendix VI. The Fund is one of a range of funds designed to achieve their RPI+ objectives whilst each being managed below an upper expected risk limit. This upper expected risk limit is expressed using the upper expected volatility of the Fund calculated by an independent third party and is based on the historical volatility of the asset classes held in the Fund. The upper expected volatility may change from time to time and the current upper expected volatility at any time is available at <a href="http://www.cornelianam.com/about-us/svs-cornelian-funds/">www.cornelianam.com/about-us/svs-cornelian-funds/</a>. The Fund's upper expected volatility is not the same as the Fund's actual (or historic) share price volatility. Details of the methodology employed to calculate the upper expected volatility can be found in Appendix VI of the Prospectus or from the Investment Adviser's web-site.</p>
<b>Benchmark</b>	<p>RPI + 3.0% is the target set for the Fund's performance to match or exceed over a five to seven year investment cycle.</p> <p>The ACD has selected this target benchmark as the ACD believes it best reflects the target of returns above inflation over a five to seven year investment</p>

	cycle after costs.
<b>Final Accounting Date:</b>	15 April
<b>Interim Accounting Date:</b>	15 October
<b>Income Distribution Dates:</b>	15 June (final) 15 September (interim) 15 December (interim) 15 March (interim)
<b>Shares Classes and type of Shares:</b>	Income Class G Income Class H Accumulation Class G Accumulation Class H
<b>Initial Charge:</b>	Class G Nil Class H Nil
<b>Redemption Charge:</b>	Nil
<b>Switching Charge:</b>	Nil
<b>Annual Management Charge:</b>	Class G 0.30% Class H 0.40%
<b>Trail Commission:</b>	Class G Nil Class H Nil
<b>Allocation of charges:</b>	All expenses other than those relating directly to the purchase and sale of investments will be allocated 100% to income. However, research costs will be allocated 100% to capital for the purposes of distribution.
<b>Investment Minima:*</b>	
Lump Sum:	Class G £1,000,000 Class H £1,000
Holding:	Class G £1,000,000 Class H £1,000
Top-up:	N/A (providing minimum holding is maintained)
Regular Savings Plan:	£50 per month
Redemption:	N/A (providing minimum holding is maintained)
<b>Past Performance:</b>	Past performance information is set out in Appendix V

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



## SUB-FUND DETAILS

<b>Name:</b>	SVS Cornelian Managed Growth RMP Fund
<b>Product Reference Number:</b>	766139
<b>Type of Sub-fund:</b>	UCITS scheme
<b>Investment Objective and Policy:</b>	<p>The objective of the Fund is to achieve long term capital growth and income delivering average annual investment returns (total returns, net of fees) of at least RPI + 2.0% over a five to seven year investment cycle.</p> <p>A majority of the assets will be invested in passive funds that track the performance of an underlying index, thereby mainly gaining exposure to equities and/or equity investments. To enable the creation of a diversified portfolio the Fund may also invest in other transferable securities and collective investment schemes. There is no specific limit in exposure to any sector or geographic area. There may be occasions when it is deemed necessary to hold a high level of cash or short dated government bonds. Derivatives and forward transactions may be used for Efficient Portfolio Management.</p> <p>This Fund is managed within Cornelian risk level C on a risk scale of A to E (with A being the lowest risk and E being the highest risk). For details on which risk level is most suitable for investors please see Appendix VI. The Fund is one of a range of funds designed to achieve their RPI+ objectives whilst each being managed below an upper expected risk limit. This upper expected risk limit is expressed using the upper expected volatility of the Fund calculated by an independent third party and is based on the historical volatility of the asset classes held in the Fund. The upper expected volatility may change from time to time and the current upper expected volatility at any time is available at <a href="http://www.cornelianam.com/about-us/svs-cornelian-funds/">www.cornelianam.com/about-us/svs-cornelian-funds/</a>. The Fund's upper expected volatility is not the same as the Fund's actual (or historic) share price volatility. Details of the methodology employed to calculate the upper expected volatility can be found in Appendix VI of the Prospectus or from the Investment Adviser's web-site.</p>
<b>Benchmark</b>	<p>RPI + 2.0% is the target set for the Fund's performance to match or exceed over a five to seven year investment cycle.</p> <p>The ACD has selected this target benchmark as the ACD believes it best reflects the target of returns</p>

	above inflation over a five to seven year investment cycle after costs.
<b>Final Accounting Date:</b>	15 April
<b>Interim Accounting Date:</b>	15 October
<b>Income Distribution Dates:</b>	15 June (final) 15 September (interim) 15 December (interim) 15 March (interim)
<b>Shares Classes and type of Shares:</b>	Income Class G Income Class H Accumulation Class G Accumulation Class H
<b>Initial Charge:</b>	Class G Nil Class H Nil
<b>Redemption Charge:</b>	Nil
<b>Switching Charge:</b>	Nil
<b>Annual Management Charge:</b>	Class G 0.30% Class H 0.40%
<b>Trail Commission:</b>	Class G Nil Class H Nil
<b>Allocation of charges:</b>	All expenses other than those relating directly to the purchase and sale of investments will be allocated 50% to income and 50% to capital. However, research costs will be allocated 100% to capital for the purposes of distribution.
<b>Investment Minima:*</b>	
Lump Sum:	Class G £1,000,000 Class H £1,000
Holding:	Class G £1,000,000 Class H £1,000
Top-up:	N/A (providing minimum holding is maintained)
Regular Savings Plan:	£50 per month
Redemption:	N/A (providing minimum holding is maintained)
<b>Past Performance:</b>	Past performance information is set out in Appendix V

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



## SUB-FUND DETAILS

<b>Name:</b>	SVS Cornelian Cautious RMP Fund
<b>Product Reference Number:</b>	766140
<b>Type of Sub-fund:</b>	UCITS scheme
<b>Investment Objective and Policy:</b>	<p>The objective of the Fund is to achieve long term capital growth and income delivering average annual investment returns (total returns, net of fees) of at least RPI + 1.5% over a five to seven year investment cycle.</p> <p>A majority of the assets will be invested in passive funds that track the performance of an underlying index, thereby mainly gaining exposure to a balance of fixed income and equity investments. To enable the creation of a diversified portfolio the Fund may also invest in other transferable securities and collective investment schemes. There is no specific limit in exposure to any sector or geographic area. There may be occasions when it is deemed necessary to hold a high level of cash or short dated government bonds. Derivatives and forward transactions may be used for Efficient Portfolio Management.</p> <p>This Fund is managed within Cornelian risk level B on a risk scale of A to E (with A being the lowest risk and E being the highest risk). For details on which risk level is most suitable for investors please see Appendix VI. The Fund is one of a range of funds designed to achieve their RPI+ objectives whilst each being managed below an upper expected risk limit. This upper expected risk limit is expressed using the upper expected volatility of the Fund calculated by an independent third party and is based on the historical volatility of the asset classes held in the Fund. The upper expected volatility may change from time to time and the current upper expected volatility at any time is available at <a href="http://www.cornelianam.com/about-us/svs-cornelian-funds/">www.cornelianam.com/about-us/svs-cornelian-funds/</a>. The Fund's upper expected volatility is not the same as the Fund's actual (or historic) share price volatility. Details of the methodology employed to calculate the upper expected volatility can be found in Appendix VI of the Prospectus or from the Investment Adviser's web-site.</p>
<b>Benchmark</b>	<p>RPI + 1.5% is the target set for the Fund's performance to match or exceed over a five to seven year investment cycle.</p> <p>The ACD has selected this target benchmark as the ACD believes it best reflects the target of returns</p>



above inflation over a five to seven year investment cycle after costs.

<b>Final Accounting Date:</b>	15 April
<b>Interim Accounting Date:</b>	15 October
<b>Income Distribution Dates:</b>	15 June (final) 15 September (interim) 15 December (interim) 15 March (interim)
<b>Shares Classes and type of Shares:</b>	Income Class G Income Class H Accumulation Class G Accumulation Class H
<b>Initial Charge:</b>	Class G Nil Class H Nil
<b>Redemption Charge:</b>	Nil
<b>Switching Charge:</b>	Nil
<b>Annual Management Charge:</b>	Class G 0.30% Class H 0.40%
<b>Trail Commission:</b>	Class G Nil Class H Nil
<b>Allocation of charges:</b>	All expenses other than those relating directly to the purchase and sale of investments will be allocated 50% to income and 50% to capital. However, research costs will be allocated 100% to capital for the purposes of distribution.
<b>Investment Minima:*</b>	
Lump Sum:	Class G £1,000,000 Class H £1,000
Holding:	Class G £1,000,000 Class H £1,000
Top-up:	N/A (providing minimum holding is maintained)
Regular Savings Plan:	£50 per month
Redemption:	N/A (providing minimum holding is maintained)
<b>Past Performance:</b>	Past performance information is set out in Appendix V

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



## SUB-FUND DETAILS

<b>Name:</b>	SVS Cornelian Growth RMP Fund
<b>Product Reference Number:</b>	766143
<b>Type of Sub-fund:</b>	UCITS scheme
<b>Investment Objective and Policy:</b>	<p>The objective of the Fund is to achieve long term capital growth delivering average annual investment returns (total returns, net of fees) of at least RPI + 2.5% over a five to seven year investment cycle.</p> <p>A majority of the assets will be invested in passive funds that track the performance of an underlying index, thereby mainly gaining exposure to equities and/or equity investments. To enable the creation of a diversified portfolio the Fund may also invest in other transferable securities and collective investment schemes. There is no specific limit in exposure to any sector or geographic area. There may be occasions when it is deemed necessary to hold a high level of cash or short dated government bonds. Derivatives and forward transactions may be used for Efficient Portfolio Management.</p> <p>This Fund is managed within Cornelian risk level D on a risk scale of A to E (with A being the lowest risk and E being the highest risk). For details on which risk level is most suitable for investors please see Appendix VI. The Fund is one of a range of funds designed to achieve their RPI+ objectives whilst each being managed below an upper expected risk limit. This upper expected risk limit is expressed using the upper expected volatility of the Fund calculated by an independent third party and is based on the historical volatility of the asset classes held in the Fund. The upper expected volatility may change from time to time and the current upper expected volatility at any time is available at <a href="http://www.cornelianam.com/about-us/svs-cornelian-funds/">www.cornelianam.com/about-us/svs-cornelian-funds/</a>. The Fund's upper expected volatility is not the same as the Fund's actual (or historic) share price volatility. Details of the methodology employed to calculate the upper expected volatility can be found in Appendix VI of the Prospectus or from the Investment Adviser's web-site.</p>
<b>Benchmark</b>	<p>RPI + 2.5% is the target set for the Fund's performance to match or exceed over a five to seven year investment cycle.</p> <p>The ACD has selected this target benchmark as the ACD believes it best reflects the target of returns above inflation over a five to seven year investment cycle after costs.</p>

<b>Final Accounting Date:</b>	15 April
<b>Interim Accounting Date:</b>	15 October
<b>Income Distribution Dates:</b>	15 June (final) 15 September (interim) 15 December (interim) 15 March (interim)
<b>Shares Classes and type of Shares:</b>	Income Class G Income Class H Accumulation Class G Accumulation Class H
<b>Initial Charge:</b>	Class G Nil Class H Nil
<b>Redemption Charge:</b>	Nil
<b>Switching Charge:</b>	Nil
<b>Annual Management Charge:</b>	Class G 0.30% Class H 0.40%
<b>Trail Commission:</b>	Class G Nil Class H Nil
<b>Allocation of charges:</b>	All expenses other than those relating directly to the purchase and sale of investments will be allocated 100% to income. However, research costs will be allocated 100% to capital for the purposes of distribution.
<b>Investment Minima:*</b>	
Lump Sum:	Class G £1,000,000 Class H £1,000
Holding:	Class G £1,000,000 Class H £1,000
Top-up:	N/A (providing minimum holding is maintained)
Regular Savings Plan:	£50 per month
Redemption:	N/A (providing minimum holding is maintained)
<b>Past Performance:</b>	Past performance information is set out in Appendix V

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

## APPENDIX II

### ELIGIBLE SECURITIES MARKETS AND ELIGIBLE DERIVATIVES MARKETS

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

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

#### Eligible Securities Markets:

**The United Kingdom and any other EEA State**

**Australia**

Australian Securities Exchange (ASX)

**Canada**

Toronto Stock Exchange (TSX)  
TSX Venture Exchange

**Hong Kong**

Hong Kong Exchanges and Clearing Company

**Japan**

Tokyo Stock Exchange  
Osaka Securities Exchange

**Republic of Korea (South Korea)**

Korea Exchange (KRX)

**Mexico**

Mexican Stock Exchange (Bolsa Mexicana de Valores) (BMV)

**New Zealand**

New Zealand Exchange Ltd (NZX)

**Singapore**

Singapore Exchange (SGX)

**South Africa**

JSE Limited

**Switzerland**

SIX Swiss Exchange (SWX)

**Thailand**

Stock Exchange of Thailand (SET)

**United States of America**

New York Stock Exchange  
NASDAQ  
NYSE MKT LLC

**Eligible Derivatives Markets:**

<b>Australia</b>	Australian Securities Exchange (ASX)
<b>Canada</b>	Montreal Exchange (MX)
<b>Hong Kong</b>	Hong Kong Exchange
<b>Japan</b>	Osaka Securities Exchange Tokyo Stock Exchange
<b>Mexico</b>	Bolsa Mexicana de Valores (BMV)
<b>South Africa</b>	JSE Limited
<b>Switzerland</b>	Eurex Zurich
<b>United States</b>	Chicago Board Options Exchange CME Group NYSE Arca NYSE AMEX Options

## **APPENDIX III**

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

#### **1 General**

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

From time to time and in particular during periods of uncertain or volatile markets, the Investment Adviser may choose to hold a substantial proportion of the property of the Sub-funds in money-market instruments and/or cash deposits.

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

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

##### **1.2 Cover**

1.2.1 Where the COLL Sourcebook allows a transaction to be entered into or an investment to be retained only (for example, investment in nil and partly paid securities and the general power to accept or underwrite) if possible obligations arising out of the investment transactions or out of the retention would not cause any breach of any limits in COLL 5, it must be assumed that the maximum possible liability of a Sub-fund under any other of those rules has also to be provided for.

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

- (a) it must be assumed that in applying any of those rules, a Sub-fund must also simultaneously satisfy any other obligation relating to cover; and
- (b) no element of cover must be used more than once.

#### **2 UCITS Schemes - general**

2.1 Subject to the investment objective and policy of a Sub-fund, the Scheme Property of a Sub-fund must, except where otherwise provided in COLL 5, only consist of any or all of:

- (a) transferable securities;
- (b) approved money-market instruments;
- (c) permitted units in collective investments schemes;

- (d) permitted derivatives and forward transactions; and
  - (e) permitted deposits.
- 2.2 It is not intended that the Sub-funds will have an interest in any immovable property or tangible movable property.
- 3 Transferable Securities**
- 3.1 A transferable security is an investment falling within article 76 (Shares etc), article 77 (Instruments creating or acknowledging indebtedness), article 78 (Government and public securities), article 79 (Instruments giving entitlement to investments) and article 80 (Certificates representing certain securities) of the Regulated Activities Order.
- 3.2 An investment is not a transferable security if the title to it cannot be transferred, or can be transferred only with the consent of a third party.
- 3.3 In applying paragraph 3.2 of this Appendix to an investment which is issued by a body corporate, and which is an investment falling within articles 76 (Shares, etc) or 77 (Instruments creating or acknowledging indebtedness) of the Regulated Activities Order, the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored.
- 3.4 An investment is not a transferable security unless the liability of the holder of it to contribute to the debts of the issuer is limited to any amount for the time being unpaid by the holder of it in respect of the investment.
- 3.5 A Sub-fund may invest in a transferable security only to the extent that the transferable security fulfils the following criteria:
- (a) the potential loss which a Sub-fund may incur with respect to holding the transferable security is limited to the amount paid for it;
  - (b) its liquidity does not compromise the ability of the ACD to comply with its obligation to redeem Shares at the request of any qualifying Shareholder under the FCA Handbook;
  - (c) reliable valuation is available for it as follows:
    - (i) in the case of a transferable security admitted to or dealt in on an eligible market, where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers;
    - (ii) in the case of a transferable security not admitted to or dealt in on an eligible market, where there is a valuation on a periodic basis which is derived from information from the issuer of the transferable security or from competent investment research;
  - (d) appropriate information is available for it as follows:



- (i) in the case of a transferable security admitted to or dealt in on an eligible market, where there is regular, accurate and comprehensive information available to the market on the transferable security or, where relevant, on the portfolio of the transferable security;
    - (ii) in the case of a transferable security not admitted to or dealt in on an eligible market, where there is regular and accurate information available to the ACD on the transferable security or, where relevant, on the portfolio of the transferable security;
  - (e) it is negotiable; and
  - (f) its risks are adequately captured by the risk management process of the ACD.
- 3.6 Unless there is information available to the ACD that would lead to a different determination, a transferable security which is admitted to or dealt in on an eligible market shall be presumed:
- (a) not to compromise the ability of the ACD to comply with its obligation to redeem Shares at the request of any qualifying Shareholder; and
  - (b) to be negotiable.
- 3.7 No more than 100% of the value of the Scheme Property may be invested in warrants. However, the Investment Adviser has determined that not more than 5% in value of the Scheme Property of any Fund may consist of warrants, provided that warrants may only be held if it is reasonably foreseeable that the exercise of the rights conferred by the warrants will not contravene the Regulations.
- 4 Closed end funds constituting transferable securities**
- 4.1 A unit or a share in a closed end fund shall be taken to be a transferable security for the purposes of investment by a Sub-fund, provided it fulfils the criteria for transferable securities set out in paragraph 3.5 and either:
- (a) where the closed end fund is constituted as an investment company or a unit trust:
    - (i) it is subject to corporate governance mechanisms applied to companies; and
    - (ii) 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
  - (b) where the closed end fund is constituted under the law of contract:
    - (i) it is subject to corporate governance mechanisms equivalent to those applied to companies; and
    - (ii) it is managed by a person who is subject to national regulation for the purpose of investor protection.

## **5 Transferable securities linked to other assets**

5.1 A Sub-fund may invest in any other investment which shall be taken to be a transferable security for the purposes of investment by a Sub-fund provided the investment:

- (a) fulfils the criteria for transferable securities set out in 3.5 above; and
- (b) is backed by or linked to the performance of other assets, which may differ from those in which a Sub-fund can invest.

5.2 Where an investment in 5.1 contains an embedded derivative component, the requirements of this section with respect to derivatives and forwards will apply to that component.

## **6 Approved Money-Market Instruments**

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

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

- (a) has a maturity at issuance of up to and including 397 days;
- (b) has a residual maturity of up to and including 397 days;
- (c) undergoes regular yield adjustments in line with money-market conditions at least every 397 days; or
- (d) has a risk profile, including credit and interest rate risks, corresponding to that of an instrument which has a maturity as set out in (a) or (b) or is subject to yield adjustments as set out in (c).

6.3 A money-market instrument shall be regarded as liquid if it can be sold at limited cost in an adequately short time frame, taking into account the obligation of the ACD to redeem Shares at the request of any qualifying Shareholder.

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

- (a) enabling the ACD to calculate a net asset value in accordance with the value at which the instrument held in the Scheme Property of a Sub-fund could be exchanged between knowledgeable willing parties in an arm's length transaction; and
- (b) based either on market data or on valuation models including systems based on amortised costs.

- 6.5 A money-market instrument that is normally dealt in on the money-market and is admitted to or dealt in on an eligible market shall be presumed to be liquid and have a value which can be accurately determined at any time unless there is information available to the ACD that would lead to a different determination.
- 7 Transferable securities and money-market instruments generally to be admitted or dealt in on an Eligible Market
- 7.1 Transferable securities and approved money-market instruments held within a Sub-fund must be:
- (a) admitted to or dealt in on an eligible market as described in 8.3(a); or
  - (b) dealt in on an eligible market as described in 8.3(b); or
  - (c) admitted to or dealt in on an eligible market as described in 8.4; or
  - (d) for an approved money-market instrument not admitted to or dealt in on an eligible market, within 9.1; or
  - (e) recently issued transferable securities provided that:
    - (i) the terms of issue include an undertaking that application will be made to be admitted to an eligible market; and
    - (ii) such admission is secured within a year of issue.
- 7.2 However, a Sub-fund may invest no more than 10% of its Scheme Property in transferable securities and approved money-market instruments other than those referred to in 7.1.
- 8 Eligible markets regime: purpose and requirements**
- 8.1 To protect Shareholders the markets on which investments of the Sub-funds are dealt in or traded on should be of an adequate quality (“eligible”) at the time of acquisition of the investment and until it is sold.
- 8.2 Where a market ceases to be eligible, investments on that market cease to be approved securities. The 10% restriction in 7.2 above on investing in non approved securities applies and exceeding this limit because a market ceases to be eligible will generally be regarded as an inadvertent breach.
- 8.3 A market is eligible for the purposes of the rules if it is:
- (a) a regulated market as defined in the FCA Handbook; or
  - (b) a market in an EEA State which is regulated, operates regularly and is open to the public; or
  - (c) a market falling in paragraph 8.4 of this Appendix.
- 8.4 A market falling within paragraph 8.3(c) of this Appendix is eligible for the purposes of COLL 5 if:

- 8.4.1 the ACD, after consultation with and notification to the Depositary, decides that market is appropriate for investment of, or dealing in, the Scheme Property;
- 8.4.2 the market is included in a list in the Prospectus; and
- 8.4.3 the Depositary has taken reasonable care to determine that:
  - (i) adequate custody arrangements can be provided for the investment dealt in on that market; and
  - (ii) all reasonable steps have been taken by the ACD in deciding whether that market is eligible.
- 8.5 In paragraph 8.4.1, a market must not be considered appropriate unless it is regulated, operates regularly, is recognised by an overseas regulator, is open to the public, is adequately liquid and has adequate arrangements for unimpeded transmission of income and capital to or for the order of Shareholders.
- 8.6 The Eligible Markets for the Sub-funds are set out in Appendix II.
- 9 Money-market instruments with a regulated issuer**
- 9.1 In addition to instruments admitted to or dealt in on an eligible market, a Sub-fund may invest in an approved money-market instrument provided it fulfils the following requirements:
  - (a) the issue or the issuer is regulated for the purpose of protecting Shareholders and savings; and
  - (b) the instrument is issued or guaranteed in accordance with paragraph 10 (Issuers and guarantors of money-market instruments) below.
- 9.2 The issue or the issuer of a money-market instrument, other than one dealt in on an eligible market, shall be regarded as regulated for the purpose of protecting Shareholders and savings if:
  - 9.2.1 the instrument is an approved money-market instrument;
  - 9.2.2 appropriate information is available for the instrument (including information which allows an appropriate assessment of the credit risks related to investment in it), in accordance with paragraph 11 (Appropriate information for money-market instruments) below; and
  - 9.2.3 the instrument is freely transferable.
- 10 Issuers and guarantors of money-market instruments**
- 10.1 A Sub-fund may invest in an approved money-market instrument if it is:
  - (a) issued or guaranteed by any one of the following:
    - (i) a central authority of an EEA State or, if the EEA State is a federal state, one of the members making up the federation;

- (ii) a regional or local authority of an EEA State;
    - (iii) the European Central Bank or a central bank of an EEA State;
    - (iv) the European Union or the European Investment Bank;
    - (v) a non-EEA State or, in the case of a federal state, one of the members making up the federation;
    - (vi) a public international body to which one or more EEA States belong;  
or
  - (b) issued by a body, any securities of which are dealt in on an eligible market; or
  - (c) issued or guaranteed by an establishment which is:
    - (i) subject to prudential supervision in accordance with criteria defined by European Community law; or
    - (ii) subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by European Community law.
- 10.2 An establishment shall be considered to satisfy the requirement in 10.1(c)(ii) if it is subject to and complies with prudential rules, and fulfils one or more of the following criteria:
- (a) it is located in the European Economic Area;
  - (b) it is located in an OECD country belonging to the Group of Ten;
  - (c) it has at least investment grade rating;
- 10.2.1 on the basis of an in-depth analysis of the issuer, it can be demonstrated that the prudential rules applicable to that issuer are at least as stringent as those laid down by European Community law.
- 11 Appropriate information for money-market instruments**
- 11.1 In the case of an approved money-market instrument within 10.1(b) or issued by a body of the type referred to in COLL 5.2.10EG, or which is issued by an authority within 10.1(a)(ii) or a public international body within 10.1(a)(vi) but is not guaranteed by a central authority within 10.1(a)(i), the following information must be available:
- (a) information on both the issue or the issuance programme, and the legal and financial situation of the issuer prior to the issue of the instrument, verified by appropriately qualified third parties not subject to instructions from the issuer;
  - (b) updates of that information on a regular basis and whenever a significant event occurs; and

- (c) available and reliable statistics on the issue or the issuance programme.
- 11.2 In the case of an approved money-market instrument issued or guaranteed by an establishment within 10.1(c), the following information must be available:
  - (a) information on the issue or the issuance programme or on the legal and financial situation of the issuer prior to the issue of the instrument;
  - (b) updates of that information on a regular basis and whenever a significant event occurs; and
  - (c) available and reliable statistics on the issue or the issuance programme, or other data enabling an appropriate assessment of the credit risks related to investment in those instruments.
- 11.3 In the case of an approved money-market instrument:
  - (a) within 10.1(a)(i), 10.1(a)(iv) or 10.1(a)(v); or
  - (b) which is issued by an authority within 10.1(a)(ii) or a public international body within 10.1(a)(vi) and is guaranteed by a central authority within 10.1(a)(i);
  - (c) information must be available on the issue or the issuance programme, or on the legal and financial situation of the issuer prior to the issue of the instrument.
- 12 **Spread: general**
- 12.1 This rule on spread does not apply in respect of a transferable security or an approved money-market instrument to which COLL 5.2.12R (Spread: government and public securities) applies.
- 12.2 For the purposes of this requirement companies included in the same group for the purposes of consolidated accounts as defined in accordance with Directive 83/349/EEC or in the same group in accordance with international accounting standards are regarded as a single body.
- 12.3 Not more than 20% in the value of the Scheme Property of a Sub-fund is to consist of deposits with a single body.
- 12.4 Not more than 5% in value of the Scheme Property of a Sub-fund is to consist of transferable securities or approved money-market instruments issued by any single body, except that the limit of 5% is raised to 10% in respect of up to 40% in value of the Scheme Property (covered bonds need not be taken into account for the purposes of applying the limit of 40%). For these purposes certificates representing certain securities are treated as equivalent to the underlying security.
- 12.5 The limit of 5% is raised to 25% in value of the Scheme Property in respect of covered bonds provided that when a Sub-fund invests more than 5% in covered bonds issued by a single body, the total value of covered bonds held must not exceed 80% in value of the Scheme Property.

- 12.6 The exposure to any one counterparty in an OTC derivative transaction must not exceed 5% in value of the Scheme Property of a Sub-fund. This limit is raised to 10% where the counterparty is an Approved Bank.
- 12.7 Not more than 20% in value of the Scheme Property of a Sub-fund is to consist of transferable securities and approved money-market instruments issued by the same group.
- 12.8 Not more than 20% in value of the Scheme Property of a Sub-fund is to consist of the units of any one collective investment scheme.
- 12.9 The COLL Sourcebook provides that in applying the limits in 12.3, 12.4 and 12.6 in relation to a single body, and subject to 12.5, not more than 20% in value of the Scheme Property of a Sub-fund is to consist of any combination of two or more of the following:
- (a) transferable securities (including covered bonds) or approved money-market instruments issued by that body; or
  - (b) deposits made with that body; or
  - (c) exposures from OTC derivative transactions made with that body;
- 13 Counterparty risk and issuer concentration**
- 13.1 The ACD must ensure that counterparty risk arising from an OTC derivative is subject to the limits set out in paragraphs 12.6 and 12.9 above.
- 13.2 When calculating the exposure of a Sub-fund to a counterparty in accordance with the limits in paragraph 12.6 the ACD must use the positive mark-to-market value of the OTC derivative contract with that counterparty.
- 13.3 An ACD may net the OTC derivative positions of a Sub-fund with the same counterparty, provided they are able legally to enforce netting agreements with the counterparty on behalf of the Sub-fund.
- 13.4 The netting agreements in paragraph 13.3 above are permissible only with respect to OTC derivatives with the same counterparty and not in relation to any other exposures the Sub-fund may have with that same counterparty.
- 13.5 The ACD may reduce the exposure of Scheme Property to a counterparty of an OTC derivative through the receipt of collateral. Collateral received must be sufficiently liquid so that it can be sold quickly at a price that is close to its pre-sale valuation.
- 13.6 The ACD must take collateral into account in calculating exposure to counterparty risk in accordance with the limits in paragraph 13.8 when it passes collateral to an OTC counterparty on behalf of a Sub-fund.
- 13.7 Collateral passed in accordance with paragraph 13.6 may be taken into account on a net basis only if the ACD is able legally to enforce netting arrangements with this counterparty on behalf of that Sub-fund.

- 13.8 The ACD must calculate the issuer concentration limits referred to in paragraph 12.6 on the basis of the underlying exposure created through the use of OTC derivatives pursuant to the commitment approach.
- 13.9 In relation to the exposure arising from OTC derivatives as referred to in paragraph 12.9 the ACD must include any exposure to OTC derivative counterparty risk in the calculation.
- 14 Spread: government and public securities
- 14.1 The following section applies in respect of a transferable security or an approved money-market instrument ("such securities") that is issued by:
- (a) an EEA State;
  - (b) a local authority of an EEA State;
  - (c) a non-EEA State; or
  - (d) a public international body to which one or more EEA States belong.
- 14.2 Where no more than 35% in value of the Scheme Property of a Sub-fund is invested in such securities issued by any one body, there is no limit on the amount which may be invested in such securities or in any one issue.
- 14.3 The Company or a Sub-fund may invest more than 35% in value of the Scheme Property in such securities issued by any one body provided that:
- (a) the ACD has before any such investment is made consulted with the Depositary and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objectives of the relevant Sub-fund;
  - (b) no more than 30% in value of the Scheme Property consists of such securities of any one issue;
  - (c) the Scheme Property includes such securities issued by that or another issuer, of at least six different issues;
  - (d) the disclosures in COLL 3.2.6R(8) and COLL 4.2.5R(3)(i) have been made.
- 14.4 In giving effect to the foregoing object more than 35% of the Scheme Property may be invested in such securities issued or guaranteed by the Governments of the United Kingdom, Northern Ireland, the Scottish Administration, the Executive Committee of the Northern Ireland Assembly or the National Assembly of Wales, the Governments of Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain and Sweden, and the Governments of Australia, Canada, Japan, New Zealand, Switzerland or the United States of America, or the European Investment Bank.
- 14.5 Notwithstanding 12.1 and subject to 14.2 and 14.3 above, in applying the 20% limit in paragraph 12.9 with respect to a single body, such securities issued by that body shall be taken into account.



- 15 Investment in collective investment schemes**
- 15.1 Up to 100% of the value of the Scheme Property of a Sub-fund may be invested in units or shares in other collective investment schemes (“Second Scheme”) provided the Second Scheme satisfies all of the following conditions and provided that no more than 30% in value of the Scheme Property of a Sub-fund is invested in Second Schemes within 15.1.1(b) to 15.1.1(e) below.
- 15.1.1 The Second Scheme must:
- (a) satisfy the conditions necessary for it to enjoy the rights conferred by the UCITS Directive; or
  - (b) be a recognised scheme under the provisions of Section 272 of the Act that is authorised by the supervisory authorities of Guernsey, Jersey or the Isle of Man (provided it complies with the requirements of Article 50(1)(e) of the UCITS Directive); or
  - (c) be authorised as a non-UCITS retail scheme (provided the requirements of Article 50(1)(e) of the UCITS Directive are met);
  - (d) be authorised in another EEA State provided the requirements of Article 50(1)(e) of the UCITS Directive are met; or
  - (e) be 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 Second Scheme’s management company, rules and depositary/custody arrangements;
- (provided the requirements of article 50(1)(e) of the UCITS Directive are met).
- 15.1.2 The Second Scheme must have terms which prohibit more than 10% in value of the scheme property consisting of units in collective investment schemes. Where the Second Scheme is an umbrella, the provisions in this paragraph 15.1.2, paragraph 15.1.3 and paragraph 12 (Spread: General) apply to each sub fund as if it were a separate scheme.
- 15.1.3 The Scheme Property attributable to a Sub-fund may include Shares in another Sub-fund of the Company (the “Second Sub-fund”) subject to the requirements of paragraph 15.1.4 below.
- 15.1.4 A Sub-fund may invest in or dispose of Shares of a Second Sub-fund provided that:
- (a) the Second Sub-fund does not hold Shares in any other Sub-fund of the Company;
  - (b) the requirements set out at paragraphs 12.9, 15.4 and 15.5 below are complied with.

- 15.1.5 Investment may only be made in other collective investment schemes managed by the ACD or an associate of the ACD if a Sub-fund's Prospectus clearly states that it may enter into such investments and the rules on double charging contained in the COLL Sourcebook are complied with. Sub-funds in the Company are not permitted to invest in other Sub-funds of the Company.
- 15.2 The Sub-funds may, subject to the limit set out in 15.1 above, invest in collective investment schemes managed or operated by, or whose authorised corporate director is, the ACD of a Sub-fund or one of its associates.
- 15.3 If a substantial proportion of a Sub-fund's assets are invested in other collective investment schemes, the maximum level of management fees that may be charged by an investee collective investment scheme to a Sub-fund will be 6%.
- 15.4 Investment may only be made in a Second Sub-fund or other collective investment schemes managed by the ACD or an associate of the ACD if the Sub-fund's Prospectus clearly states that it may enter into such investments and the rules on double charging contained in the COLL Sourcebook are complied with.
- 15.5 Where a Sub-fund of the Company invests in or disposes of Shares in a Second Sub-fund or units or shares in another collective investment scheme which is managed or operated by the ACD or an Associate of the ACD, the ACD must pay to that Sub-fund by the close of business on the fourth Business Day the amount of any preliminary charge in respect of a purchase, and in the case of a sale, any charge made for the disposal.

## **16 Investment in nil and partly paid securities**

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

## **17 Derivatives: general**

The Investment Adviser may employ derivatives solely for the purposes of hedging with the aim of reducing the risk profile of the Sub-funds, or reducing costs, or generating additional capital or income, in accordance with Efficient Portfolio Management.

To the extent that derivative instruments are utilised for hedging purposes, the risk of loss to the Sub-funds may be increased where the value of the derivative instrument and the value of the security or position which it is hedging are insufficiently correlated.

- 17.1 A transaction in derivatives or a forward transaction must not be effected for a Sub-fund unless the transaction is of a kind specified in paragraph 19 (Permitted transactions (derivatives and forwards)) below, and the transaction is covered, as required by paragraph 31 (Cover for investment in derivatives and forward transactions) of this Appendix.
- 17.2 Where a Sub-fund invests in derivatives, the exposure to the underlying assets must not exceed the limits set out in the COLL Sourcebook in relation to COLL

- 5.2.11R (Spread: general) and COLL 5.2.12R (Spread: government and public securities) except for index based derivatives where the rules below apply.
- 17.3 Where a transferable security or approved money-market instrument embeds a derivative, this must be taken into account for the purposes of complying with this section.
- 17.4 A transferable security or an approved money-market instrument will embed a derivative if it contains a component which fulfils the following criteria:
- (a) by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or approved money-market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, and therefore vary in a way similar to a stand-alone derivative;
  - (b) its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and
  - (c) it has a significant impact on the risk profile and pricing of the transferable security or approved money-market instrument.
- 17.5 A transferable security or an approved money-market instrument does not embed a derivative where it contains a component which is contractually transferable independently of the transferable security or the approved money-market instrument. That component shall be deemed to be a separate instrument.
- 17.6 Where a Sub-fund invests in an index based derivative, provided the relevant index falls within COLL 5.2.20AR (Financial Indices underlying derivatives), the underlying constituents of the index do not have to be taken into account for the purposes of COLL 5.2.11R and COLL 5.2.12R.
- 18 Efficient Portfolio Management**
- 18.1 The Fund may utilise the Scheme Property to enter into transactions for the purposes of Efficient Portfolio Management (“EPM”). Permitted EPM transactions (excluding stock lending arrangements) are transactions in derivatives e.g. to hedge against price or currency fluctuations, dealt with or traded on an eligible derivatives market; off-exchange options or contracts for differences resembling options; or synthetic futures in certain circumstances. The ACD must take reasonable care to ensure that the transaction is economically appropriate to the reduction of the relevant risks (whether in the price of investments, interest rates or exchange rates) or to the reduction of the relevant costs and/or to the generation of additional capital or income for the Fund with a risk level which is consistent with the risk profile of the Fund and the risk diversification rules laid down in COLL. The exposure must be fully “covered” by cash and/or other property sufficient to meet any obligation to pay or deliver that could arise.
- 18.2 Permitted transactions are those that the Company reasonably regards as economically appropriate to EPM, that is:

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

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

- 18.3 Transactions may take the form of “derivatives transactions” (that is, transactions in options, futures or contracts for differences) or forward currency transactions. A derivatives transaction must either be in a derivative which is traded or dealt in on an eligible derivatives market (and effected in accordance with the rules of that market), or be an off-exchange derivative which complies with the relevant conditions set out in the COLL Sourcebook, or be a “synthetic future” (i.e. a composite derivative created out of two separate options). Forward currency transactions must be entered into with counterparties who satisfy the COLL Sourcebook. A permitted transaction may at any time be closed out. The eligible derivatives markets for the Sub-funds are set out in Appendix II.

## 19 Permitted transactions (derivatives and forwards)

- 19.1 A transaction in a derivative must be in an approved derivative; or be one which complies with paragraph 23 (OTC transactions in derivatives).
- 19.2 A transaction in a derivative must have the underlying consisting of any one or more of the following to which a Sub-fund is dedicated:
- (a) transferable securities;
  - (b) approved money-market instruments permitted under paragraphs 7.1.1 to 7.1.4;
  - (c) deposits and permitted derivatives under this paragraph;
  - (d) collective investment scheme units permitted under paragraph 15 (Investment in collective investment schemes);
  - (e) financial indices which satisfy the criteria set out in paragraph 20 (Financial indices underlying derivatives);
  - (f) interest rates;

- (g) foreign exchange rates; and
  - (h) currencies.
- 19.3 A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market.
- 19.4 A transaction in a derivative must not cause a Sub-fund to diverge from its investment objectives as stated in the Instrument constituting a Sub-fund and the most recently published version of this Prospectus.
- 19.5 A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more, transferable securities, approved money-market instruments, units in collective investment schemes, or derivatives.
- 19.6 Any forward transaction must be with an Eligible Institution or an Approved Bank.
- 19.7 A derivative includes an investment which fulfils the following criteria:
- (a) it allows transfer of the credit risk of the underlying independently from the other risks associated with that underlying;
  - (b) it does not result in the delivery or the transfer of assets other than those referred to in COLL 5.2.6AR, including cash;
  - (c) in the case of an OTC derivative, it complies with the requirements in paragraph 23; and
  - (d) its risks are adequately captured by the risk management process of the ACD and by its internal control mechanisms in the case of risk asymmetry of information between the ACD and the counterparty to the derivative resulting from the potential access of the counterparty to non-public information on persons whose assets are used as the underlying by that derivative.
- 19.8 A Sub-fund may not undertake transactions in derivatives on commodities.
- 20 Financial Indices underlying derivatives
- 20.1 The financial indices referred to in 19.2 are those which satisfy the following criteria:
- (a) the index is sufficiently diversified;
  - (b) the index represents an adequate benchmark for the market to which it refers; and
  - (c) the index is published in an appropriate manner.
- 20.2 A financial index is sufficiently diversified if:

- (a) it is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;
  - (b) where it is composed of assets in which a Sub-fund is permitted to invest, its composition is at least diversified in accordance with the requirements with respect to spread and concentration set out in this section; and
  - (c) where it is composed of assets in which a Sub-fund cannot invest, it is diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration set out in this section.
- 20.3 A financial index represents an adequate benchmark for the market to which it refers if:
  - (a) it measures the performance of a representative group of underlyings in a relevant and appropriate way;
  - (b) it is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers, following criteria which are publicly available; and
  - (c) the underlyings are sufficiently liquid, allowing users to replicate it if necessary.
- 20.4 A financial index is published in an appropriate manner if:
  - (a) its publication process relies on sound procedures to collect prices, and calculate and subsequently publish the index value, including pricing procedures for components where a market price is not available; and
  - (b) material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.
- 20.5 Where the composition of underlyings of a transaction in a derivative does not satisfy the requirements for a financial index, the underlyings for that transaction shall where they satisfy the requirements with respect to other underlyings pursuant to 17.2, be regarded as a combination of those underlyings.
- 21 Transactions for the purchase of property**
- 21.1 A derivative or forward transaction which will or could lead to the delivery of property for the account of a Sub-fund may be entered into only if that property can be held for the account of that Sub-fund, and the ACD having taken reasonable care determines that delivery of the property under the transaction will not occur or will not lead to a breach of the COLL Sourcebook.
- 22 Requirement to cover sales**

No agreement by or on behalf of a Sub-fund to dispose of property or rights may be made unless the obligation to make the disposal and any other similar obligation could immediately be honoured by that Sub-fund by delivery of property or the assignment (or, in Scotland, assignation) of rights, and the property and rights above are owned by a Sub-fund at the time of the agreement. This requirement does not apply to a deposit.

## **23 OTC transactions in derivatives**

### **23.1 Any transaction in an OTC derivative under paragraph 19.1 must be:**

- (a) in a future or an option or a contract for differences;
- (b) with an approved counterparty; a counterparty to a transaction in derivatives is approved only if the counterparty is an Eligible Institution or an Approved Bank; or a person whose permission (including any requirements or limitations), as published in the Financial Services Register or whose Home State authorisation, permits it to enter into the transaction as principal off-exchange;
- (c) on approved terms; the terms of the transaction in derivatives are approved only if, the ACD: carries out, at least daily, a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and which does not rely only on market quotations by the counterparty; and can enter into one or more further transactions to sell, liquidate or close out that transaction at any time, at its fair value; and
- (d) capable of reliable valuation; a transaction in derivatives is capable of reliable valuation only if the ACD having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy:
  - (i) on the basis of an up-to-date market value which the ACD and the Depositary have agreed is reliable; or
  - (ii) if the value referred to in 23.1(d)(i) is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and
- (e) subject to verifiable valuation: a transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by:
  - (i) an appropriate third party which is independent from the counterparty of the derivative at an adequate frequency and in such a way that the ACD is able to check it; or
  - (ii) a department within the ACD which is independent from the department in charge of managing a Sub-fund and which is adequately equipped for such a purpose.

- 23.2 For the purposes of paragraph 23.1(c), “fair value” is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction.
- 24 **Valuation of OTC derivatives**
- 24.1 For the purposes of paragraph 23.1(c) the ACD must:
- (a) establish, implement and maintain arrangements and procedures which ensure appropriate, transparent and fair valuation of the exposures of a Sub-fund to OTC derivatives; and
  - (b) ensure that the fair value of OTC derivatives is subject to adequate, accurate and independent assessment.
- 24.2 Where the arrangements and procedures referred to in paragraph 24.1 above involve the performance of certain activities by third parties, the ACD must comply with the requirements in SYSC 8.1.13 R (Additional requirements for a management company) and COLL 6.6A.4 R (4) to (6) (Due diligence requirements of AFMs of UCITS schemes).
- 24.3 The arrangements and procedures referred to in 24.1 must be:
- (a) adequate and proportionate to the nature and complexity of the OTC derivative concerned; and
  - (b) adequately documented.
- 25 **Risk Management**
- 25.1 The ACD uses a risk management process (including a risk management policy) in accordance with COLL 6.12, as reviewed by the Depositary and filed with the FCA, enabling it to monitor and measure at any time the risk of a Sub-fund’s positions and their contribution to the overall risk profile of a Sub-fund. The following details of the risk management process must be regularly notified to the FCA and at least on an annual basis:
- (a) a true and fair view of the types of derivatives and forward transactions to be used within the Fund together with their underlying risks and any relevant quantitative limits.
  - (b) the methods for estimating risks in derivative and forward transactions.
- 25.2 The ACD must notify the FCA in advance of any material alteration to the details above.
- 26 **Investment in deposits**
- 26.1 A Sub-fund may invest in deposits only with an Approved Bank and which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months.
- 27 **Significant influence**



- 27.1 The Company must not acquire transferable securities issued by a body corporate and carrying rights to vote (whether or not on substantially all matters) at a general meeting of that body corporate if:
- (a) immediately before the acquisition, the aggregate of any such securities held by the Company gives the Company power significantly to influence the conduct of business of that body corporate; or
  - (b) the acquisition gives the Company that power.
- 27.2 For the purposes of paragraph 27.1, the Company is to be taken to have power significantly to influence the conduct of business of a body corporate if it can, because of the transferable securities held by it, exercise or control the exercise of 20% or more of the voting rights in that body corporate (disregarding for this purpose any temporary suspension of voting rights in respect of the transferable securities of that body corporate).

## 28 Concentration

The Company:

- (a) must not acquire transferable securities other than debt securities which:
  - (i) do not carry a right to vote on any matter at a general meeting of the body corporate that issued them; and
  - (ii) represent more than 10% of these securities issued by that body corporate;
- (b) must not acquire more than 10% of the debt securities issued by any single issuing body;
- (c) must not acquire more than 25% of the units in a collective investment scheme;
- (d) must not acquire more than 10% of the approved money-market instruments issued by any single body; and
- (e) need not comply with the limits in paragraphs 28(b), 28(c) and 28(d) of this Appendix if, at the time of the acquisition, the net amount in issue of the relevant investment cannot be calculated.

## 29 Derivative exposure

- 29.1 The Sub-funds may invest in derivatives and forward transactions as long as the exposure to which a Sub-fund is committed by that transaction itself is suitably covered from within its Scheme Property. Exposure will include any initial outlay in respect of that transaction.
- 29.2 Cover ensures that a Sub-fund is not exposed to the risk of loss of property, including money, to an extent greater than the net value of the Scheme Property. Therefore, a Sub-fund must hold Scheme Property sufficient in value or amount to match the exposure arising from a derivative obligation to which

that Sub-fund is committed. Paragraph 31 (Cover for investment in derivatives and forward transactions) below sets out detailed requirements for cover of that Sub-fund.

29.3 A future is to be regarded as an obligation to which a Sub-fund is committed (in that, unless closed out, the future will require something to be delivered, or accepted and paid for); a written option as an obligation to which a Sub-fund is committed (in that it gives the right of potential exercise to another thereby creating exposure); and a bought option as a right (in that the purchaser can, but need not, exercise the right to require the writer to deliver and accept and pay for something).

29.4 Cover used in respect of one transaction in derivatives or forward transaction must not be used for cover in respect of another transaction in derivatives or a forward transaction.

### **30 Schemes replicating an index**

30.1 Notwithstanding paragraph 12 (Spread: general), a Sub-fund may invest up to 20% in value of the Scheme Property in shares and debentures which are issued by the same body where the stated investment policy is to replicate the composition of a relevant index as defined below.

30.2 Replication of the composition of a relevant index shall be understood to be a reference to a replication of the composition of the underlying assets of that index, including the use of techniques and instruments permitted for the purpose of efficient portfolio management.

30.3 The 20% limit can be raised for a particular Sub-fund up to 35% in value of the Scheme Property, but only in respect of one body and where justified by exceptional market conditions.

30.4 In the case of a Sub-fund replicating an index the Scheme Property need not consist of the exact composition and weighting of the underlying in the relevant index in cases where a Sub-fund's investment objective is to achieve a result consistent with the replication of an index rather than an exact replication.

30.5 The indices referred to above are those which satisfy the following criteria:

- (a) the composition is sufficiently diversified;
- (b) the index represents an adequate benchmark for the market to which it refers; and
- (c) the index is published in an appropriate manner.

30.6 The composition of an index is sufficiently diversified if its components adhere to the spread and concentration requirements in this section.

30.7 An index represents an adequate benchmark if its provider uses a recognised methodology which generally does not result in the exclusion of a major issuer of the market to which it refers.

30.8 An index is published in an appropriate manner if:

- (a) it is accessible to the public;
  - (b) the index provider is independent from the index-replicating UCITS scheme; this does not preclude index providers and the UCITS scheme from forming part of the same group, provided that effective arrangements for the management of conflicts of interest are in place.
- 31 Cover for investment in derivatives and forward transactions**
- 31.1** A Sub-fund may invest in derivatives and forward transactions as part of its investment policy provided:
  - (a) its global exposure relating to derivatives and forward transactions held in the Sub-fund does not exceed the net value of the Scheme Property; and
  - (b) its global exposure to the underlying assets does not exceed in aggregate the investment limits laid down in paragraph 12 above.
- 32 Cover and Borrowing**
- 32.1** Cash obtained from borrowing, and borrowing which the ACD reasonably regards an Eligible Institution or an Approved Bank to be committed to provide, is not available for cover under paragraph 31 (Cover for investment in derivatives and forward transactions) except where 32.2 below applies.
- 32.2** Where, for the purposes of this paragraph a Sub-fund borrows an amount of currency from an Eligible Institution or an Approved Bank; and keeps an amount in another currency, at least equal to such borrowing for the time being in 32.1 on deposit with the lender (or his agent or nominee), then this paragraph 32.2 applies as if the borrowed currency, and not the deposited currency, were part of the Scheme Property.
- 33 Calculation of global exposure**
- 33.1** The ACD must calculate the global exposure of a Sub-fund on at least a daily basis.
- 33.2** The ACD must calculate the global exposure of any Sub-fund it manages either as:
  - (a) the incremental exposure and leverage generated through the use of derivatives and forward transactions (including embedded derivatives as referred to in paragraph 17 (Derivatives: general), which may not exceed 100% of the net value of the Scheme Property; or
  - (b) the market risk of the Scheme Property.
- 33.3** For the purposes of this section exposure must be calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.
- 33.4** The ACD must calculate the global exposure of a Sub-fund by using:

- (a) commitment approach; or
  - (b) the value at risk approach.
- 33.5 The ACD must ensure that the method selected above is appropriate, taking into account:
- (a) the investment strategy pursued by the Sub-fund;
  - (b) types and complexities of the derivatives and forward transactions used; and
  - (c) the proportion of the Scheme Property comprising derivatives and forward transactions.
- 33.6 Where a Sub-fund employs techniques and instruments including repo contracts or stock lending transactions in accordance with paragraph 42 (Stock lending) in order to generate additional leverage or exposure to market risk, the authorised fund manager must take those transactions into consideration when calculating global exposure.
- 34 Cash and near cash**
- 34.1 Cash and near cash must not be retained in the Scheme Property of the Sub-funds except to the extent that, where this may reasonably be regarded as necessary in order to enable:
- (a) the pursuit of a Sub-fund's investment objectives; or
  - (b) redemption of Shares; or
  - (c) efficient management of a Sub-fund in accordance with its investment objectives; or
  - (d) other purposes which may reasonably be regarded as ancillary to the investment objectives of a Sub-fund.
- 34.2 During the period of the initial offer the Scheme Property of the Sub-funds may consist of cash and near cash without limitation.
- 35 General**
- 35.1 It is envisaged that a Sub-fund will normally be fully invested but there may be times that it is appropriate not to be fully invested when the ACD reasonably regards this as necessary in pursuit of the investment objective and policy, redemption of Shares, efficient management of a Sub-fund or any one purpose which may reasonably be regarded as ancillary to the investment objectives of a Sub-fund.
- 35.2 Where a Sub-fund invests in or disposes of units or shares in another collective investment scheme which is managed or operated by the ACD or an associate of the ACD, the ACD must pay to a Sub-fund by the close of business on the fourth

Business Day the amount of any preliminary charge in respect of a purchase, and in the case of a sale, any charge made for the disposal.

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

35.4 The COLL Sourcebook permits the ACD to use certain techniques when investing in derivatives in order to manage a Sub-fund's exposure to particular counterparties and in relation to the use of collateral to reduce overall exposure with respect to over-the-counter ("OTC") derivatives; for example a Sub-fund may take collateral from counterparties with whom they have an OTC derivative position and use that collateral to net off against the exposure they have to the counterparty under that OTC derivative position, for the purposes of complying with counterparty spread limits. The COLL Sourcebook also permits a Sub-fund to use derivatives to effectively short sell (agree to deliver the relevant asset without holding it in a Sub-fund) under certain conditions.

## 36 Underwriting

36.1 Underwriting and sub underwriting contracts and placings may also, subject to certain conditions set out in the COLL Sourcebook, be entered into for the account of a Sub-fund.

## 37 General power to borrow

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

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

37.3 The ACD must ensure that borrowing does not, on any Business Day, exceed 10% of the value of a Sub-fund.

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

## 38 Restrictions on lending of money

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

- 38.1.2 Acquiring a debenture is not lending for the purposes of paragraph 38.1, nor is the placing of money on deposit or in a current account.
- 38.1.3 Nothing in paragraph 38.1 prevents the Company from providing an officer of the Company with funds to meet expenditure to be incurred by him for the purposes of the Company (or for the purposes of enabling him properly to perform his duties as an officer of the Company) or from doing anything to enable an officer to avoid incurring such expenditure.
- 39 Restrictions on lending of property other than money**
- 39.1 Scheme Property of the Sub-funds other than money must not be lent by way of deposit or otherwise.
- 39.2 Transactions permitted by paragraph 42 (Stock lending) are not to be regarded as lending for the purposes of paragraph 39.1.
- 39.3 The Scheme Property of the Sub-funds must not be mortgaged.
- 39.4 Where transactions in derivatives or forward transactions are used for the account of a Sub-fund in accordance with COLL 5, nothing in this paragraph prevents a Sub-fund or the Depositary at the request of the Sub-fund: from lending, depositing, pledging or charging its Scheme Property for margin requirements; or transferring Scheme Property under the terms of an agreement in relation to margin requirements, provided that the ACD reasonably considers that both the agreement and the margin arrangements made under it (including in relation to the level of margin) provide appropriate protection to Shareholders.
- 40 General power to accept or underwrite placings**
- 40.1 Any power in COLL 5 to invest in transferable securities may be used for the purpose of entering into transactions to which this section applies, subject to compliance with any restriction in the Instrument of Incorporation. This section applies, to any agreement or understanding: which is an underwriting or sub-underwriting agreement, or which contemplates that securities will or may be issued or subscribed for or acquired for the account of a Sub-fund.
- 40.2 This ability does not apply to an option, or a purchase of a transferable security which confers a right to subscribe for or acquire a transferable security, or to convert one transferable security into another.
- 40.3 The exposure of a Sub-fund to agreements and understandings as set out above, on any Business Day be covered and be such that, if all possible obligations arising under them had immediately to be met in full, there would be no breach of any limit in the COLL Sourcebook.
- 41 Guarantees and indemnities**
- 41.1 The Company or the Depositary for the account of the Company must not provide any guarantee or indemnity in respect of the obligation of any person.
- 41.2 None of the Scheme Property may be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person.

41.3 Paragraphs 41.1 and 41.2 do not apply to in respect of the Company:

- (a) any indemnity or guarantee given for margin requirements where the derivatives or forward transactions are being used in accordance with COLL 5;
- (b) an indemnity falling within the provisions of regulation 62(3) (Exemptions from liability to be void) of the OEIC Regulations;
- (c) an indemnity (other than any provision in it which is void under regulation 62 of the OEIC Regulations) given to the Depositary against any liability incurred by it as a consequence of the safekeeping of any of the Scheme Property by it or by anyone retained by it to assist it to perform its function of the safekeeping of the Scheme Property; and
- (d) an indemnity given to a person winding up a scheme if the indemnity is given for the purposes of arrangements by which the whole or part of the property of that scheme becomes the first property of the Company and the holders of units in that scheme become the first Shareholders in the Company.

## 42 Stock lending

- 42.1 The entry into stock lending transactions or repo contracts for the account of a Sub-fund is permitted for the generation of additional income for the benefit of that Sub-fund, and hence for its Shareholders.
- 42.2 The specific method of stock lending permitted in this section is in fact not a transaction which is a loan in the normal sense. Rather it is an arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992, under which the lender transfers securities to the borrower otherwise than by way of sale and the borrower is to transfer those securities, or securities of the same type and amount, back to the lender at a later date. In accordance with good market practice, a separate transaction by way of transfer of assets is also involved for the purpose of providing collateral to the “lender” to cover him against the risk that the future transfer back of the securities may not be satisfactorily completed.
- 42.3 The stock lending permitted by this section may be exercised by a Sub-fund when it reasonably appears to a Sub-fund to be appropriate to do so with a view to generating additional income with an acceptable degree of risk.
- 42.4 The Company or the Depositary at the request of the Company may enter into a stock lending arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992 (without extension by section 263C), but only if all the terms of the agreement under which securities are to be reacquired by the Depositary for the account of a Sub-fund, are in a form which is acceptable to the Depositary and are in accordance with good market practice, the counterparty meets the criteria set out in COLL 5.4.4, and collateral is obtained to secure the obligation of the counterparty. Collateral must be acceptable to the Depositary, adequate and sufficiently immediate.

- 42.5 The Depositary must ensure that the value of the collateral at all times is at least equal to the value of the securities transferred by the Depositary. This duty may be regarded as satisfied in respect of collateral the validity of which is about to expire or has expired where the Depositary takes reasonable care to determine that sufficient collateral will again be transferred at the latest by the close of business on the day of expiry.
- 42.6 Any agreement for transfer at a future date of securities or of collateral (or of the equivalent of either) may be regarded, for the purposes of valuation under the COLL Sourcebook, as an unconditional agreement for the sale or transfer of property, whether or not the property is part of the property of a Sub-fund.
- 42.7 There is no limit on the value of the Scheme Property of a Sub-fund which may be the subject of stock lending transactions or repo contracts.



## APPENDIX IV

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

Authorised Unit Trusts	Investment Companies with Variable Capital
<p> Eagle Fund  Orchard Fund  Ourax Unit Trust  S&amp;W Langham Trust  S&amp;W Latham H Unit Trust  S&amp;W Magnum Trust  S&amp;W Marathon Trust  S&amp;W Thoroughbred Trust  S&amp;W Witch General Trust  S&amp;W Worldwide Fund  Smith &amp; Williamson European Equity Fund  Smith &amp; Williamson Far Eastern Income and Growth Fund  Smith &amp; Williamson Fixed Interest Fund  Smith &amp; Williamson North American Equity Fund  Smith &amp; Williamson UK Equity Growth Fund  Smith &amp; Williamson UK Equity Income Fund  Starhunter Managed Trust  SVS Albion OLIM UK Equity Income Fund  SVS Church House Balanced Equity Income Fund  SVS Church House Esk Global Equity Fund  SVS Church House Investment Grade Fixed Interest Fund  SVS Church House UK Managed Growth Fund  SVS True Potential Investments Fund  The Acorn Trust  The Alkerton Trust  The Barro II Trust  The Capital Balanced Fund  The Devonshire Trust  The Dream Trust  The Endeavour II Fund  The Enterprise Trust  The Global Opportunities Fund  The Ilex Fund  The Jetwave Trust  The Lancaster Trust  The Millennium Fund </p>	<p> Forest Fund ICVC  Hercules Managed Funds  Moorgate Funds ICVC  New Square Investment Funds  New Square Investment Funds 2  Pendennis Fund ICVC  Pityoulish Investments Fund  S&amp;W Aubrey Capital Management Investment Funds  S&amp;W Deucalion Fund  S&amp;W Kennox Strategic Value Fund  S&amp;W Gryphon Investment Funds  S&amp;W New Sarum Funds OEIC  S&amp;W Revera Fund  S&amp;W Saltus Onshore Portfolios  S&amp;W TS Campana Fund  Sardasca Fund  Smith &amp; Williamson Funds  Smith &amp; Williamson Investment Funds ICVC  Smithfield Funds  Stratford Place Fund  SVS Brown Shipley Investment Company  SVS Brown Shipley Multi Asset Portfolio  SVS CH Special Mandates Fund  SVS Cornelian Investment Funds  SVS Heritage Investment Fund  SVS True Potential Investments OEIC 1  SVS True Potential Investments OEIC 2  SVS True Potential Investments OEIC 3  Sylvan Funds  Taber Investments Fund  The Air Pilot Fund  The Aurinko Fund  The Blu-Frog Investment Fund  The Brighton Rock Fund  The Cheviot Fund  The Daisybelle Fund  The Dinky Fund  The Dunninger Fund  The Folla Fund  The Galacum Fund  The Gloucester Portfolio  The Greylag Fund  The Headspring Fund  The Headway Fund  The Jay Fund  The Jake Fund </p>

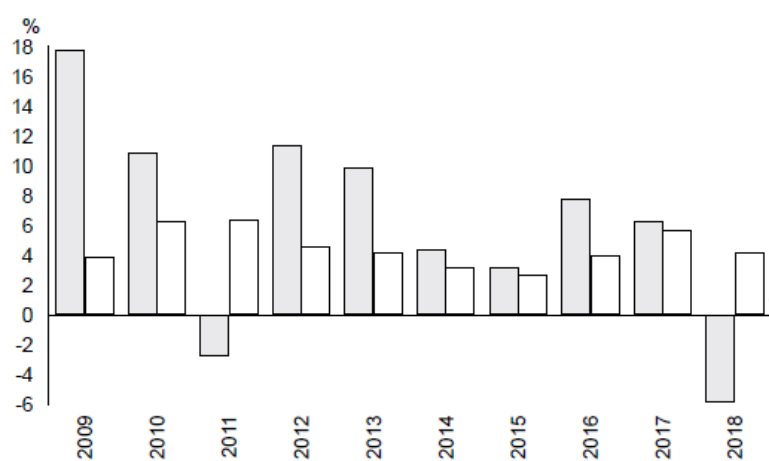
The Plain Andrews Unit Trust The Securities Fund The Skye Trust Worldwide Growth Trust	The Kingfisher Fund The Loch Moy Fund The Magpie Fund The MF Fund The Milne Fund The Nectar Fund The Norton Fund The Princedale Fund The Rosslyn Fund The SBB Fund The Staffordshire Portfolio The Stellar Fund The Touchstone Investment Fund The Tully Fund The Westhill Investment Fund
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## APPENDIX V

### PAST PERFORMANCE AND INVESTOR PROFILES

SVS Cornelian Cautious Fund (B Acc)\*

#### Past performance



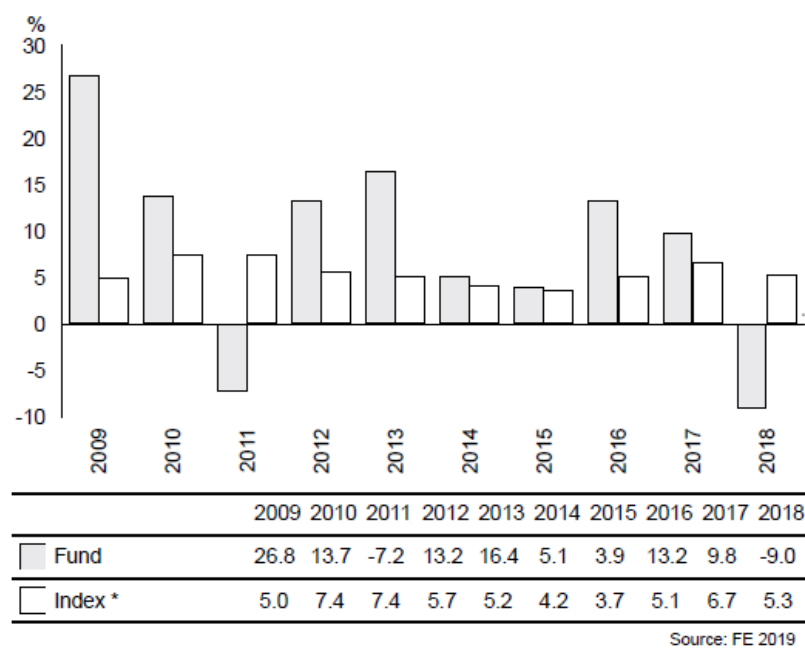
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Fund	17.7	10.9	-2.7	11.4	9.9	4.4	3.2	7.8	6.3	-5.8
Index *	3.9	6.3	6.4	4.6	4.2	3.2	2.7	4.0	5.7	4.2

Source: FE 2019

INDEX: RPI + 1.5%

## SVS Cornelian Growth Fund (B Acc)\*

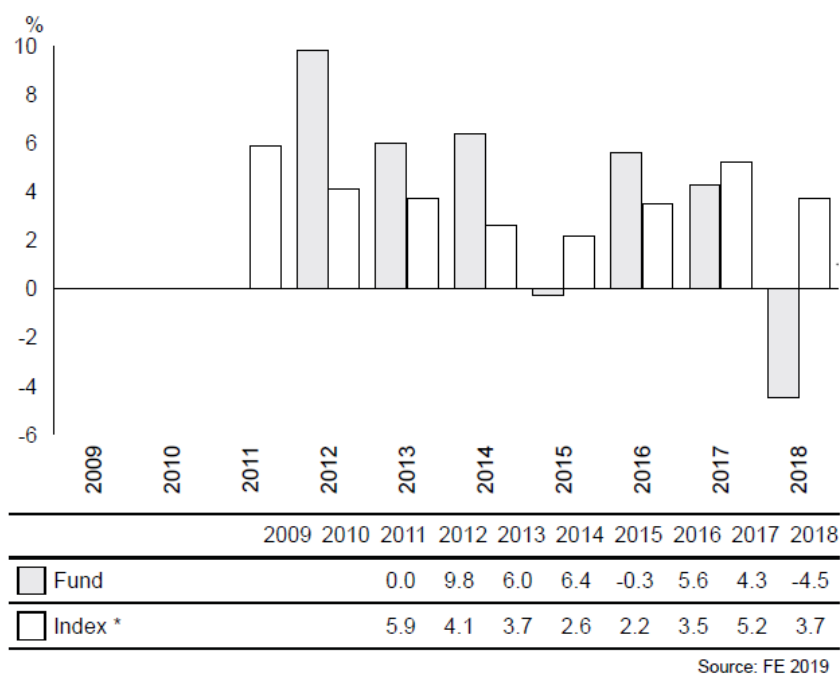
### Past performance



INDEX: RPI + 2.5%

## SVS Cornelian Defensive Fund (B Acc)\*

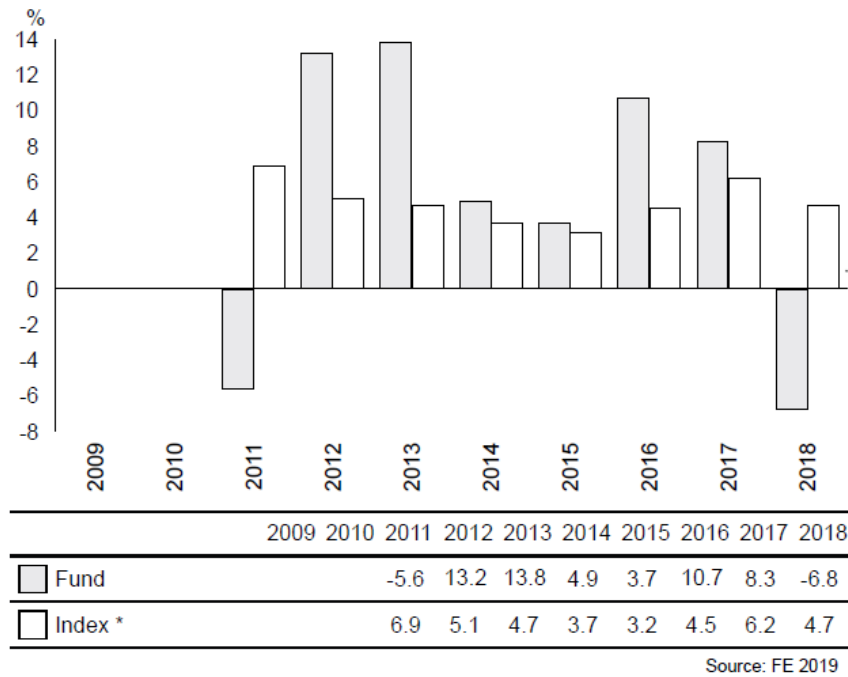
### Past performance



INDEX: RPI + 1.0%

## SVS Cornelian Managed Growth Fund (B Acc)\*

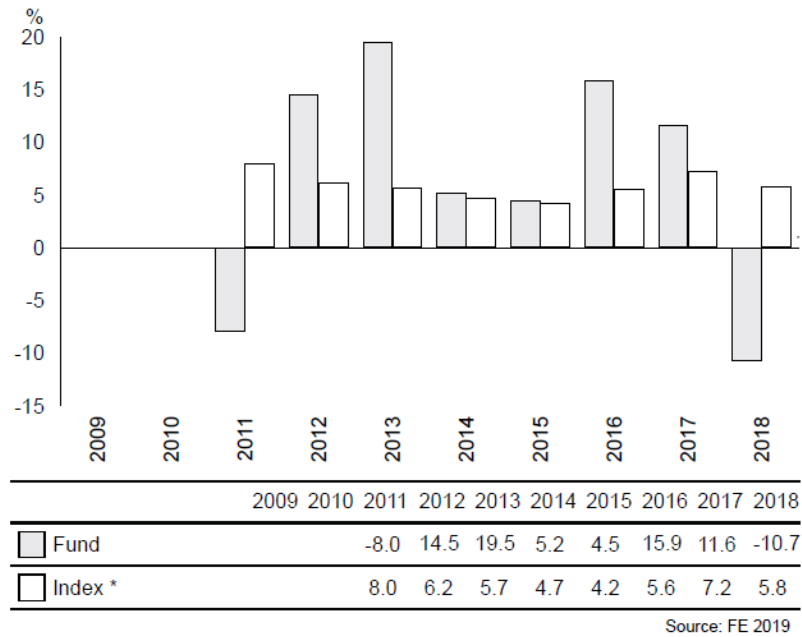
### Past performance



INDEX: RPI + 2.0%

## SVS Cornelian Progressive Fund (B Acc)\*

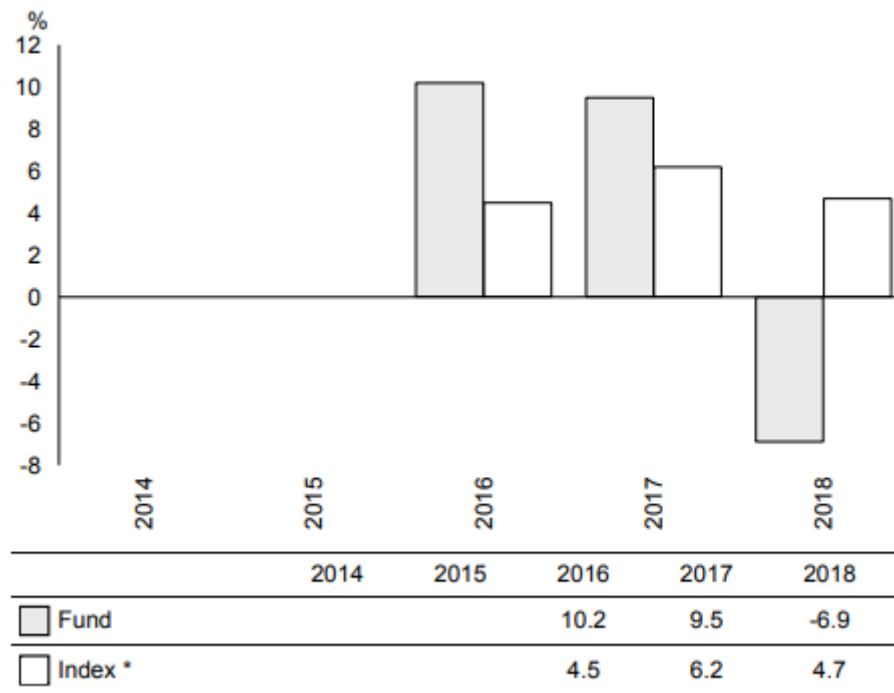
### Past performance



INDEX: RPI + 3.0%

SVS Cornelian Managed Income Fund (D Acc)\*

**Past performance**

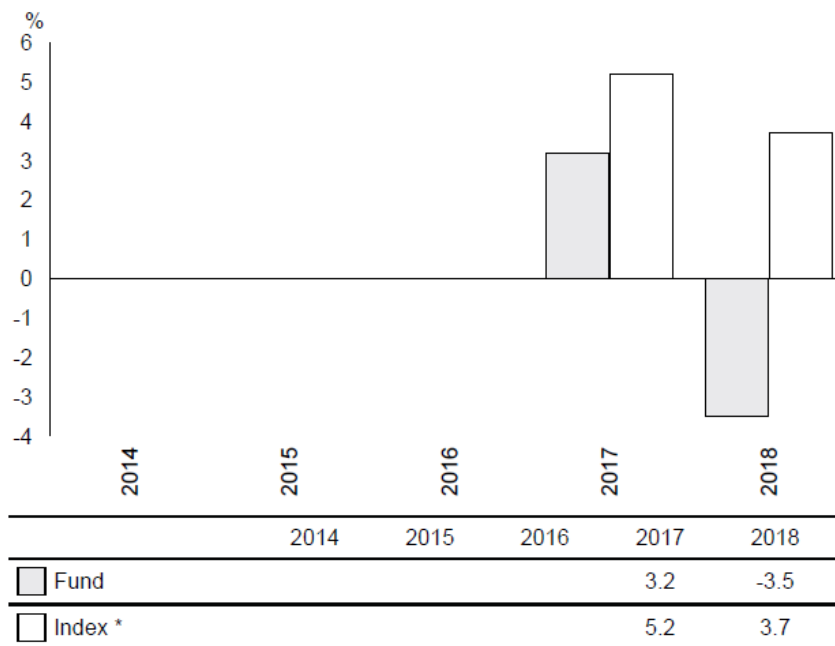


Source: FE 2019

INDEX: RPI + 2.0%

SVS Cornelian Defensive RMP Fund (G Acc)\*

**Past performance**

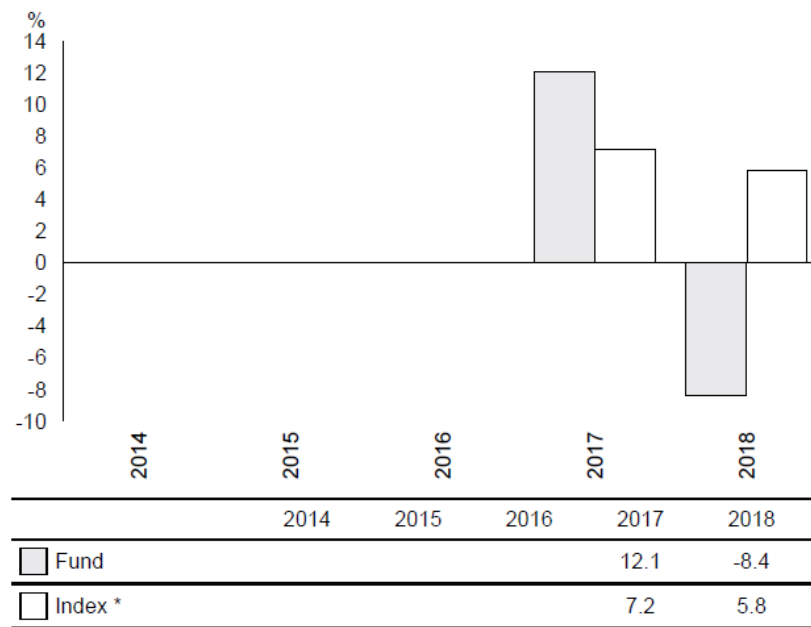


Source: FE 2019

INDEX: RPI + 1.0%

SVS Cornelian Progressive RMP Fund (G Acc)\*

**Past performance**

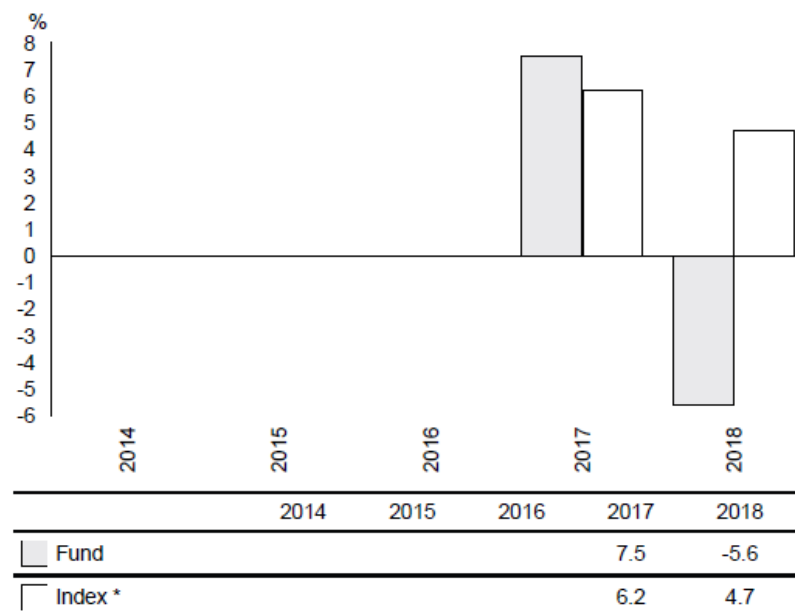


Source: FE 2019

INDEX: RPI + 3.0%

SVS Cornelian Managed Growth RMP Fund (G Acc)\*

**Past performance**

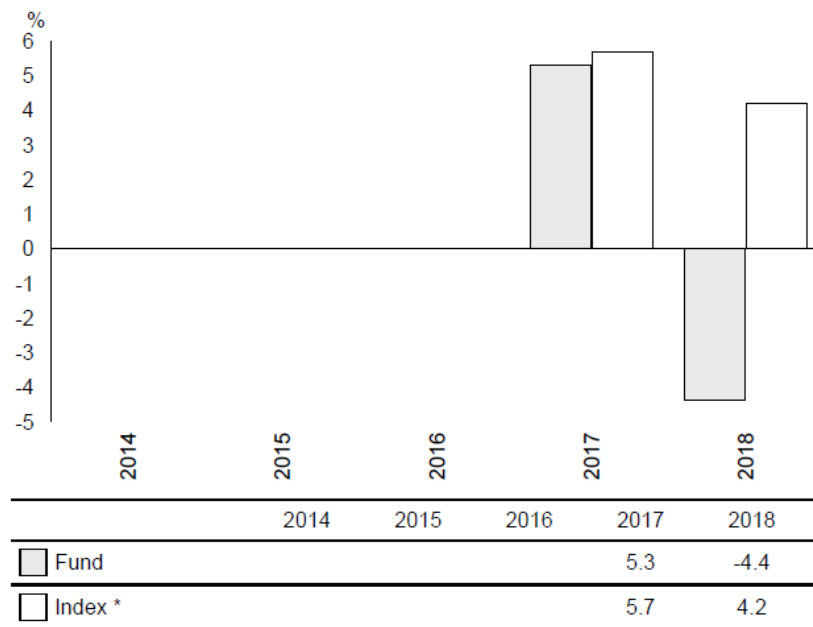


Source: FE 2019

INDEX: RPI + 2.0%

SVS Cornelian Cautious RMP Fund (G Acc)\*

**Past performance**

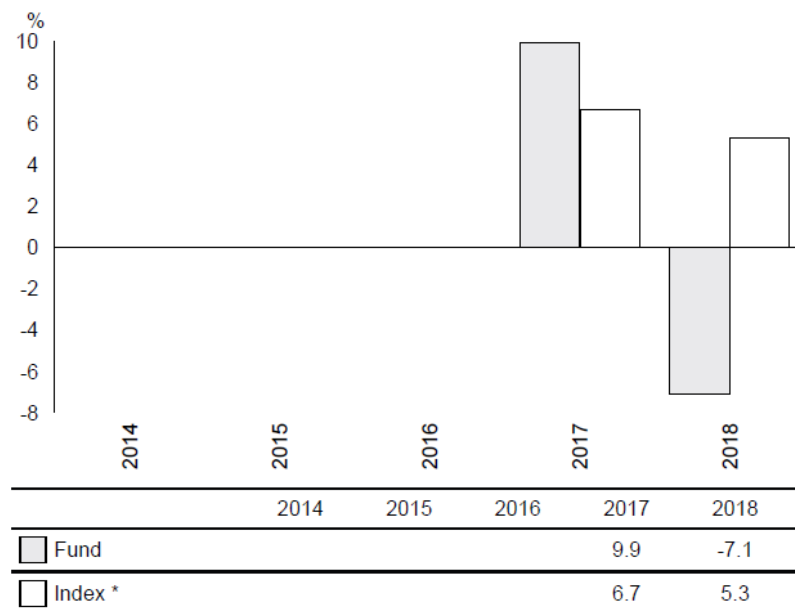


Source: FE 2019

INDEX: RPI + 1.5%

SVS Cornelian Growth RMP Fund (G Acc)\*

**Past performance**



Source: FE 2019

INDEX: RPI + 2.5%



Past performance is not necessarily a guide to future performance. The value of investments and the income from them can go down as well as up and investors may not get back the amount originally invested.

**\*Mid to Mid, net income reinvested, net of charges and tax. Performance does not include the effect of any initial or redemption charges.**

## **Investor profiles**

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

The SVS Cornelian Fund ranges comprise eleven Sub-funds all of which target returns in excess of RPI and are managed below upper expected volatility limits. For those Sub-funds with the initials RMP (denoting for Risk Managed Passives) the overall asset allocation will be actively managed but the underlying investments will be mainly in passive funds and, as a result, the costs of this Sub-fund range will be less. However the Risk Managed Passive Sub-funds may not be able to invest in as broad a range of asset classes as the other Sub-funds in the SVS Cornelian range and so those Sub-funds may be suitable for investors who are willing to sacrifice some of the breadth of investment in order to reduce costs.

### **SVS Cornelian Defensive and SVS Cornelian Defensive RMP Funds**

These Sub-funds are designed for those investors who are seeking steady returns from their investment and are prepared to take only a small amount of risk. Investors will be viewing their investment over the medium to long term in order to achieve their goal but will accept that there may be some fluctuations in value over the short term. Underlying assets in these Sub-funds will include a greater proportion of fixed interest rather than equities or other assets.

### **SVS Cornelian Cautious and SVS Cornelian Cautious RMP Funds**

These Sub-funds are designed for investors who are relatively cautious but will be seeking a reasonable return from their investment. Investors will be prepared to take a moderate amount of risk over the medium to long term, but will be prepared for fairly frequent fluctuations in value. The underlying assets in these Sub-funds may have an equal mix of fixed interest to equities and other assets.

### **SVS Managed Growth and SVS Cornelian Managed Growth RMP Funds**

These Sub-funds are designed for those investors who have a balanced approach. Investors will be viewing their investment over the medium to long term and will be seeking potentially higher long term returns for which they understand there will be a higher level of risk. These investors will be prepared to accept fluctuations in the value of their investment which may be frequent and potentially significant in value. These Sub-funds are likely to have a greater proportion of equities and other assets compared to fixed interest.

### **SVS Cornelian Managed Income Fund**

This Sub-fund may be suitable for those investors who have a balanced approach. Investors will be viewing their investment over the medium to long term and will be seeking potentially higher long-term returns for which they understand there will be a higher level of risk. These investors will be prepared to accept fluctuations in the value of their investment which may be frequent and potentially significant in value. This Sub-fund is likely to have a greater proportion of equities and other assets compared to fixed interest.

This Sub-fund will also have a greater emphasis on generation of income than the other SVS Cornelian Funds.

#### **SVS Cornelian Growth and SVS Cornelian Growth RMP Funds**

These Sub-funds will be suitable for investors viewing their investment over the medium to long term and have expectations of higher long term returns from their investment for which they will be prepared for not only significant fluctuations in value but potentially sustained periods of underperformance. The underlying assets of these Sub-funds will have a fairly low proportion of fixed interest compared to equities and other assets.

#### **SVS Cornelian Progressive and SVS Progressive RMP Funds**

These Sub-funds are designed for those investors who are seeking the highest long-term returns from their investment for which they are comfortable with the widest range of fluctuations in value. These investors will be viewing their investment over the medium to long term and be prepared for frequent and at times, sustained periods of poor performance over the short to medium term. The underlying assets in these Sub-funds will be predominantly equities and other assets with only a very low exposure to fixed interest.

## APPENDIX VI

### RISK LEVELS AND VOLATILITY

#### The Approach to Managing Risk and the Cornelian Risk Levels

In accordance with their objectives, the Sub-funds of the Company aim to achieve returns in excess of RPI over a five to seven year investment cycle. In order to assist investors to understand how much risk may be taken by each Sub-fund, Cornelian links each Sub-fund to a Cornelian risk level. These levels specify the upper expected volatility limit within which each Sub-fund will be managed. These limits may change slightly from time to time based on changes to the long-term volatility of asset classes and changes to the correlation between asset classes. The upper expected volatility limits are not targets and Cornelian may manage a Sub-fund to a lower level of expected volatility if it is deemed prudent to do so, however these levels are not expected to be exceeded.

#### Cornelian Objectives, Risk levels and their Application for Investors

The table below sets out a description of each Cornelian risk level and the target RPI+ rate of return. A is the lowest level of risk and E is the highest:

Risk Level	Objective	Description
A	RPI + 1.0%	A Sub-fund with this level of risk is designed for those investors who are seeking steady returns from their investment and are prepared to take only a small amount of risk. Investors will be viewing their investment over the medium to long term in order to achieve their goal but will accept that there may be some fluctuations in value over the short term. Underlying assets at this level is likely to include a greater proportion of fixed interest rather than equities or other assets.
B	RPI + 1.5%	Investors investing in a Sub-fund with this level of risk will be relatively cautious but will be seeking a reasonable return from their investment. Investors will be prepared to take a moderate amount of risk over the medium to long term, but will be prepared for fairly frequent fluctuations in value. The underlying assets at this level may have a more equal mix of fixed interest to equities and other assets.
C	RPI + 2.0%	A Sub-fund with this level of risk is designed for those investors who have a balanced approach. Investors will be viewing their investment over the medium to long term and will be seeking potentially higher long term returns for which they understand there will be a higher level of risk. These investors will be prepared to accept fluctuations in the value of their investment which may be frequent and potentially significant in value. This risk level is likely to have a greater proportion of equities and other assets compared to fixed interest.
D	RPI + 2.5%	Investors selecting a Sub-fund with this level of risk will be viewing their investment over the medium to long term and have expectations of higher long term returns from their investment for which they will be prepared for not only

		significant fluctuations in value but potentially sustained periods of underperformance. The underlying assets at this risk level will have a fairly low proportion of fixed interest compared to equities and other assets.
E	RPI + 3.0%	This level is designed for those investors who are seeking the highest long-term returns from their investment for which they are comfortable with the widest range of fluctuations in value. These investors will be viewing their investment over the medium to long term and be prepared for frequent and at times, sustained periods of poor performance over the short to medium term. The underlying assets will be predominantly equities and other assets with only a low exposure to fixed interest.

### **Risk levels of Cornelian Funds**

To assist Cornelian with managing the different risk levels, Cornelian utilises data from an external provider to calculate expected volatility limits. Cornelian currently uses data provided by Distribution Technology (“DT”), but Cornelian reviews providers from time to time and the provider may change in the future. The table below sets out the upper expected volatility limits using the calculations provided by DT.

Fund name	Cornelian risk level	Upper expected volatility limit using DT methodology	Expected volatility based on calculations as at 31/03/2019	Synthetic Risk Reward Indicator (SRRI) as at 10/05/2019
SVS Cornelian Defensive	A	6.30%	5.62%	3
SVS Cornelian Defensive RMP	A	6.30%	5.60%	3
SVS Cornelian Cautious	B	8.40%	7.36%	3
SVS Cornelian Cautious RMP	B	8.40%	7.29%	3
SVS Cornelian Managed Growth	C	10.50%	9.14%	4
SVS Cornelian Managed Growth RMP	C	10.50%	9.32%	4
SVS Cornelian Managed Income	C	10.50%	9.67%	4
SVS Cornelian Growth	D	12.60%	11.34%	4
SVS Cornelian Growth RMP	D	12.60%	11.39%	4
SVS Cornelian Progressive	E	14.70%	13.55%	4
SVS Cornelian Progressive RMP	E	14.70%	13.71%	4

## **Volatility Methodology**

The expected volatility of each Sub-fund is expressed as a range of returns which may be expected from each portfolio using 15 year historical returns (and DT's Capital Market Assumptions) based upon the weights of each type of asset held in each Sub-fund. The wider the range of likely returns, the higher the level of expected volatility. Historically, assets such as cash and fixed income have exhibited relatively low levels of volatility, whilst equities have exhibited a higher level of volatility. Each Sub-fund's upper expected volatility limit is set at the upper boundaries of DT's risk bands.

A Sub-fund's upper expected volatility is not the same as a Sub-fund's actual (or historic) share price volatility.

The expected volatility of each asset class is calculated over a rolling 15 year period. This is reviewed quarterly and may move, based on the historical trend observed. These moves in expected volatility of asset classes can, from time to time, result in moves in the boundaries of DT's risk bands and in the upper expected volatility limits set for each Sub-fund. These movements will ensure that the upper expected risk limits of the Sub-funds remain aligned to the 5 uniform volatility bands. However, it should be noted that the Sub-funds are managed below these upper expected risk limits of the bands and Cornelian retains flexibility to reduce risk if this is considered necessary.

## **Link between Cornelian Risk Levels and Synthetic Risk Reward Indicators**

The upper expected volatility figures aim to describe the range of returns that may be expected from each Sub-fund using 15 year historical returns based upon the weights of each type of asset held in each Sub-fund and DT's Capital Market Assumptions. The wider the range of likely returns, the higher the level of risk.

The Synthetic Risk Reward Indicators ("SRRIs") appear in the Key Investor Information Documents ("KIIDs") and the published accounts for the Sub-funds and describe the historical volatility of the performance of each Sub-fund.

Therefore:

- The upper expected volatility of a Cornelian risk level is the limit below which Cornelian will manage the fund.
- The expected volatility is the expected outcome based on the asset allocation that Cornelian is holding in a Sub-fund at any one time.
- The SRI is the actual, historical volatility observed from the past performance of the Sub-fund.

## APPENDIX VII

### TYPICAL INVESTOR PROFILE(S)

Below is an indication of the target market of the Sub-funds as required under MiFID II regulations. These are fully detailed in the EMT's of each Sub-fund, which should be made available to you before making an investment. If you do not believe you fit the target market of these Sub-funds please seek advice from your professional adviser.

#### **SVS Cornelian Growth Fund**

#### **SVS Cornelian Progressive Fund**

#### **SVS Cornelian Progressive RMP**

#### **SVS Cornelian Growth RMP**

These Sub-funds are suitable for all investor types of all levels of knowledge and experience coming into the Sub-funds from all available distribution channels.

Investors should be seeking no capital guarantee and be able to bear losses up to their full investment.

The Sub-funds seek to increase capital and has a neutral stance on income growth over any given time period.

Please refer to the latest EMT or KIID for the Synthetic Risk Reward Indicator (SRRI).

#### **SVS Cornelian Cautious Fund**

#### **SVS Cornelian Defensive Fund**

#### **SVS Cornelian Managed Growth Fund**

#### **SVS Cornelian Managed Income Fund**

#### **SVS Cornelian Defensive RMP**

#### **SVS Cornelian Managed Growth RMP**

#### **SVS Cornelian Cautious RMP**

These Sub-funds are suitable for all investor types of all levels of knowledge and experience coming into the Sub-funds from all available distribution channels.

Investors should be seeking no capital guarantee and be able to bear losses up to their full investment.

The Sub-funds seek to increase capital and grow income over any given time period.

Please refer to the latest EMT or KIID for the Synthetic Risk Reward Indicator (SRRI).

## APPENDIX VIII

### DIRECTORY

**The Company and Head Office:**

SVS Cornelian Investment Funds  
25 Moorgate  
London  
EC2R 6AY

**Authorised Corporate Director:**

Smith & Williamson Fund Administration Limited trading as St Vincent St Fund  
Administration  
25 Moorgate  
London  
EC2R 6AY

**Depository:**

NatWest Trustee & Depositary Services Limited  
250 Bishopsgate  
London  
EC2M 4AA

**Principal Place of Business:**

Trustee and Depositary Services  
2nd Floor  
Drummond House  
1 Redheughs Avenue  
Edinburgh  
EH12 9RH

**Investment Adviser:**

Cornelian Asset Managers Limited  
30 Charlotte Square  
Edinburgh  
EH2 4ET

**Registrar:**

Smith & Williamson Fund Administration Limited trading as St Vincent St Fund  
Administration  
206 St Vincent Street  
Glasgow  
G2 5SG

**Auditors:**

KPMG LLP  
Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2EG