

# CCLA Public Sector Investment Fund

Prospectus

## Prospectus of the CCLA Public Sector Investment Fund

(An umbrella type investment company with variable capital incorporated with limited liability in England and Wales under registered number IC000839 and authorised on 6 December 2010.)

This document constitutes the Prospectus for the CCLA Public Sector Investment Fund and is issued pursuant to and has been prepared in accordance with the Collective Investment Schemes Sourcebook issued by the FCA as amended or re-enacted from time to time (COLL Sourcebook).

This Prospectus is intended for distribution in the United Kingdom. The distribution of this Prospectus and the offering of Shares in the CCLA Public Sector Investment Fund may be restricted in other jurisdictions. Potential investors must inform themselves of the legal requirements and restrictions of their own jurisdiction and act accordingly. This Prospectus does not amount to a solicitation or offer by any person in any jurisdiction in which such solicitation or offer would be unauthorised or unlawful.

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.

This document complies with the requirements of Chapter 4 of the COLL Sourcebook and copies have been sent to the Financial Conduct Authority and to the Depositary in accordance with the COLL Sourcebook. The current version is available on [www.ccla.co.uk](http://www.ccla.co.uk) and alternative formats are available upon request from [clientservices@ccla.co.uk](mailto:clientservices@ccla.co.uk).

**Important: If you are in any doubt about the contents of this Prospectus you should consult an independent financial adviser or consultant.**

Date of Prospectus: 29 July 2026.

## Contents

|                                                                                                                                      |    |                                                                 |    |
|--------------------------------------------------------------------------------------------------------------------------------------|----|-----------------------------------------------------------------|----|
| Directory                                                                                                                            | 4  | 21. Suspension of Dealing                                       | 24 |
| Summary                                                                                                                              | 5  | 22. Accounting Dates/Income                                     | 24 |
| 1. Definitions                                                                                                                       | 7  | 23. Reports                                                     | 25 |
| 2. Constitutional and General                                                                                                        | 10 | 24. Dealing Days                                                | 25 |
| 3. Inspection and Copies of Documents                                                                                                | 11 | 25. Meetings of Shareholders and Voting Rights                  | 25 |
| 4. Conflicts of Interest                                                                                                             | 11 | 26. Risk Factors                                                | 25 |
| 5. Management and Administration                                                                                                     | 11 | 27. Valuation and Pricing                                       | 29 |
| 6. The Depositary                                                                                                                    | 12 | 28. Charges and Expenses                                        | 31 |
| 7. The Auditors                                                                                                                      | 14 | 29. Termination and Amalgamation                                | 34 |
| 8. Governing Law                                                                                                                     | 14 | 30. Taxation                                                    | 34 |
| 9. Past Performance                                                                                                                  | 14 | 31. Miscellaneous                                               | 37 |
| 10. Investment Objective and Policy                                                                                                  | 15 | Annexure 1                                                      |    |
| 11. Characteristics of Shares in the Company                                                                                         | 15 | Sub-Fund Information: The Public Sector Deposit Fund (PSDF)     | 39 |
| 12. Publication of Share Prices                                                                                                      | 17 | Annexure 2                                                      |    |
| 13. How to Purchase Shares                                                                                                           | 17 | Summary of Investment and Borrowing Powers for UK UCITS Schemes | 46 |
| 14. Redemption of Shares                                                                                                             | 19 | Annexure 3                                                      |    |
| 15. Settlement                                                                                                                       | 19 | Summary of Investment and Borrowing Powers for LVNAV MMFs       | 60 |
| 16. Deferred Redemptions                                                                                                             | 20 | Annexure 4                                                      |    |
| 17. Client Money                                                                                                                     | 20 | Eligible Securities Markets                                     | 65 |
| 18. Switching                                                                                                                        | 21 | Annexure 5                                                      |    |
| 19. Qualifications and Restrictions on Holding Shares and Conversions/Switches of Shares (Including Negative Yield Response Measure) | 21 | Past Performance                                                | 66 |
| 20. Dilution Levy                                                                                                                    | 23 | Annexure 6                                                      |    |
|                                                                                                                                      |    | Sub-custodians appointed by the Depositary                      | 67 |

## Directory

**Company:**

CCLA Public Sector Investment Fund  
The Zig Zag Building,  
70 Victoria Street,  
London SW1E 6SQ

**Authorised Corporate Director:**

CCLA Investment Management Limited  
The Zig Zag Building,  
70 Victoria Street,  
London SW1E 6SQ

**Depository:**

HSBC Bank plc  
8 Canada Square,  
London E14 5HQ

**Administrator:**

HSBC Bank plc  
8 Canada Square,  
London E14 5HQ

**Registrar and Transfer Agent:**

FNZ TA Services Limited  
7<sup>th</sup> Floor, 2 Redman Place,  
London E20 1JQ

**Auditors:**

Deloitte LLP  
110 Queen Street,  
Glasgow G1 3BX

**Regulator:**

Financial Conduct Authority  
12 Endeavour Square,  
London E20 1JN

## Summary

- The Company is an open-ended investment company with variable capital incorporated in England and Wales. The Company is constituted by its Instrument dated 1 September 2025. The Company was authorised by the FCA on 6 December 2010 and is classified as a UK UCITS Scheme.
- The Company is an umbrella-type company which currently has one Sub-Fund, the Public Sector Deposit Fund (**PSDF**).
- The FCA product reference number of the Company is 527266 and the FCA product reference number of the PSDF is 637315.
- **Prospectus:** 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 to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the Company, or any other Sub-Fund and shall not be available for any such purpose.
- The PSDF is a UK UCITS Scheme constituting a Qualifying Money Market Fund (**QMMF**). The PSDF is a low volatility net asset value money market fund, or LVNAV MMF, which is a short term MMF and is authorised as such in accordance with the provisions of the MMF Regulation.
- As an LVNAV MMF, Shares in the PSDF may be issued or redeemed at a price equal to the PSDF's constant NAV per Share (as calculated in accordance with Article 32 of the MMF Regulation). However, Shareholders and potential Shareholders should note that:
  - where the PSDF's constant NAV per Share deviates from the NAV per Share calculated in accordance with Article 30 of the MMF Regulation (the "variable NAV") by more than 20 basis points, **the following redemptions and subscriptions will be undertaken at a price that is equal to that variable NAV; and**
  - in the event that the PSDF is suspended for more than 15 days in any 90-day period, it shall automatically cease to be a LVNAV and **will subsequently be required to undertake subscriptions and redemptions at a price equal to the variable NAV.**
- Other Sub-Funds may be established by the Company from time to time. Details of the Sub-Funds including their investment objectives and policies, annual and interim accounting reference dates and distribution dates for each Sub-Fund are set out in Annexure 1.
- The base currency of the Company and all Sub-Funds is pounds sterling (**GBP**). The accounts of the Company are prepared in GBP or its successor as the currency of the UK.
- CCLA Investment Management Limited is the Authorised Corporate Director (**ACD**) of the Company and as part of that role carries out the investment management function.
- HSBC Bank plc is the Depositary of the Company. HSBC Bank plc also acts as the Administrator for the Sub-Funds.
- FNZ TA Services Limited is the Registrar and Transfer Agent of the Company.
- Shareholders are not liable for the debts of the Company nor are they liable to make any further payment after they have paid the price of their Shares.
- The Company has a minimum share capital of £1,000 and a maximum share capital of £1,000,000,000,000.
- Shares are only currently available in respect of the PSDF. There are five Income Share Classes (Inc) and five Accumulation Share Classes (Acc) each numbered Class 1 to 5.
- The minimum initial investment and holding for the different Share Classes in respect of the PSDF is as follows. The ACD has discretion to waive or vary these limits:

| Share Class (SC)               | Minimum Initial Investment and Holding |
|--------------------------------|----------------------------------------|
| SC 1 – Internal (Inc)          | £1                                     |
| SC 1 – Internal (Acc)          | £1                                     |
| SC 2 – Non-Public Sector (Inc) | £25,000                                |
| SC 2 – Non-Public Sector (Acc) | £25,000                                |
| SC 3 – Non-Public Sector (Inc) | £15,000,000                            |
| SC 3 – Non-Public Sector (Acc) | £15,000,000                            |
| SC 4 – Public Sector (Inc)     | £1,000,000                             |
| SC 4 – Public Sector (Acc)     | £1,000,000                             |
| SC 5 – Public Sector (Inc)     | £25,000                                |
| SC 5 – Public Sector (Acc)     | £25,000                                |

- There is currently no minimum additional investment requirement in respect of each Share Class. The ACD has discretion to vary this.

- The Share price for each Sub-Fund will be published daily on the ACD's website ([www.ccla.co.uk](http://www.ccla.co.uk)) and is also available by calling 0800 022 3505. 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 deal. The Share prices may also appear in other third-party websites or publications. The ACD does not accept responsibility for the accuracy of the Share prices published in, or for the non-publication of Share prices by, these sources for reasons beyond the control of the ACD. The Shares are not listed on any stock exchange.
- The ACD intends to declare all net income of the PSDF on each Dealing Day as a dividend and dividends will be payable monthly to Shareholders who hold Income Shares. Accumulation Shares will not carry a right to any dividend and the income accrued in each Accumulation Share Class shall be retained within such Class.
- In a Negative Yield Environment, the ACD may implement a Negative Yield Response Measure whereby holders of Income Shares are converted to Accumulation Shares in accordance with Paragraph 19.10 of this Prospectus. Negative Yield will be accrued into the NAV. Accordingly, the NAV per Accumulation Share will fluctuate and capital may be eroded.
- Costs and expenses are accrued at Sub-Fund level with allocations for any Company costs made on a pro rata basis in accordance with the value of the Sub-Funds at the time of allocation, in accordance with Regulations.
- There are two denominations of Shares, larger and smaller in a ratio of 1:1000. Title to Shares will be evidenced by entry on the Register of Shareholders and Share certificates will not be issued by the Registrar. Share confirmations will be issued only on request. A statement of holdings is issued monthly, to then current holders.
- A Dealing Day is any Business Day.
- The Valuation Point is normally 12.00pm on a Dealing Day.

This Prospectus, the Instrument and related documents can be inspected during normal office hours at the offices of the ACD.

## 1. Definitions

### 1.1

The following defined terms are used in this Prospectus:

|                                        |                                                                                                                                                                                                                                                                                                         |
|----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ABCP</b>                            | means asset-backed commercial paper, a short-term investment, issued by banks or other financial institutions, with a maturity date typically between 90 and 270 days and backed by collateral such as the payments the issuer expects to receive from, for example, credit card debt or student loans. |
| <b>ACD</b>                             | means CCLA Investment Management Limited (part of the Jupiter Group) as the authorised corporate director of the Company.                                                                                                                                                                               |
| <b>ACD Agreement</b>                   | means the agreement between the Company and the ACD as amended from time to time under the terms of which the ACD is to provide investment management, administrative, accounting, company secretarial and registrar services to the Company.                                                           |
| <b>Accumulation Shares</b>             | means Shares (of whatever Class) as may be in issue from time to time in respect of which income allocated thereto is credited periodically to capital (in accordance with the COLL Sourcebook and this Prospectus) and the value of which are quoted to four decimal places.                           |
| <b>Administrator</b>                   | means HSBC Bank plc, or such other person who is appointed by the ACD to carry out administrative services in respect of the Company from time to time.                                                                                                                                                 |
| <b>Annual Management Charge or AMC</b> | means the periodic fee payable to the ACD as set out in detail in Paragraph 28.2.                                                                                                                                                                                                                       |
| <b>Auditors</b>                        | means Deloitte LLP or such other entity as is appointed to act as auditor to the Company from time to time.                                                                                                                                                                                             |
| <b>Business Day</b>                    | means any weekday when banks in England and Wales are open for business (excluding any bank or public holiday in England and Wales).                                                                                                                                                                    |
| <b>CASS</b>                            | means the Client Assets Sourcebook of the FCA Rules.                                                                                                                                                                                                                                                    |
| <b>CCLA</b>                            | means CCLA Investment Management Limited.                                                                                                                                                                                                                                                               |
| <b>Class or Classes</b>                | means in relation to Shares (according to the context) all of the Shares relating to a Sub-Fund, or a particular class or classes of Shares relating to a Sub-Fund.                                                                                                                                     |
| <b>COLL Sourcebook</b>                 | means the Collective Investment Schemes Sourcebook forming part of the FCA Rules as amended or re-enacted from time to time.                                                                                                                                                                            |
| <b>Company</b>                         | means CCLA Public Sector Investment Fund, an umbrella type investment company with variable capital incorporated with limited liability in England and Wales under registered number IC000839 and authorised on 6 December 2010.                                                                        |
| <b>Dealing Day</b>                     | means each Business Day.                                                                                                                                                                                                                                                                                |
| <b>Dealing Deadline</b>                | means 11.30am London time on a Dealing Day; or as otherwise determined by the ACD.                                                                                                                                                                                                                      |
| <b>Depository</b>                      | means HSBC Bank plc or such other entity as is appointed to act as depository to the Company from time to time.                                                                                                                                                                                         |
| <b>Depository Agreement</b>            | means the agreement between the ACD, the Company and the Depository as amended from time to time under the terms of which the Depository provides depository, administrative and ancillary services for the benefit of the Company and Shareholders.                                                    |
| <b>EEA</b>                             | means the European Economic Area.                                                                                                                                                                                                                                                                       |
| <b>EEA State</b>                       | means a member state of the EEA.                                                                                                                                                                                                                                                                        |
| <b>ESMA</b>                            | means the European Securities and Markets Authority or any other regulatory body which may assume its regulatory responsibilities from time to time.                                                                                                                                                    |

|                                          |                                                                                                                                                                                                                                                                                                                                                                                                                       |
|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>EU</b>                                | means the European Union.                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>FCA</b>                               | means the Financial Conduct Authority of 12 Endeavour Square, London E20 1JN or any other regulatory body which may assume its regulatory responsibilities from time to time.                                                                                                                                                                                                                                         |
| <b>FCA Glossary</b>                      | means the glossary to the FCA Rules.                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>FCA Rules</b>                         | means the FCA Handbook of rules and guidance (including the COLL Sourcebook) made under FSMA as amended from time to time.                                                                                                                                                                                                                                                                                            |
| <b>FSCS</b>                              | means the Financial Services Compensation Scheme.                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Fitch Ratings</b>                     | means Fitch Ratings, the global rating agency.                                                                                                                                                                                                                                                                                                                                                                        |
| <b>FSMA</b>                              | means the Financial Services and Markets Act 2000.                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Governing Body</b>                    | means the board of directors of CCLA.                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Income Shares</b>                     | means Shares (of whatever Class) as may be in issue from time to time in respect of which income allocated thereto is distributed periodically to Shareholders (in accordance with the COLL Sourcebook and this Prospectus) and the value of which are quoted to two decimal places.                                                                                                                                  |
| <b>Instrument</b>                        | means the instrument of incorporation constituting the Company as amended from time to time.                                                                                                                                                                                                                                                                                                                          |
| <b>Investment Committee</b>              | means the body responsible for the oversight of the ACD's investment processes and activities.                                                                                                                                                                                                                                                                                                                        |
| <b>IOSCO</b>                             | means International Organisation of Securities Commissions.                                                                                                                                                                                                                                                                                                                                                           |
| <b>Jupiter Group</b>                     | means Jupiter Fund Management plc, a company incorporated in the UK together with its subsidiaries (which includes the ACD).                                                                                                                                                                                                                                                                                          |
| <b>Key Investor Information Document</b> | the Company publishes a Key Investor Information Document (a " <b>KIID</b> ") on a representative basis for each currently investable Share Class of each Sub-Fund which contains information to help investors understand the nature and the risks of investing in the Sub-Fund. A KIID must be provided to investors prior to subscribing for Shares so they can make an informed decision about whether to invest. |
| <b>LVNAV MMF</b>                         | means a low volatility net asset value MMF, which is an MMF that complies with the specific requirements of the MMF Regulation relevant to LVNAV MMFs.                                                                                                                                                                                                                                                                |
| <b>Member State</b>                      | means a member state of the EU for the purposes of the Regulations.                                                                                                                                                                                                                                                                                                                                                   |
| <b>MMF</b>                               | means money market fund as described in the MMF Regulation.                                                                                                                                                                                                                                                                                                                                                           |
| <b>MMF Regulation</b>                    | means Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds together with Commission Delegated Regulation (EU) of 10 April 2018 supplementing Regulation (EU) 2017/1131 as they apply in the UK from time to time including as retained, amended, extended, re-enacted or otherwise given effect on or after 11:00 pm on 31 December 2020;                    |
| <b>Negative Yield</b>                    | means a yield which is negative following the deduction of charges and expenses payable in respect of the relevant Shares as at the Valuation Point for the relevant Dealing Day in respect of such Shares.                                                                                                                                                                                                           |
| <b>Negative Yield Environment</b>        | means an environment where, as a result of market conditions, the Fund's investments become low yielding or negative yielding and a Negative Yield arises as a consequence.                                                                                                                                                                                                                                           |
| <b>Negative Yield Response Measure</b>   | means the measure which may be implemented by the ACD in a Negative Yield Environment, whereby holders of Income Shares are converted to Accumulation Shares in accordance with Paragraph 19.10 of this Prospectus.                                                                                                                                                                                                   |
| <b>Net Asset Value or NAV</b>            | means the value of the scheme property of the Company (or, where the context requires, such part of the scheme property as is attributable to a particular Sub-Fund) less all the liabilities of the Company (or such liabilities                                                                                                                                                                                     |

|                                    |                                                                                                                                                                                                                                                                                                                     |
|------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                    | as are attributable to that Sub-Fund as the case may be) determined in each case in accordance with the Instrument.                                                                                                                                                                                                 |
| <b>OEIC Regulations</b>            | means the Open-Ended Investment Company Regulations 2001 (as amended from time to time).                                                                                                                                                                                                                            |
| <b>Prospectus</b>                  | means this document as amended from time to time.                                                                                                                                                                                                                                                                   |
| <b>PSDF</b>                        | means The Public Sector Deposit Fund, a Sub-Fund of the Company.                                                                                                                                                                                                                                                    |
| <b>Public Sector</b>               | means the public sector in the UK, comprising central government, local government, public corporations, non-departmental and arm's length public bodies.                                                                                                                                                           |
| <b>QMMF</b>                        | means a qualifying money market fund as defined in the FCA Glossary.                                                                                                                                                                                                                                                |
| <b>Qualifying Investment</b>       | refers to, but is not limited to, money placed at interest and securities that are not shares, including but not limited to government and corporate debt securities and certain derivative contracts.                                                                                                              |
| <b>Register of Shareholders</b>    | means the register of Shareholders.                                                                                                                                                                                                                                                                                 |
| <b>Registrar</b>                   | means FNZ TA Services Limited, or such other person as may be appointed by the ACD to maintain the Register of Shareholders, from time to time.                                                                                                                                                                     |
| <b>Regulated Money Market Fund</b> | has the meaning given to it in the FCA Glossary.                                                                                                                                                                                                                                                                    |
| <b>Regulations</b>                 | means the OEIC Regulations and the FCA Rules and may include the UCITS Directive and the MMF Regulation where the context requires.                                                                                                                                                                                 |
| <b>Share or Shares</b>             | means a share in the Company in relation to a single Sub-Fund.                                                                                                                                                                                                                                                      |
| <b>Shareholder</b>                 | means a holder of Shares.                                                                                                                                                                                                                                                                                           |
| <b>SONIA</b>                       | means Sterling Overnight Index Average. SONIA is an interest rate benchmark administered by the Bank of England.                                                                                                                                                                                                    |
| <b>Sub-Fund</b>                    | means a sub-fund of the Company.                                                                                                                                                                                                                                                                                    |
| <b>TIOPA</b>                       | means Taxation (International and Other Provisions) Act 2010                                                                                                                                                                                                                                                        |
| <b>UCITS Directive</b>             | means the European Parliament and Council Directive of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (No 2009/65/EC), as amended, as it applies in the UK from time to time.            |
| <b>UK</b>                          | means the United Kingdom.                                                                                                                                                                                                                                                                                           |
| <b>UK UCITS Scheme</b>             | means a collective investment scheme established in the UK complying with the requirements of the UCITS Directive.                                                                                                                                                                                                  |
| <b>US Person</b>                   | a person who falls within the definition of "US Person" as defined in rule 902 of regulation S of the United States Securities Act 1933 and shall include additionally any person that is not a "Non-United States Person" within the meaning of United States Commodity Futures Trading Commission Regulation 4.7. |
| <b>Valuation</b>                   | means valuation of the property of a Sub-Fund as provided for in the Instrument and Paragraph 27 of this Prospectus.                                                                                                                                                                                                |
| <b>Valuation Point</b>             | means the valuation point on each Dealing Day fixed by the ACD for the purpose of valuing the property of a Sub-Fund being 12.00pm London time or otherwise as determined by the ACD.                                                                                                                               |
| <b>WAL</b>                         | means weighted average life as further described in Article 2 of the MMF Regulation.                                                                                                                                                                                                                                |
| <b>WAM</b>                         | means weighted average maturity as further described in Article 2 of the MMF Regulation.                                                                                                                                                                                                                            |

## 1.2

Any reference to the Company or the ACD includes a reference to its or their duly authorised agents or delegates.

## 1.3

References to Paragraphs are to Paragraphs of this Prospectus and references to this Prospectus are to this Prospectus as amended from time to time.

## 1.4

The headings to the Paragraphs of this Prospectus are for convenience only and shall not affect their meaning or legal effect.

## 1.5

References to the plural shall include the singular and vice versa.

## 1.6

References to statutory provisions, regulations, FCA Rules or notices shall include those provisions, regulations, FCA Rules or notices as amended, extended, consolidated, substituted or re-enacted from time to time.

## 2. Constitutional and General

### 2.1 Constitution

#### 2.1.1

The Company is an umbrella type investment company with variable capital and is a UK UCITS Scheme. It is incorporated under the OEIC Regulations in England and Wales under number IC000839. The Company was authorised by the Financial Services Authority (as it then was), now the Financial Conduct Authority, and incorporated on 6 December 2010. The Instrument is binding on each Shareholder (who is deemed to have notice of it). Words defined in the Regulations and the Instrument shall, where the context permits, bear the same meaning in this Prospectus.

#### 2.1.2

The Company is an umbrella scheme capable of comprising various Sub-Funds each of which is operated as a distinct Sub-Fund with its own Classes of Shares and portfolio of investments. Details of each Sub-Fund are set out in Annexure 1. The assets of a Sub-Fund belong exclusively to that Sub-Fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the umbrella, or any other Sub-Fund and shall not be available for any such purpose.

#### 2.1.3

The concept of segregated liability is relatively new and has not been tested in many jurisdictions. Where

claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known how those foreign courts will react to regulations 11A and 11B of the OEIC Regulations.

#### 2.1.4

If each Sub-Fund were an investment company with variable capital in respect of which an authorisation order were in force each would be a UK UCITS Scheme.

#### 2.1.5

Currently the Company has one Sub-Fund, the PSDF, which is a QMMF. The PSDF is a low volatility net asset value money market fund, or LVNAV MMF, and is authorised as such in accordance with the provisions of the MMF Regulation. The PSDF is a short-term MMF. For the purposes of the MMF Regulation, the ACD is the manager of the PSDF and is responsible for ensuring compliance with the MMF Regulation and is liable for any loss or damage resulting from non-compliance with the MMF Regulation.

### 2.2 Prospectus

#### 2.2.1

CCLA Investment Management Limited as the ACD 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 in the Prospectus does not contain any untrue or misleading statement or omit any matters required by the COLL Sourcebook to be included in it. CCLA Investment Management Limited accepts responsibility accordingly.

#### 2.2.2

This Prospectus is based on information, law and practice at the date of the Prospectus specified on the front cover. The Company is not bound by an out of date Prospectus when it has issued an amended or updated one. This Prospectus does not give investment, legal or tax advice. Investors should consult their own advisers in relation to acting in response to the information contained in this document.

### 2.3 Registered and Head Office

The registered and head office of the Company is at The Zig Zag Building, 70 Victoria Street, London SW1E 6SQ. 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.

### 2.4 Base Currency

The base currency of the Company is GBP.

## 2.5 Share Capital

The Company has a minimum share capital of £1,000 and a maximum share capital of £1,000,000,000,000.

## 2.6 Typical Investors

The Company is marketable to professional and retail investors but is principally targeted at Public Sector investors. Further information is set out in Annexure 1 in respect of the profile of the typical investor for each Sub-Fund.

## 2.7 Cancellation Rights

An investor who has received advice may be entitled to cancel an application to purchase Shares for a period of 14 days from receipt of the contract note and to request the return of their money. If the investor has a right to cancel and exercises that right and if the value of the investment has fallen before the ACD/Registrar receives notice of the cancellation, then the amount of refund that the investor receives will be reduced to reflect the fall in value. Generally, an investor who has applied directly will have no rights to cancel an application under the cancellation rules of the FCA Rules.

## 3. Inspection and Copies of Documents

The constitutional documents of the Company, including copies of the current Instrument, the current Prospectus, the most recent annual and half-yearly long reports of the Company and other material contracts (including the ACD Agreement) may be inspected at, and copies obtained from, the head office of the ACD upon request.

## 4. Conflicts of Interest

The ACD and other companies within the Jupiter Group may, from time to time, act as authorised contractual scheme manager, authorised corporate director, alternative investment fund manager, investment manager or adviser to other companies or funds, which follow similar investment objectives to those of the Company or its Sub-Funds. It is therefore possible that the ACD may in the course of its business have potential conflicts of interest with the Company or a particular Sub-Fund. The ACD will, however, have regard in such event to its obligations in relation to the Company under the ACD Agreement 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 activity where potential conflicts of interest may arise, as outlined in its Conflicts of Interest policy. Details of this policy are available at [www.ccla.co.uk](http://www.ccla.co.uk).

## 5. Management and Administration

### 5.1 The ACD

#### 5.1.1

CCLA Investment Management Limited, whose registered and head office is at The Zig Zag Building, 70 Victoria Street, London SW1E 6SQ, is the ACD of the Company. It is the only director of the Company and is authorised and regulated by the FCA. CCLA Investment Management Limited is a wholly-owned subsidiary of Jupiter Fund Management plc. The registered office of Jupiter Fund Management plc is at The Zig Zag Building, 70 Victoria Street, London SW1E 6SQ.

#### 5.1.2

The ACD is responsible for managing and administering the Company's affairs in accordance with the Regulations. Under the terms of the ACD Agreement, the ACD is to provide investment management, administrative, accounting, company secretarial and registrar services to the Company.

#### 5.1.3

The ACD has delegated certain functions relating to the administrative, accounting and registrar services to the Administrator and Registrar as explained in Paragraphs 5.3 and 5.4 below.

#### 5.1.4

The ACD is a private company limited by shares. The company does not have an authorised share capital. As at 2 February 2026, the company has 24,279,075 shares in issue, all of which are fully paid. There are two classes of issued shares (Ordinary and Non-Voting Ordinary) and each share has a nominal value of £0.01. The ACD was incorporated in England and Wales on 26 October 1987.

The directors of the ACD are:

R. Horlick (Chair)\*  
P. Hugh Smith  
J. Jesty\*  
W. Mephram  
T. Owen

(\* indicates a non-executive director)

The directors of the ACD also act as the directors of companies other than the ACD (including companies that are within the Jupiter Group). None of the main business activities of the directors (other than those connected with the business of the Company) are of significance to the Company's business.

#### 5.1.5

The ACD may provide investment services to other clients and funds and to companies in which the Company may invest. It may also delegate its

activities and/or retain the services of another person to assist in its functions subject to certain exclusions set out in the COLL Sourcebook.

#### 5.1.6

The ACD Agreement is terminable on 12 months' notice in writing. Subject to the COLL Sourcebook, the Company agrees to indemnify the ACD against losses, liabilities, costs, claims, actions, damages, expenses or demands incurred by the ACD acting as authorised corporate director of the Company except where caused by the fraud, negligence, or wilful default of the ACD. Copies of the ACD Agreement are available to Shareholders on request.

#### 5.1.7

The ACD will provide, on request from a Shareholder, supplementary information to that set out in this Prospectus relating to the quantitative limits applying in the risk management of Sub-Funds, the methods used and any recent development of the risk yields of the main categories of investment in the Sub-Funds.

#### 5.1.8

The ACD's remuneration policy (**Remuneration Policy**) is designed to establish and apply a remuneration code that is consistent with and will promote sound and effective risk management in compliance with the UCITS Directive's Remuneration Code as found in SYSC 19E of the FCA Handbook. The Remuneration Policy ensures that there is no encouragement of excessive risk-taking which is inconsistent with the profile of the Company, the Prospectus or the Instrument. The Remuneration Policy does not impair the ACD's compliance with its duty to act in the best interests of the Company.

#### 5.1.9

The up-to-date Remuneration Policy including but not limited to a description of how remuneration and benefits are calculated and the identities of persons responsible for awarding the remuneration and benefits is available online at the ACD's website: [www.ccla.co.uk](http://www.ccla.co.uk). A paper copy of the website information will be made available free of charge upon request.

#### 5.1.10

In accordance with the Regulations, the ACD must act in the best interests of the Company when executing decisions to deal on behalf of the Company and must establish and implement an order execution policy to allow it to obtain the best possible result. The ACD's Order Execution Policy is available online at the ACD's website [www.ccla.co.uk](http://www.ccla.co.uk). A copy of the relevant policy will also be made available on request.

### 5.2 Investment Management

As at the date of this Prospectus, the ACD undertakes the management of the assets of the Company and any Sub-Funds and has not appointed any third party investment manager to assist it in carrying out this function. The ACD nevertheless reserves the right to do so in the future.

### 5.3 The Administrator and Fund Accountant

#### 5.3.1

On behalf of the Company the ACD has appointed HSBC Bank plc to provide fund accounting and other administration services to the Company.

The registered office of HSBC Bank plc is 8 Canada Square, London E14 5HQ.

### 5.4 The Registrar and Transfer Agent

#### 5.4.1

On behalf of the Company the ACD has appointed FNZ TA Services Limited to act as registrar and transfer agent for the Company.

The registered office of the Registrar is 7<sup>th</sup> Floor, 2 Redman Close, London E20 1JQ.

The Register of Shareholders is kept and maintained at 7<sup>th</sup> Floor, 2 Redman Close, London E20 1JQ.

#### 5.4.2 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.

## 6. The Depositary

### 6.1

Pursuant to the agreement dated 18th March 2016 between the Company, the ACD and the Depositary (the **Depositary Services Agreement**) and for the purposes of and in compliance with the UCITS Directive and the relevant FCA Rules, the Depositary has been appointed as depositary to the Company.

### 6.2

The Depositary, HSBC Bank plc is a public limited company incorporated in England and Wales with company registration number 00014259. HSBC Bank plc is a wholly-owned subsidiary of HSBC Holdings plc. The Depositary's registered and head office is located at 8 Canada Square, London E14 5HQ and the principal business activity of the Depositary is the provision of financial services, including trustee and depositary services. HSBC Bank plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

### 6.3

The Depositary provides services to the Company as set out in the Depositary Services Agreement and, in doing so, shall comply with the UCITS Directive, the OEIC Regulations and the relevant FCA Rules.

### 6.4

The Depositary's duties include the following:

#### 6.4.1

ensuring that the Company's/a Sub-Fund's cash flows are properly monitored and that all payments made by or on behalf of applicants upon the subscription to Shares of a Sub-Fund have been received;

#### 6.4.2

safekeeping the assets of the Company/a Sub-Fund which includes

- a) holding in custody all financial instruments that may be held in custody; and
- b) verifying the ownership of other assets and maintaining records accordingly;

#### 6.4.3

ensuring that issues, redemptions and cancellations of the Shares of the Company/a Sub-Fund are carried out in accordance with applicable law and the relevant FCA Rules;

#### 6.4.4

ensuring that the value of the Shares of the Company/a Sub-Fund is calculated in accordance with applicable law and the relevant FCA Rules;

#### 6.4.5

carrying out the instructions of the Company/a Sub-Fund, unless they conflict with applicable law and the relevant FCA Rules;

#### 6.4.6

ensuring that in transactions involving the Company's/a Sub-Fund's assets any consideration is remitted to the Company/the Sub-Fund within the usual time limits;

#### 6.4.7

ensuring that the Company's/a Sub-Fund's income is applied in accordance with applicable law and the relevant FCA Rules.

### 6.5

Actual or potential conflicts of interest may arise between the Company, a Sub-Fund, the Shareholders or the ACD and the Depositary. For example, such actual or potential conflict may arise because the Depositary is part of a legal entity or is related to a legal entity which provides other products or services to the Company/a Sub-Fund. The Depositary may have a financial or business interest in the provision of such products or services,

or receives remuneration for related products or services provided to the Company/a Sub-Fund, or may have other clients whose interests may conflict with those of the Company/a Sub-Fund, the Shareholders or the ACD.

### 6.6

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

### 6.7

The Depositary may delegate its safekeeping functions subject to the terms of the Depositary Services Agreement. The Depositary has delegated to the delegates listed in Annexure 6 the custody of certain scheme property entrusted to the Depositary for safekeeping in accordance with the terms of written agreements between the Depositary and those delegates.

### 6.8

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

### 6.9

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

### 6.10

Up to date information regarding the name of the Depositary, any conflicts of interest and delegations of the Depositary's safekeeping functions will be made available to Shareholders on request.

### 6.11

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

### 6.12

In general, the Depositary is liable for losses suffered by the Company/a Sub-Fund as a result of its negligence or wilful default to properly fulfil its obligations. Subject to the paragraph below, and pursuant to the Depositary Services Agreement, the Depositary will be liable to the Company/a Sub-Fund for the loss of financial instruments of the Company/a Sub-Fund which are held in its custody. The Depositary will not be indemnified out of the scheme property for the loss of financial instruments where it is so liable.

### 6.13

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

### 6.14

The Depositary will not be liable where the loss of financial instruments arises as a result of an external event beyond the reasonable control of the Depositary, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Depositary shall not be liable for any indirect, special or consequential loss. In the event there are any changes to the Depositary's liability under the UCITS Directive and the relevant FCA Rules, the ACD, on behalf of the Company/a Sub-Fund will inform Shareholders of such changes without delay.

### 6.15

The appointment of the Depositary under the Depositary Services Agreement may be terminated without cause by not less than 90 days written notice provided that the Depositary Services Agreement does not terminate until a replacement Depositary has been appointed.

### 6.16

From time to time actual or potential conflicts of interest may arise between the Depositary and its delegates. For example, such conflicts may arise:

#### 6.16.1

where an appointed delegate is an affiliated group company and is providing a product or service to the Company/a Sub-Fund and has a financial or business interest in such product or service; or

#### 6.16.2

where an appointed delegate is an affiliated group company which receives remuneration for other related products or services it provides to the Company/a Sub-Fund.

The Depositary maintains a conflict of interest policy to address this.

### 6.17

In addition, actual or potential conflicts of interest may also arise between the Company/a Sub-Fund, the Shareholders on the one hand and the Depositary on the other hand.

### 6.18

For example, such actual or potential conflict may arise because the Depositary is part of a legal entity or is related to a legal entity which provides other products or services to the Company/a Sub-Fund and from which fees and profits in relation to the provision of those products or services may arise and from which the Depositary may benefit directly or indirectly. In addition, the Depositary may have a

financial or business interest in the provision of such products or services, or receives remuneration for related products or services provided to the Company/a Sub-Fund, or may have other clients whose interests may conflict with those of the Company/a Sub-Fund or the Shareholders.

### 6.19

In particular, HSBC Bank plc may provide foreign exchange services to the Company/a Sub-Fund for which they are remunerated out of the property of the Company/the Sub-Fund. HSBC Bank plc or any of its affiliates or connected persons may also act as market maker in the investments of the Company/a Sub-Fund; provide broking services to the Company/a Sub-Fund and/or to other funds or companies; act as financial adviser, banker, derivatives counterparty or otherwise provide services to the issuer of the investments of the Company/a Sub-Fund; act in the same transaction as agent for more than one client; have a material interest in the issue of the investments of the Company/a Sub-Fund; or earn profits from or have a financial or business interest in any of these activities.

### 6.20

The Depositary will ensure that any such additional services provided by it or its affiliates are on terms which are not materially less favourable to the Company/a Sub-Fund than if the conflict or potential conflict had not existed.

### 6.21

The Depositary has a conflict of interest policy in place to identify, manage and monitor on an on-going basis any actual or potential conflict of interest. The Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest and the Depositary issues to be properly identified, managed and monitored.

## 7. The Auditors

The auditors of the Company are Deloitte LLP of 110 Queen Street, Glasgow G1 3BX.

## 8. Governing Law

English law governs all transactions in Shares.

## 9. Past Performance

Past performance data is shown in Annexure 5.

## 10. Investment Objective and Policy

### 10.1

The fundamental investment objective of the Company is to invest the property of the Company with the aim of spreading investment risk and giving Shareholders the benefit of the results of the management of that property. The types of investments and assets in which the property of the Company may be invested are:

#### 10.1.1

transferable securities;

#### 10.1.2

approved money market instruments;

#### 10.1.3

units in collective investment schemes;

#### 10.1.4

deposits; and

#### 10.1.5

derivatives and forward transactions, in each case to the extent such investments are consistent with the provisions of the COLL Sourcebook for a UK UCITS Scheme. The investment and borrowing powers of a UK UCITS Scheme to which the Company and the Sub-Funds will be subject, are summarised in Annexure 2.

### 10.2

The Company is structured as an umbrella company and different Sub-Funds may be established from time to time by the ACD with the agreement of the Depositary and the approval of the FCA. The investment objective and policy of each Sub-Fund will be formulated by the ACD at the time of creation of the relevant Sub-Fund, and may be varied from time to time subject to the requirements regarding Shareholder approval and FCA consent as set out in the Regulations. The investment objective and policy of each Sub-Fund are set out in Annexure 1.

### 10.3

As at the date of this Prospectus there is only one Sub-Fund, the PSDF, which is a QMMF. The investment objective and policy of the PSDF will meet the conditions specified in the FCA Glossary for a QMMF.

### 10.4

It is not intended that the Company will have any interests in any immovable property or movable property for the direct pursuit of the Company's business.

## 11. Characteristics of Shares in the Company

### 11.1

Shareholders are not liable for the debts of the Company, nor are they liable to make any further payment after they have paid the price of their Shares.

### 11.2

The Company issues larger and smaller denomination Shares in the ratio of 1:1000.

### 11.3

All Shares are in registered form. Certificates are not issued in respect of the Shares. Ownership will be evidenced by entry on the Register of Shareholders. The Registrar will send to each current Shareholder a monthly statement setting out their current holding of Shares. Bearer shares cannot be issued.

The table below shows which Classes of Shares are available as at the date of this Prospectus together with details of the minimum initial investment amount and holding. The ACD has discretion to waive or vary these limits. This information together with additional information in respect of the PSDF is set out in Annexure 1.

### 11.4

If the ACD reasonably believes that any Shares are owned directly or beneficially in circumstances which constitute a breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory or which may (or may if other Shares are acquired or held in like circumstances) result in the Company incurring any liability to taxation or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory) then the Company may give notice to the holder of such Shares requiring them to transfer such Shares to a person who is qualified or entitled to own them, or to request the redemption of such Shares.

### 11.5

If the holder of Shares in the circumstances described in Paragraph 11.4 above does not either transfer such Shares to a qualified person or establish to the ACD's satisfaction that they and any person on whose behalf they hold such Shares are qualified and entitled to hold and own them, they will be deemed on the expiry of a 30-day period to have requested redemption of such Shares and the ACD reserves the right to redeem the Shares accordingly.

## **11.6**

The Company may:

### **11.6.1**

issue a number of Share Classes in respect of a Sub-Fund;

### **11.6.2**

apply differing charging structures, minimum investment levels and eligibility provisions in respect of different Share Classes;

### **11.6.3**

offer different types of Share Class to different types of investor and

### **11.6.4**

resolve to create further Share Classes in respect of existing and future Sub-Funds amending this Prospectus accordingly.

In each case Annexure 1 shall contain specific details of the characteristics of Share Classes comprised within each Sub-Fund.

## 11.7

The Shares are not listed or dealt on any investment exchange.

| Income Share Classes (SC): Minimum Initial Investment and Holding |                    |                                  |                                      |                                 |                              |
|-------------------------------------------------------------------|--------------------|----------------------------------|--------------------------------------|---------------------------------|------------------------------|
| The Public Sector Deposit Fund                                    | SC 1 – Internal £1 | SC 2 – Non-Public Sector £25,000 | SC 3 – Non-Public Sector £15,000,000 | SC 4 – Public Sector £1,000,000 | SC 5 – Public Sector £25,000 |
| Available for investment                                          | Yes                | Yes                              | Yes                                  | Yes                             | Yes                          |

| Accumulation Share Classes (SC): Minimum Initial Investment and Holding* |                    |                                  |                                      |                                 |                              |
|--------------------------------------------------------------------------|--------------------|----------------------------------|--------------------------------------|---------------------------------|------------------------------|
| The Public Sector Deposit Fund                                           | SC 1 – Internal £1 | SC 2 – Non-Public Sector £25,000 | SC 3 – Non-Public Sector £15,000,000 | SC 4 – Public Sector £1,000,000 | SC 5 – Public Sector £25,000 |
| Available for investment                                                 | No                 | No                               | No                                   | No                              | No                           |

There is currently no minimum additional investment requirement in respect of each Share Class (the ACD has discretion to vary this).

\*Accumulation Shares are not currently available. Accumulation Shares will be made available only in circumstances where the ACD implements the Negative Yield Response Measure (see Paragraph 19.10 of this Prospectus).

## 12. Publication of Share Prices

### 12.1

Share prices will be available daily on the ACD's website [www.ccla.co.uk](http://www.ccla.co.uk) and by calling 0800 022 3505. These prices will, unless for reasons beyond the control of the ACD, relate to the valuation on the Dealing Day immediately prior to the date of publication.

### 12.2

The ACD will publish daily on its website ([www.ccla.co.uk](http://www.ccla.co.uk)):

#### 12.2.1

the constant NAV calculated as set out in Paragraph 27.4.7; and

#### 12.2.2

the difference between the constant NAV and the NAV per Share (as calculated in accordance with Paragraph 27).

## 13. How to Purchase Shares

### 13.1

Except during periods of temporary suspension, the Registrar will accept orders for the purchase of Shares on any Business Day between 9.00 am and 5.00 pm. It is intended that issues of Shares will normally be made with effect from a Dealing Day in respect of applications received and payment made on or prior to the relevant Dealing Deadline, provided full payment of the subscription monies has been received in cleared funds.

### 13.2

Applications to purchase Shares for the first time should be made by completion of the account application form and a subscription form (which are available from the ACD's website: [www.ccla.co.uk](http://www.ccla.co.uk)), together with such other documents and information that the ACD/Registrar may require regarding the investor and submitted to the Registrar by post to CCLA, PO Box 12892, Dunmow, Essex CM6 9DL.

### 13.3

Applications to purchase additional Shares should be made by completion of a subscription form and submitted to the Registrar by post to CCLA, PO Box

12892, Dunmow, Essex CM6 9DL or by fax to the Registrar on 0844 8801 559 or, provided an email instructions authority form has been completed (which is available as part of the account application form or separately on the ACD's website), by email to the Registrar at [cclaclientservices@fnztaservices.com](mailto:cclaclientservices@fnztaservices.com) or by such other means as the ACD may from time to time permit. All applications to purchase Shares should be received by the Registrar on or prior to the relevant Dealing Deadline. Subject to the receipt of complete and valid applications and the remaining provisions of this Paragraph 13, applications to buy Shares received by the Registrar prior to the Dealing Deadline for any Dealing Day will be dealt with at the price calculated at the Valuation Point on that Dealing Day. By completing the form, the investor will confirm that they have received, read and understood the representative Key Investor Information Document for the Share Class of the Sub-Fund to be invested in. The Registrar may, as from a date determined by the ACD/Registrar, accept orders by telephone, in which case all telephone calls between the Registrar and investors will be recorded.

#### **13.4**

If an application is received after the relevant Dealing Deadline for the relevant Dealing Day, the application shall (unless otherwise determined by the ACD/Registrar) be deemed to have been received by the following relevant Dealing Deadline. There is no right of withdrawal after acceptance by the Registrar. However, the Registrar (at its discretion and in consultation with the ACD) may allow a Shareholder or potential Shareholder to withdraw their application for Shares if such request is made prior to the relevant Dealing Deadline.

#### **13.5**

If payment in full in cleared funds in respect of an application has not been received by the relevant Dealing Deadline or in the event of non-clearance, any provisional allotment of Shares made in respect of such application may be cancelled. In such circumstances the ACD may charge the applicant for any expense incurred by the Company and for any loss to the Company arising out of such non-receipt or non-clearance.

#### **13.6**

Subscription monies in respect of Shares are payable in GBP either: (i) by bank transfer to the account details of which are set out on the subscription form; or (ii) by a cheque made payable to CCLA Investment Management Limited - CMPA. Applicants submitting subscription monies by cheque are reminded that cleared funds must be received by the relevant Dealing Deadline.

#### **13.7**

CCLA and the Registrar may conduct source of funds checks in relation to application monies received and reserves the right to reject applications where it does not have satisfactory evidence as to the applicant's source of funds. In particular, where monies are paid by bank transfer, payments may be rejected unless:

##### **13.7.1**

the payment is accompanied by a duly completed and signed subscription form; and

##### **13.7.2**

such funds are paid from a bank account which has previously been notified to CCLA/the Registrar as the applicant's nominated bank account AND the payee includes the applicant's transfer agency account number within the "payee reference" field.

#### **13.8**

No interest will be paid upon any monies held prior to investment.

#### **13.9**

The number of Shares issued will be the greatest number of larger denomination Shares with the balance of the subscription money being used to purchase smaller denomination Shares. Purchase contract notes will usually be issued by the end of the Business Day following the allocation of Shares.

#### **13.10**

Shares issued will generally be Income Shares. Accumulation Shares are only available during a period in which the ACD implements a Negative Yield Response Measure in accordance with Paragraph 19.10.

If an application is made to purchase Shares prior to the Dealing Deadline on a Dealing Day on which the ACD implements a conversion in accordance with Paragraph 19.10, the applicant will receive the type of Share to which existing holders of Shares are being converted on that Dealing Day.

#### **13.11**

Details of the initial charge payable on purchase of Shares (if any) are set out in Paragraph 28.1.1 and Annexure 1.

#### **13.12**

Shares may not be issued or redeemed during any period of suspension which is more fully described in Paragraph 21.

#### **13.13**

The Company has to comply with and operate in accordance with anti-money laundering regulations applicable from time to time. The ACD/Registrar may in its absolute discretion require verification of identity of any investor buying, selling or switching

Shares or the identity of the person on whose behalf the investment is being made. If satisfactory verification is not forthcoming the ACD/Registrar reserves the right to refuse to complete the transaction.

#### **13.14**

Please note that electronic identity checks may be undertaken on the persons named in applications to purchase or redeem Shares.

## **14. Redemption of Shares**

#### **14.1**

Requests for the redemption of Shares should be made by completion of a redemption form (which is available from the ACD's website: [www.ccla.co.uk](http://www.ccla.co.uk)) and submitted to the Registrar by post to CCLA, PO Box 12892, Dunmow, Essex CM6 9DL or by fax to the Registrar on 0844 8801 559 or, provided an email instructions authority form has been completed, by e-mail to the Registrar at [cclaclientservices@fnztaservices.com](mailto:cclaclientservices@fnztaservices.com) or by such other means as the ACD may from time to time permit. The Registrar may, as from a date determined by the ACD/Registrar, accept redemption requests by telephone, in which case all telephone calls between the Registrar and investors will be recorded.

#### **14.2**

Requests to sell Shares received by the Registrar up to the Dealing Deadline on any Dealing Day will be dealt with at the price calculated at the Valuation Point on that Dealing Day. Requests to sell Shares received after the Dealing Deadline on a Dealing Day will be dealt with at the price calculated at the Valuation Point on the following Dealing Day. The Registrar on behalf of the ACD can require that requests to sell Shares are confirmed in writing, together with any such other information as the ACD may reasonably require. Once made there is no right to withdraw from any request for the sale of Shares. However, the ACD (at its discretion) may allow a Shareholder to withdraw their request to sell Shares if such a request is made prior to the relevant Dealing Deadline.

#### **14.3**

Details of the redemption charge payable on the sale of Shares (if any) are set out in Paragraph 28.1.2 and Annexure 1.

#### **14.4**

The ACD may determine from time to time a minimum value of Shares which may be issued. Shareholders must retain the minimum holding of Shares for a particular Class, or redeem their entire holding save that the ACD in its discretion may

permit a Shareholder to hold less than the specified minimum of a Class of Shares.

#### **14.5**

Shares may not be redeemed during any period of suspension. This is more fully described in Paragraph 21.

#### **14.6**

The Company may on occasion issue or cancel Shares directly through the ACD in accordance with the relevant provisions of the COLL Sourcebook.

#### **14.7**

Contract notes will usually be issued within 24 hours of the relevant Dealing Day.

#### **14.8**

The date and time of receipt of the order is deemed to be the transaction date and time.

#### **14.9**

Where a Shareholder requests the redemption of Shares, the ACD may at its discretion (with the prior permission of the Depositary) arrange for the Company to cancel the Shares and transfer certain identified scheme property to the Shareholder, instead of paying the price of the Shares in cash. The ACD will serve a notice on the Shareholder that it proposes to make the in specie redemption. The selection of the scheme property will be made by the ACD in consultation with the Depositary with a view to ensuring that the redeeming Shareholder is not advantaged or disadvantaged vis-à-vis the continuing Shareholders.

## **15. Settlement**

#### **15.1**

In the case of subscriptions, cleared funds must be received before the Dealing Deadline unless otherwise permitted by the ACD. Registration of Shares is usually completed on the Dealing Day.

#### **15.2**

In the case of redemptions, proceeds will be paid by bank transfer to a specified account at the Shareholder's risk and expense. Redemption proceeds will usually be paid on the Dealing Day.

#### **15.3**

The ACD is under no obligation to account to the Company, the Depositary or Shareholders for any profit made by the ACD on the issue of Shares or on the re-issue or cancellation of Shares previously redeemed by the ACD.

## 16. Deferred Redemptions

### 16.1

Paragraph 16.3 will apply where a Sub-Fund of the Company is a not a Regulated Money Market Fund.

### 16.2

In the case of a Sub-Fund which is a Regulated Money Market Fund (including a QMMF) – which includes the PSDF – Paragraph 16.3 will only apply to the extent allowed by the MMF Regulation. Please see Paragraph 8 of Annexure 1 for information on liquidity management procedures and the circumstances in which redemption gates may be applied to Sub-Funds which are Regulated Money Market Funds.

### 16.3

If requested redemptions across all Classes of a Sub-Fund on a particular Dealing Day exceed 10% of the value of a Sub-Fund, redemptions of Shares may be deferred to the next Valuation Point. Any such deferral will only be undertaken in such manner as to ensure consistent treatment of all Shareholders who had sought to redeem Shares at the Valuation Point at which redemptions were deferred. Deferral will be pro-rated based on the value of Shares being redeemed (provided that the ACD may determine in its discretion a value threshold below which all redemptions will be effected and above which the foregoing pro rata deferral shall apply) and so that all deals relating to an earlier Valuation Point are completed before those relating to a later Valuation Point are considered.

## 17. Client Money

### 17.1

CCLA is obliged to comply with the FCA's client money rules as set out in CASS. However, CCLA is making use of the delivery versus payment exemption (**DVP exemption**) available to it under CASS when handling money for Shareholders in connection with buying or selling Shares in any Sub-Fund. Under the DVP exemption money belonging to Shareholders or applicants need not be treated as client money for the purposes of the CASS rules for a limited period in the following two situations:

#### 17.1.1

where money is received electronically from Shareholders and/or applicants that relates to a subscription for Shares in any of the Sub-Funds; and

#### 17.1.2

where money is held by CCLA that relates to the redemption of Shares in one of the Sub-Funds.

### 17.2

While CCLA is operating under the DVP exemption, Shareholder and/or applicant money will not be subject to the protections conferred by the CASS rules and, if CCLA were to fail, the FCA's client money distribution rules as set out in CASS would not apply to these sums and Shareholders and/or applicants would not be entitled to share in any distribution under the CASS rules in respect of these sums.

### 17.3

Where CCLA has not paid any money belonging to Shareholders and/or applicants to the Depositary or to Shareholders, as the case may be, by close of business on the Business Day following receipt, CCLA will stop operating under the DVP exemption for that transaction and will treat the relevant sum of money as client money for the purposes of the CASS rules.

### 17.4

By buying Shares in any of the Sub-Funds, Shareholders agree to CCLA's use of the DVP exemption as set out above. Should CCLA cease at any time to make use of the DVP exemption, CCLA will notify Shareholders in writing.

### 17.5

Where applicants and/or Shareholders provide money to CCLA by way of a cheque in order to invest in a Sub-Fund, CCLA will treat this money as client money and will pay it into a client money account by close of business on the day following receipt, where it will remain until such time as it is paid to the Depositary.

### 17.6

Where CCLA is required to protect client money it will deposit the cash in the UK with an authorised bank to be held on our behalf in a 'client money' account separate to any account used to hold money belonging to CCLA in its own right. Interest will not be paid on cash balances held in the client money account. The purpose of client money accounts is to protect Shareholders' money should CCLA become insolvent. CCLA will not be responsible for any acts or omissions of the bank.

### 17.7

In the event that the ACD decides that compensation is payable to a Shareholder (the "**Compensation Payment**"), the Compensation Payment will become due and payable to the Shareholder on the date of the decision. The ACD will pay the Compensation Payment into a client money account within one Business Day of the date of such decision. The Compensation Payment will be held in a client money account until it is paid to the Shareholder.

## 18. Switching

### 18.1

Investors may exchange Shares in one Class or Sub-Fund for Shares in another Class or Sub-Fund (currently, however, as the PSDF is the only Sub-Fund available for investment there is no facility to switch between Sub-Funds).

### 18.2

Shareholders may switch some or all of their Shares in one Sub-Fund to Shares in another Sub-Fund if this facility is available. The ACD, may, at its discretion make a charge on switching Shares, which will not exceed the excess difference between the initial charges in respect of the Share Classes concerned. Further details of charges on switching (if any) are stated in Paragraph 28.

### 18.3

Instructions to switch Shares must be sent in writing to the Registrar at CCLA, PO Box 12892, Dunmow, Essex CM6 9DL or by fax to the Registrar on 0844 8801 559 or, provided an email instructions authority form has been completed, by e-mail to the Registrar at [cclaclientservices@fnztaservices.com](mailto:cclaclientservices@fnztaservices.com) or by such other means as the ACD may from time to time permit and must be given in accordance with the current client mandate. Instructions should include full registration details together with the number of Shares to be switched between named Sub-Funds or Share Classes (as applicable). The ACD/Registrar may require that telephone instructions are confirmed in writing.

### 18.4

Switching instructions received prior to the Dealing Deadline on a Dealing Day will be dealt with at the price prevailing on that Dealing Day. Instructions received after the Dealing Deadline will be dealt with at the price prevailing on the next Dealing Day.

### 18.5

No cancellation rights will apply to Shareholders who switch their Shares for Shares in another Class or Sub-Fund.

### 18.6

If a switch would result in the Shareholder holding a number of original or new Shares of a value which is less than the minimum holding in the Sub-Funds concerned, the ACD may, if it thinks fit, convert the whole of the applicant's holding of original Shares to new Shares, or refuse to effect any switch of the original Shares.

### 18.7

The number of new Shares to be issued to a Shareholder on a switch will be in accordance with the formula set out from time to time in the Instrument.

### 18.8

Investors should note that a switch of Shares from one Sub-Fund for Shares in another Sub-Fund is treated as a redemption and issue, which may be a chargeable transaction for UK tax purposes if the aggregate value of the Shares issued exceeds that of the Shares redeemed.

### 18.9

A switching investor must be eligible to hold the Shares in the Sub-Fund into which the switch is to be made.

## 19. Qualifications and Restrictions on Holding Shares and Conversions/Switches of Shares (Including Negative Yield Response Measure)

### 19.1

The ACD may from time to time take such action and impose such restrictions as it thinks necessary for the purpose of ensuring that no Shares in a Sub-Fund are acquired or held by any person in circumstances **(relevant circumstances)**:

#### 19.1.1

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

#### 19.1.2

which would (or would if other Shares were acquired or held in like circumstances) result in the Company/a Sub-Fund incurring any liability to taxation 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);

#### 19.1.3

and, in this connection, the ACD may, inter alia, reject at its discretion any subscription for, issue or transfer of, Shares or any exchange notice given pursuant to Paragraph 18.

### 19.2

If it comes to the notice of the ACD that any Shares **(Affected Shares)** have been acquired or are being held in each case whether beneficially or otherwise in any of the relevant circumstances referred to above or if it reasonably believes this to be the case the ACD may give notice to the holder of the Affected Shares requiring the holder to transfer such Affected Shares to a person who is qualified or entitled to own the same or to give a request in writing for the redemption or cancellation of such Shares in accordance with the FCA Rules. If any person upon whom such a notice is served pursuant to this

Paragraph does not within 30 days after the date of such notice transfer his Affected Shares to a person qualified to hold the same, or establish to the satisfaction of the ACD (whose judgement shall be final and binding) that he and any person on whose behalf he holds the Affected Shares are qualified and entitled to hold the Affected Shares, he shall be deemed upon the expiration of that 30 day period to have given a request in writing for the redemption or cancellation (at the discretion of the ACD) of the Affected Shares pursuant to the FCA Rules.

### **19.3**

A person who becomes aware that he has acquired or holds Shares whether beneficially or otherwise in any of the relevant circumstances referred to in Paragraph 19.1 shall forthwith, unless he has already received a notice pursuant to Paragraph 19.2 either transfer or procure the transfer of all the Affected Shares to a person qualified to own the same or give a request in writing or procure that a request is so given for the redemption or cancellation of all the Affected Shares pursuant to the FCA Rules.

### **19.4**

When the holder of any Shares in any Share Class fails or ceases for whatever reason to be entitled to receive distributions or have allocations made in respect of his holding of Shares in a manner, as is envisaged for such Share Class, he shall, without delay, give notice thereof to the Company and the Company shall, upon receipt of such notice, treat the Shareholder concerned as if he had served on the Company an exchange notice or notices pursuant to Paragraph 18 requesting exchange of all of the relevant Shares owned by such holder for Shares of the Class or Classes of Shares in a Sub-Fund which, in the opinion of the ACD, such holder is entitled to hold and most nearly equate to the Class or Classes of Shares being exchanged by that Shareholder and the provisions of Paragraph 18 shall be applied accordingly.

### **19.5**

If at any time the Company or the ACD become aware that the holder of any Shares, that make or intend to make distributions or allocations without any tax being deducted or accounted for by the Company, has failed or ceased for whatever reason to be entitled to receive distributions or have allocations made in respect of his holding of such Shares without deduction of UK tax, then the Company shall, without delay, treat the Shareholder concerned as if he had served on the Company an exchange notice or notices pursuant to Paragraph 18 requesting exchange of all of the relevant Shares owned by such holder for Shares of the Class or Classes which, in the opinion of the ACD, such holder is entitled to hold and most nearly equate to the Class or Classes of Shares held by that Shareholder

and the provisions of Paragraph 18 shall be applied accordingly.

### **19.6**

An amount equal to any tax charge incurred by the Company or for which the Company may be held liable as a result of an exchange pursuant to Paragraph 18 shall be recoverable from the Shareholder concerned and may be accounted for in any adjustment made of the number of new Shares to be issued.

### **19.7**

If at any time the Shareholder is not entitled to receive distributions or have income allocations made in respect of Shares held by it without deduction of UK tax and has redeemed, pursuant to the FCA Rules, any Shares that make distributions or allocations without any tax being deducted or accounted for by the Company, the ACD shall forthwith following such redemption arrange for the Company to cancel any such Shares or (at its discretion) the ACD shall forthwith issue such Shares to a person who is (or appears to the ACD to be) entitled to hold the same.

### **19.8**

In addition, where the ACD considers it is in the best interests of Shareholders, the ACD may convert or switch 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 or switch, including details of the new class of Shares and reminding Shareholders of their rights to redeem.

### **19.9**

If following a redemption, switch, conversion or transfer, a holding in any class of Shares 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 Shares or (at its discretion) the conversion of the holding into another Class of Shares, if available. The ACD may use this discretion at any time. Failure to do so immediately after such redemption, switch, conversion or transfer does not remove this right. Where practicable, Shareholders will be given reasonable notice of any such planned compulsory redemption or conversion.

### **19.10 Negative Yield Response Measure<sup>1</sup>**

In response to a Negative Yield Environment, the ACD may temporarily convert Shareholders in an Income Share Class to an Accumulation Share Class which has the following effect:

- (i) Negative Yield will be accrued into the NAV and the NAV per Accumulation Share will fluctuate. Accordingly, capital may be eroded;

- (ii) the Accumulation Shares will not carry a right to any dividend and the income (which could be positive or negative) will be accrued in each Accumulation Share Class and shall be retained within such Class and the value of those Accumulation Shares will rise or fall accordingly;
- (iii) the value of the Accumulation Shares will be quoted to four decimal places as required in order to give sufficient precision in pricing of the Accumulation Shares in a Negative Yield Environment;
- (iv) Accumulation Shares will be dealt on a historic pricing basis as described in Paragraph 27.2.3 below; and
- (v) the Shareholders will hold "Accumulation Shares" in place of "Income Shares".

As it is difficult to predict with certainty exactly when a Negative Yield Environment will occur, the ACD intends to first inform Shareholders by way of notice on the ACD's website where the ACD is able to identify that a Negative Yield Environment is likely to, or has, occurred. Where the ACD considers it to be in the best interests of Shareholders to implement a Negative Yield Response Measure as set out in this Paragraph 19.10, the ACD will endeavour to provide Shareholders with as much written notice as is reasonably practicable. Where advance written notice is not possible, notification will follow as soon as reasonably practicable.

The ACD shall keep under review its decision to implement the Negative Yield Response Measure. If, following the implementation of the Negative Yield Response Measure, the Negative Yield Environment has ceased for a continuous period of three months, the ACD will reverse the conversion and make available again the Income Share Classes on the next Business Day provided the ACD considers it in the best interest of Shareholders. The ACD will endeavour to provide Shareholders with as much notice as is reasonably practicable of its decision to reverse this conversion using the same communication methods outlined above. Where advance notice is not possible, written notification will follow as soon as reasonably practicable.

If the ACD does not consider it to be in the best interests of Shareholders to reverse the conversion and make available again the Income Share Classes at the end of the three month period in which the Negative Yield Environment has ceased, then the ACD will notify Shareholders within one Business Day of (a) its decision, (b) the reason(s), and (c) that the ACD will keep the matter under review and the date on which the matter will next be reviewed. The ACD will review its decision not to reverse the conversion at least every two weeks until the transfer is effected and, after each review, notify Shareholders of the relevant matters listed in (a)-(c) above.

<sup>1</sup>The ACD is not currently able to use this mechanism without the FCA granting the modification referred to in the footnote to Paragraph 27.2.3.

## 20. Dilution Levy

### 20.1

Where the Company buys or sells underlying investments in response to a request for the issue or redemption of Shares, it will generally incur a cost, made up of dealing costs and any spread between the bid and offer prices of the investments concerned, which is not reflected in the issue or redemption price paid by or to the Shareholder. This effect is known as "dilution" and may affect the future growth of the relevant Sub-Fund of the Company. To alleviate dilution, the ACD is entitled to impose a dilution levy, which will be added to the purchase price or deducted from the redemption price of Shares as appropriate. This levy is paid directly into the relevant Sub-Fund. The ACD will adopt the policy of applying a dilution levy if in its opinion, the existing Shareholders (for issues) or remaining Shareholders (for redemptions) might otherwise be adversely affected. The ACD has the right to use discretion to reduce or waive the dilution levy.

### 20.2

It is not possible to predict accurately whether dilution is likely to occur.

### 20.3

In respect of the PSDF:

#### 20.3.1

reflecting the liquid nature of the qualifying investments to be held, the ACD believes that the imposition of a dilution levy in respect of the issue or redemption of Shares in the PSDF is unlikely but cannot be ruled out, particularly in the case of issues or redemptions of significant size in relation to the Net Asset Value of the PSDF at the time the issue or redemption concerned; and

#### 20.3.2

in any event, a dilution levy will only be imposed where this is consistent with the MMF Regulation.

### 20.4

If it is imposed, the estimated dilution levy charged by the ACD based on future projections will be between 0.25% and 5% of the price of a Share:

#### 20.4.1

redeemed on a Dealing Day on which net redemption of Shares exceeds 1% in value (calculated by reference to their current price) of the issued Shares (which is deemed to be a large deal);

#### **20.4.2**

sold on a Dealing Day on which net sales of Shares exceed the same percentage.

## **21. Suspension of Dealing**

### **21.1**

The ACD may, with the prior agreement of the Depositary, or must, if the Depositary requires, temporarily suspend the issue and redemption of Shares if the ACD, or the Depositary is of the opinion that due to exceptional circumstances it is in the interests of all Shareholders.

### **21.2**

Where a Sub-Fund is a Regulated Money Market Fund (including a QMMF), any such suspensions may only be carried out to the extent permitted under, and in accordance with, the MMF Regulation.

### **21.3**

The suspension will only be permitted to continue for as long as it is justified having regard to the interests of Shareholders. On suspension, the ACD or Depositary must immediately inform the FCA stating the reasons for its action. The ACD and Depositary must formally review the suspension every 28 days and inform the FCA of the result of this review with a view to ending the suspension as soon as practicable after the exceptional circumstances have ceased.

### **21.4**

The ACD will ensure that a notification of such a suspension is made to Shareholders as soon as practicable after suspension commences. The ACD will also publish on its website sufficient details to keep Shareholders appropriately informed about the suspension including its likely duration.

### **21.5**

The Company may not create or cancel Shares while the suspension remains in force. Shareholders requesting redemption will be notified of such suspension and, unless withdrawn, redemption requests will be considered as at the next Business Day following the end of such suspension.

### **21.6**

Recalculation of prices will commence on the next Valuation Point following the end of the suspension period.

## **22. Accounting Dates/Income**

### **22.1 Accounting Dates**

The annual accounting period of the Company ends on 31 March each year. The half-yearly accounting period of the Company ends on 30 September each year or such other date as the ACD may determine.

## **22.2 Income**

With respect to the allocation and payment of income:

### **22.2.1**

the income of each Sub-Fund which is distributed to Shareholders in respect of each accounting reference period is determined by taking the aggregate income received or receivable by the relevant Sub-Fund and deducting all charges and expenses properly payable out of the scheme property attributed to the relevant Sub-Fund and making appropriate adjustments for taxation;

### **22.2.2**

income is allocated and distributed to Shareholders in a Sub-Fund as provided for in Annexure 1;

### **22.2.3**

income is allocated to Shareholders of a Share Class rateably in accordance with the number of Shares held by them at the date of distribution;

### **22.2.4**

income available for allocation in respect of a Sub-Fund will be allocated between the Share Classes based upon the respective proportionate interests represented by those Share Classes on a daily basis;

### **22.2.5**

in accordance with UK tax law the income allocated to Shareholders may be distributed without deduction of income tax;

### **22.2.6**

payment of any income distributions will be made by means of direct credit to the Shareholder's nominated bank account or otherwise as determined by the ACD;

### **22.2.7**

no payments of distributions shall bear interest against the Company;

### **22.2.8**

if a distribution made in relation to any Shares remains unclaimed over the subsequent three accounting periods for which distributions are made for those Shares, the ACD may, at its discretion, re-invest that distribution to purchase additional Shares for the relevant Shareholder;

### **22.2.9**

all distributions unclaimed for a period of six years after having become due for payment may be forfeited and shall revert to the Company; and

### **22.2.10**

no equalisation will be applied.

## 22.3 The PSDF

### 22.3.1

In relation to Class 1 to 5 Income Shares, the ACD intends to declare all net income of the PSDF on each Dealing Day as a dividend to Shareholders on the Register of Shareholders as at the close of business on the relevant Dealing Day. Dividends will be declared daily and payable monthly within two Business Days after the calendar month to which the dividends relate.

### 22.3.2

In relation to Class 1 to 5 Accumulation Shares, any income will be accrued daily.

### 22.3.3

Due to the daily allocation of income by the PSDF no element of income is included in the calculation of the price of Income Shares or Accumulation Shares in the PSDF and hence no equalisation is applied.

## 23. Reports

The Company's annual long report incorporating audited financial statements will be published within four months after the end of each annual accounting period and the half-yearly long report within two months of the end of each half-yearly accounting period. Copies of the long form reports (annual and half-yearly) will be available online at [www.ccla.co.uk](http://www.ccla.co.uk) and shall be supplied to Shareholders free of charge upon request. Copies will be available upon request.

## 24. Dealing Days

The Company's Dealing Days are each Business Day.

## 25. Meetings of Shareholders and Voting Rights

### 25.1

The Company will not hold annual general meetings. However, extraordinary general meetings may be convened from time to time. The ACD or the Depositary may requisition a general meeting at any time. Shareholders who together hold not less than one-tenth in value of all of the Shares may also requisition a general meeting of the Company. Such requisition must be in writing, state the objects of the meeting and be signed by the Shareholders. The ACD must convene a general meeting within eight weeks of receiving a requisition.

### 25.2

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.

### 25.3

The quorum for a meeting of Shareholders is two Shareholders present in person or by proxy. The quorum for an adjourned meeting is one Shareholder present in person or by proxy.

### 25.4

The rules applicable to the Company as a whole shall also apply to meetings of a Class or a Sub-Fund as if general meetings of the Shareholders, but by reference to the Shares of the Class or Sub-Fund concerned and the Shareholders and value of such Shares.

### 25.5

At any meeting of Shareholders on a show of hands every Shareholder who (being an individual) is present in person or (being a corporation) is represented in person by its properly authorised representative has one vote. A poll may be demanded by the chairman of the meeting, by the ACD, by the Depositary, or by two or more Shareholders present in person or by proxy. On a poll, every Shareholder who is present in person or by proxy will be entitled to a number of votes calculated in accordance with the value that his Shareholding bears in relation to the value of the Sub-Fund or Company as relevant. 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.

### 25.6

In the case of joint Shareholders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority is determined by the order in which the names stand in the Register of Shareholders.

### 25.7

The ACD is entitled to receive notice of and attend any meeting of Shareholders but is not entitled to vote or be counted in the quorum. The ACD or any associate of the ACD holding Shares shall not be entitled to vote at such a meeting except in respect of Shares which he holds on behalf of a person who, if he himself were the registered Shareholder, would be entitled to vote and from whom he has received voting instructions.

## 26. Risk Factors

### 26.1 Risk Factors

Investing in Shares involves risks. Some of these risks are general, which means that they apply to all investments. Others are specific, which means that

they apply to individual Sub-Funds. Before investors decide to invest, it is important to understand these risks.

If investors are unsure of the risks involved in the purchase of Shares, they should seek advice from an independent financial advisor or consultant.

## **26.2 General**

### **26.2.1 Market Fluctuations**

The value of investments and the income derived from them may fall as well as rise. Shareholders may not get back the amount originally invested and may lose money. The value of investments will be affected by general economic conditions such as prevailing economic growth, inflation and interest rates. There is no assurance that the investment objective of a Sub-Fund will actually be achieved. The entire market of a particular asset class or geographical sector may fall, having a more pronounced effect on a Sub-Fund heavily invested in that asset class or region.

### **26.2.2 Political Risk**

The performance of a Sub-Fund may be affected by changes in economic and market conditions, uncertainties such as political developments, changes in government policies and in legal, regulatory and tax requirements.

### **26.2.3 Interest Rate Risk**

Investment in both fixed rate and floating rate securities involves interest rate risk. Any change to the interest rate relevant for floating rate securities may result in future income either increasing or decreasing. Changes to prevailing rates or changes in expectations of future rates may also result in an increase or decrease in the market value of any fixed income securities held. When interest rates decline, the value of fixed income securities generally can be expected to rise. Conversely, when interest rates rise, the value of fixed income securities generally can be expected to decline.

The Sub-Funds may at certain times invest cash on deposit. In times of low nominal interest rate, there may be no, negative or low interest paid on these holdings. In such circumstances, a Sub-Fund could be subject to losses especially after charges are deducted.

### **26.2.4 Liquidity Risk**

A Sub-Fund's investments may be subject to liquidity constraints which means that securities may trade infrequently and in small volumes. Normally liquid securities may also be subject to periods of significantly lower liquidity in difficult market conditions. As a result, changes in the value of investments may be more unpredictable and in certain cases, it may be difficult to deal a security at the last market price quoted or at a value considered

to be fair. Where a Sub-Fund owns non-traditional or alternative asset classes, it is possible that the liquidity in these assets is more variable than for traditional stocks or bonds.

### **26.2.5 Effect of Initial, Redemption, Conversion or Switching Charge**

Where such a charge is imposed, a Shareholder who realises their Shares may not realise the amount originally invested, depending on change in investment value and the amount of the charge.

### **26.2.6 Tax Risk**

The tax information provided in the "Taxation" section (see paragraph 30) is based on tax law and practice at the date of this Prospectus. Tax legislation, the tax status of the ACD, the Company and Sub-Funds, the taxation of Shareholders and the availability of any tax reliefs may change from time to time. Any change in the taxation legislation or practice in the UK or in any jurisdiction in which a Sub-Fund is registered, marketed or invested could affect the tax status of the Company and the Sub-Funds and the value of the relevant Sub-Fund's investments in the affected jurisdiction.

#### **26.2.6.1**

The availability and value of any tax reliefs to Shareholders will depend on the tax status of the Company and Sub-Funds. The information in the "Taxation" section is not exhaustive and does not constitute tax or legal advice. Investors should seek professional advice from their tax advisors in respect of the tax consequences of an investment in the Sub-Funds. Shareholders and prospective Shareholders should not take or omit to take any actions in reliance on the information provided in the "Taxation" section.

### **26.2.7 Inflation Risk**

The real value of returns achieved from investment in a Sub-Fund will be affected by the rate of inflation experienced over the holding period.

### **26.2.8 Negative Yield Risk**

Market conditions, including but not limited to reduction in interest rates may have a material impact on any income payable in respect of a class of Shares in a Sub-Fund to the extent there may be a Negative Yield.

Such market conditions, together with any such actions taken by financial institutions in response thereto (such as, for example, by way of reducing interest rates and therefore income payable on investments of a Sub-Fund) are outside the control of the ACD and/or the Sub-Fund.

A Negative Yield Environment creates potential issues for any Sub-Fund, which seeks to maintain Income Shares in the Sub-Fund in that the income of the Sub-Fund may be unable to pay a distribution or

other charges or expenses or other liabilities of the Sub-Fund, such as the fees of service providers or other operating costs.

As such, Shareholders may be compulsorily converted to Accumulation Shares without advance notice in accordance with the Negative Yield Response Measure set out in Paragraph 19.10. There is no guarantee that the Negative Yield Response Measure taken will succeed in preventing an erosion of capital or otherwise produce positive economic outcomes for Shareholders.

Shareholders should also note that although the ACD will seek to maintain Income Shares there can be no assurance that the ACD will be able to attain this objective.

### **26.2.9 Performance Risk**

There may be variation in performance between Sub-Funds with similar objectives due to the different assets selected.

### **26.2.10 Custody Risk**

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

### **26.2.11 Currency Exchange Rates**

A Sub-Fund investing in overseas securities is exposed to and can hold currencies other than GBP. As a result, exchange rate movements may cause the value of investments to decrease or increase. As at the date of this Prospectus there is only one Sub-Fund, the PSDF which will only invest in GBP denominated investments, so this risk does not currently arise.

### **26.2.12 Counterparty Risk**

Sub-Funds will be subject to the risk of the inability of any counterparty to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes. The Sub-Funds may pass cash or other assets to its counterparties as margin or collateral to an unlimited extent. Subject to the Regulations, at any one time, the Sub-Funds may be exposed to the creditworthiness of its counterparties in respect of all or part of such margin or collateral. In the event of the insolvency of any counterparty, the Sub-Funds might not be able to recover cash or assets of equivalent value in full.

### **26.2.13 Depositary Insolvency**

Where Shareholders pass money to the Depositary or its agent for the purpose of creating Shares in a Sub-Fund, the Depositary will hold that money on deposit as banker and not as trustee and therefore not be under a duty to comply with the provisions of the FCA Handbook on holding money (**Client Money**) received in the course of designated investment business (**Client Money Rules**) and as a

result the money will not be held in accordance with the FCA Client Money Rules. The cash will therefore not be protected under the FCA's Client Money Rules. If the Depositary fails, the FCA's client money distribution rules as set out in the Client Money Rules would not apply to these sums and Shareholders and/or applicants would not be entitled to share in any distribution under the Client Money Rules in respect of these sums.

The Company is subject to similar risks in the event of insolvency of any sub-custodian with which any relevant securities are held or of any third-party bank with which Client Money is held. There may be circumstances where the Depositary is relieved from liability for the acts or defaults of its appointed sub-custodians provided that the Depositary has complied with its duties. An insolvency could cause severe disruption to the trading of the Company and the Sub-Funds.

### **26.2.14 Suspension of Dealings in Shares**

Shareholders are reminded that in certain circumstances, where the ACD determines that redemption requests may not be met their right to redeem Shares (including a redemption by way of switching) may be suspended.

### **26.2.15 Settlement Risk**

There is a risk that a settlement in a trading system does not take place as expected because a counterparty does not pay monies or deliver assets on time or as expected.

### **26.2.16 Redemption Risk**

Large redemptions of Shares in a Sub-Fund might result in a Sub-Fund being forced to sell assets at a time and price at which it would normally prefer not to dispose of such assets. In extreme cases it may result in the temporary suspension of a Sub-Fund in accordance with paragraph 21.

Further, the Sub-Funds may invest in investment vehicles which do not permit holdings to be redeemed on either as frequent a basis or on the same day as a Sub-Fund.

In the absence of current redemption prices or net asset values for investments held by a Sub-Fund or if no recent redemption prices exists, or if the most recent redemption prices available do not reflect the ACD's best estimate of the value of the investments, the ACD may have to determine valuations in respect of such investments at a value which, in the opinion of the ACD, is fair and reasonable, which may in turn impact on the price of Shares in the Sub-Funds as determined in accordance with paragraph 27.

### **26.2.17 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 Annual Management Charge may be offset against capital instead of against income. The treatment of such fees may increase the amount of income (which may be taxable) available for distribution to Shareholders in the Sub-Fund concerned but may constrain capital growth.

#### **26.2.18 Operational Risk**

The Company, the ACD, the Depositary and other service providers, their delegates, and counterparties are exposed to operational risk, which is the risk of financial and non-financial impact resulting from inadequate or failed internal processes, personnel and systems errors, third-party service provider errors or external events, and is present in all of its businesses. The ACD, Depositary and other service providers seek to reduce these operational risks through controls and procedures and by implementing an operational risk framework in order to identify, assess, manage and report on the operational risks and associated controls including IT, data and outsourcing arrangements. However, operational risks are inherent in all activities and processes and exposure to such risk could disrupt the ACD's, Depositary's and other service providers' systems and operations significantly, which may result in financial loss, regulatory censure and/or reputational damage.

#### **26.2.19 Cyber Event Risk**

Like other business enterprises, the use of the internet and other electronic media and technology exposes the Company, the ACD, Depositary and other service providers and their respective operations to potential risks from cyber-security attacks or incidents (collectively, "**cyber-events**"). Cyber-events may include, for example, unauthorised access to systems, networks or devices (such as, for example, through "hacking" activity), infection from computer viruses or other malicious software code and attacks which shut down, disable, slow or otherwise disrupt operations, business processes or website access or functionality. In addition to intentional cyber-events, unintentional cyber-events can occur, such as, for example, the inadvertent release of confidential information. Any cyber-event could adversely impact the Company and its Shareholders. A cyber-event may cause the Company, or the ACD, Depositary and/or other service providers to lose proprietary information, suffer data corruption, lose operational capacity (such as, for example, the loss of the ability to process transactions, calculate the Net Asset Value of a Sub-Fund or allow Shareholders to transact business) and/or fail to comply with applicable privacy and other laws. Among other potentially harmful effects, cyber-events also may result in theft, unauthorised monitoring and failures in the physical infrastructure or operating systems that support the Company and the ACD, Depositary and/or other

service providers. In addition, cyber-events affecting issuers in which a Sub-Fund invests could cause the Sub-Fund's investments to lose value.

#### **26.2.20 Other Risks, including Terrorism and Pandemic Risk**

The Company and counterparties with which the ACD on behalf of the Company may do business could be severely disrupted in the event of a major terrorist attack or the outbreak, continuation or expansion of war or other hostilities, or as a result of governmental or regulatory actions in anticipation of the same. Additionally, a serious pandemic, or a natural disaster, such as a hurricane or a super typhoon, or governmental or regulatory actions in anticipation or mitigation of the same, such as a lockdown, or a typhoon warning, could severely disrupt the global economy and/or the operation of the Company and its counterparties. In the event of a serious pandemic or natural disaster, for safety and public policy reasons, relevant persons and entities involved in the operations of the Company and its counterparties may to the extent that they are affected by such pandemic or natural disaster or by such governmental or regulatory actions, be required to temporarily shut down their offices and to prohibit their respective employees from going to work. Any such closure could severely disrupt the services provided to the Company and materially and adversely affect its operation.

#### **26.3 Credit Risk**

Where a Sub-Fund holds bonds or other debt instruments the value of the Sub-Fund will fall in the event of the default or perceived increased credit risk of an issuer. This is because the capital and income value and liquidity of the investment is likely to decrease. Government and corporate bonds are assessed by credit rating agencies and given a rating. These ratings determine whether the bond is considered to be investment grade or non-investment grade. Investment grade bonds are considered to be lower risk. Within investment grade and non-investment grade there are a number of different rating levels; the higher the rating, the lower the expected risk of default. However, all ratings are subject to change and in periods of recession or slow growth the risk of non-investment grade bonds defaulting may be appreciably higher. The PSDF is only permitted to invest with financial institutions that have the highest short-term credit ratings.

#### **26.4 Specific Risks Involved in Investing in a Sub-Fund**

##### **26.4.1**

Each Sub-Fund will have its own investment objective and policy as set out in Annexure 1. The specific risks listed below apply to particular Sub-Funds (as specified).

### 26.4.2

The specific risk factors in respect of the PSDF:

a) **Qualifying Money Market Funds**

An investment in a QMMF is not a guaranteed investment and is not the same as making a deposit with a bank or other deposit taking body, in particular the principal invested in a QMMF is capable of fluctuation and the value of Shares in such a fund is not insured or guaranteed. Although it is intended to maintain a stable Net Asset Value per Share for Shares in a Sub-Fund which is a QMMF, there can be no assurance that a stable Net Asset Value per Share will be maintained.

A QMMF does not rely on external support for guaranteeing the liquidity of the QMMF or stabilising the NAV per Share. The risk of loss of principal invested in a QMMF is to be borne by investors.

b) **Fixed Interest Securities**

Fixed interest securities are particularly affected by changes 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 investment may fall in the event of the default or reduced credit rating of the issuer. Generally, the higher the rate of interest, the higher the perceived credit risk of the issuer. High yield bonds with lower credit ratings (also known as sub-investment grade bonds) are potentially more risky (higher credit risk) than investment grade bonds. The PSDF will only invest in securities that are permitted by the Regulations.

c) **Use of Derivatives**

The PSDF does not invest in derivatives and is therefore not exposed to any derivative risk.

### 26.4.3

The investment risks set out in this Prospectus do not purport to be an exhaustive or complete explanation of all the risks. Investors should seek professional advice before investing.

## 27. Valuation and Pricing

### 27.1 Single Pricing

The price per Share at which Shares can be bought is the Net Asset Value per Share to which may be added an initial charge (if applicable). The price per Share at which Shares may be redeemed is the Net Asset Value per Share from which may be deducted a redemption charge (if applicable). In addition, there may, for both purchases and sales, be a dilution levy, as described in Paragraph 20. There is a single price for buying, selling and switching Shares in a Sub-

Fund of the Company, which represents the Net Asset Value of that Sub-Fund.

### 27.2 Pricing Basis

#### 27.2.1

Subject to Paragraph 27.2.2 below, Income Shares will be dealt on a forward pricing basis which means that transactions will be effected at prices determined at the next following Valuation Point.

#### 27.2.2

The sale and redemption of Income Shares in the PSDF need not be at a forward price where the circumstances in Article 34(2) of MMF Regulation applies.

#### 27.2.3

Accumulation Shares that are issued when the ACD implements the Negative Yield Response Measure in accordance with Paragraph 19.10 of this Prospectus, will be dealt on a <sup>2</sup>historic pricing basis where and to the extent permitted by the FCA Rules. Historic pricing means that transactions will be effected at prices determined at the Valuation Point immediately preceding when the sale or redemption is agreed.

<sup>2</sup>The ability to deal on a historic pricing basis is not currently permitted (and will be permitted only if the FCA grants a modification to the FCA Rules).

### 27.3 General Valuation and Rules

#### 27.3.1

The scheme property of the Company and any Sub-Fund will normally be valued at 12.00pm on each Dealing Day for the purpose of calculating the price at which Shares may be issued, sold, repurchased or redeemed. The ACD reserves the right to revalue the Company or any Sub-Fund at any time if it considers it desirable to do so.

#### 27.3.2

Additional valuations may also be carried out in accordance with the Regulations in connection with a scheme of amalgamation or reconstruction, or on the day the annual or half-year accounting period ends.

#### 27.3.3

The value of the scheme property of the Company or Sub-Fund (as the case may be) shall save in the case of a Sub-Fund which is a QMMF (for which see Paragraph 27.4) be the value of its assets less the value of its liabilities determined in accordance with the following provisions:

- a) all the scheme property (including receivables) is to be included, subject to the following provisions:
- b) property which is not cash (or other assets dealt within Paragraph (c) below) shall be valued as

follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:

- I. units or shares in a collective investment scheme:
  - a) if a single price for buying and selling units or shares is quoted, at that price; or
  - b) if separate buying and selling prices are quoted, at the average of the two prices provided the buying price has been reduced by any initial charge included therein and the selling price has been increased by any exit or redemption charge attributable thereto; or
  - c) 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, at a value which, in the opinion of the ACD, is fair and reasonable;
- II. exchange-traded derivative contracts:
  - a) if a single price for buying and selling the exchange-traded derivative contract is quoted, at that price; or
  - b) if separate buying and selling prices are quoted, at the average of the two prices;
- III. over-the-counter derivative contracts shall be valued in accordance with the method of valuation as shall have been agreed between the ACD and the Depositary;
- IV. any other investment:
  - a) if a single price for buying and selling the security is quoted, at that price; or
  - b) if separate buying and selling prices are quoted, at the average of the two prices; or
  - c) if in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if the most recent price available does not reflect the ACD's best estimate of the value, at a value which, in the opinion of the ACD, is fair and reasonable; and
  - d) property other than that described in Paragraphs (i) to (iv) above: at a value which, in the opinion of the ACD, represents a fair and reasonable mid-market price.
- c) cash and amounts held in current, deposit and margin accounts and in other time-related deposits shall be valued at their nominal values;
- d) in determining the value of the scheme property, all instructions given to issue or cancel Shares shall be assumed (unless the contrary is shown) to have been carried out and any cash payment made or received and all consequential action required by the Regulations or the Instrument shall be assumed (unless the contrary has been shown) to have been taken;
- e) subject to Paragraphs (f) and (g) below, agreements for the unconditional sale or purchase of property which are in existence but

uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the ACD, their omission shall 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 (e);
- g) all agreements are to be included under Paragraph (e) which are, or ought reasonably to have been, known to the person valuing the property assuming that all other persons in the ACD's employment take all reasonable steps to inform it immediately of the making of any agreement;
- h) deduct an estimated amount for anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the scheme property; on realised capital gains in respect of previously completed and current accounting periods; and on income where liabilities have accrued) including (as applicable and without limitation) capital gains tax, income tax, corporation tax, value added tax and stamp duty;
- i) deduct an estimated amount for any liabilities payable out of the scheme property and any tax thereon treating periodic items as accruing from day to day;
- j) deduct the principal amount of any outstanding borrowings whenever payable 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 by the Company;
- 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 and any stamp duty reserve tax position anticipated to be received by the Company; and
- n) currencies or values in currencies other than the base currency or (as the case may be) the designated currency of a Sub-Fund shall be converted at the relevant Valuation Point at a rate of exchange that is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders.

## 27.4 Valuation Rules in Respect of the PSDF

### 27.4.1

As the PSDF is a QMMF, its primary investment objective is to maintain the Net Asset Value of the Sub-Fund at par net of earnings. As required under the COLL Sourcebook and in accordance with the

MMF Regulation valuation of the scheme property of the PSDF shall be carried out daily at each Valuation Point on the following basis:

- a) on a mark to market basis whenever possible, in which case the relevant asset will be valued at the more prudent side of a bid and offer unless the asset can be closed out at mid-market using good quality market data; or
- b) on a mark to model basis when using the mark to market basis is not possible or the market data is not of sufficient quality.

#### **27.4.2**

Paragraph 27.4.1 notwithstanding, and in addition to the above methods, the scheme property of the PSDF may in addition be valued by using the amortised cost method provided that:

- a) the relevant assets have a residual maturity of up to 75 days;
- b) the price of the asset valued by using the amortised cost method does not vary from the mark to market or mark to model valuation by more than 10 basis points.

#### **27.4.3**

In the event that the price of an asset valued by using the amortised cost method does vary from the mark to market or mark to model valuation by more than 10 basis points, the price of that asset will be calculated in accordance with Paragraph 27.4.1.

#### **27.4.4**

Subject to Paragraphs 27.4.1, 27.4.2, and 27.4.3, at each Valuation Point:

- a) to the extent that the investments of the PSDF comprise money market instruments, valuation will be carried out in accordance with the amortised cost method of valuation. Under the amortised cost method, the investments of the PSDF are valued at their acquisition cost as adjusted for amortisation of premium or accretion of discount rather than at current market value;
- b) investments and other assets held within the PSDF shall be valued in accordance with Paragraph 27.3 above.

#### **27.4.5**

The ACD will advise the Depositary when the mark to market value of the PSDF varies from its amortised cost value by 0.10%, 0.15% and 0.20% respectively.

#### **27.4.6**

In circumstances where the ACD has resolved to operate a policy of smoothing in relation to the PSDF, any cumulative net realised capital gains or losses arising within the PSDF which would have an impact on the Net Asset Value per Share greater than five basis points, if applied on any one Dealing Day, may at the discretion of the ACD be spread

over a maximum period of 60 days. The ACD retains the discretion to amend this policy from time to time.

#### **27.4.7**

The ACD shall ensure that the calculation of the Net Asset Value per Share (including the constant Net Asset Value per Share) is carried out in accordance with Articles 30 and 32 of the MMF Regulation.

#### **27.4.8**

Both Income Shares and Accumulation Shares will be valued using the same valuation methodology outlined in this section. However, where the ACD implements a Negative Yield Response Measure and converts holders of Income Shares to Accumulation Shares in accordance with Paragraph 19.10 of this Prospectus, Negative Yield will accrue to the NAV. Accordingly, the NAV per Accumulation Share will fluctuate and capital may be eroded.

## **28. Charges and Expenses**

### **28.1 Initial, Redemption and Switching Charges**

#### **28.1.1**

The ACD may levy an initial charge on the purchase of Shares, which will be added to the price of Shares and will be paid by the Company to the ACD. The current initial charge (if any) is specified in Annexure 1.

#### **28.1.2**

The ACD may levy a redemption charge. If charged, the charge will be deducted from the price of the Shares being redeemed and will be paid by the Company to the ACD. The current redemption charge (if any) is specified in Annexure 1.

#### **28.1.3**

The ACD may levy a charge for switching between Shares in one Sub-Fund for Shares in another Sub-Fund. There is currently no switching charge.

#### **28.1.4**

In relation to a Sub-Fund which is a Regulated Money Market Fund (including a QMMF), any initial charge or redemption charge will reflect the restrictions of the MMF Regulation.

### **28.2 ACD Charges**

#### **28.2.1**

The ACD is entitled to receive from the Company in relation to each Sub-Fund, an Annual Management Charge (and VAT, if applicable) being a percentage of the value of the net assets of each Sub-Fund, as specified in Annexure 1. The Annual Management Charge may be increased only after the ACD has given 60 days prior notice in writing to Shareholders.

### 28.2.2

The Annual Management Charge accrues daily and is calculated by daily reference to the Net Asset Value of each Sub-Fund on the previous Dealing Day and is payable monthly within 10 Business Days of the following month.

### 28.3

In respect of the investment management carried on by the ACD, fees for this service are included in the Annual Management Charge.

### 28.4 Depositary's Fees

The Depositary receives for its own account a periodic fee which will accrue daily and is payable monthly on the last Business Day in each calendar month in respect of that day and the period since the last Business Day in the preceding month. This fee is payable within 10 Business Days after the last Business Day in each month. The fee is calculated by reference to the value of each Sub-Fund on the last Business Day of the preceding month except for the first accrual which is calculated by reference to the first valuation point of that Sub-Fund. The rate of the periodic fee is agreed between the ACD and the Depositary and is calculated on a sliding scale for each Sub-Fund on the following basis:

**0.010%** per annum of the first £100m of the scheme property;

**0.0075%** per annum of the next £400m of the scheme property; and

**0.0050%** per annum over £500m of the scheme property.

These rates can be varied from time to time in accordance with the COLL Sourcebook.

The first accrual in relation to any Sub-Fund will take place in respect of the period beginning on the day on which the first valuation of that Sub-Fund is made and ending on the last Business Day of the month in which that day falls.

In addition to the periodic fee referred to above, the Depositary shall also be entitled to be paid transaction and custody charges in relation to transaction handling and safekeeping of the scheme property as follows:

| Item                | Range              |
|---------------------|--------------------|
| Transaction Charges | £3 to £67.50       |
| Custody Charges     | 0.0030% to 0.1875% |

These charges vary from country to country depending on the markets and the type of transaction involved. Transaction charges accrue at the time the transactions are effected and are payable as soon as is reasonably practicable and in any event not later than the last Business Day of the month when such charges arose or as otherwise agreed between the Depositary and the ACD.

Custody charges accrue and are payable as agreed from time to time by the ACD and the Depositary.

Where relevant, the Depositary may make a charge for (or otherwise benefit from) providing services in relation to: distributions, the provision of banking services, holding money on deposit, lending money, or engaging in stock lending or derivative transactions, in relation to the Sub-Funds and may purchase or sell or deal in the purchase or sale of scheme property, provided always that the services concerned and any such dealing are in accordance with the provisions of the COLL Sourcebook and the MMF Regulation. The scheme property of the PSDF is not able to be committed to stock lending transactions or invested in derivatives.

The Depositary will also be entitled to payment and reimbursement of all costs, liabilities and expenses properly incurred in the performance of, or arranging the performance of, functions conferred on it by the Instrument, the COLL Sourcebook or by general law. With effect from 1 November 2016, the Depositary will receive £6,000 per annum out of the property of the Sub-Fund relating to the performance of Cash Flow Monitoring and Reconciliations.

On a winding up of the Sub-Fund the Depositary will be entitled to its pro rata fees, charges and expenses to the date of winding up, the termination, or the redemption (as appropriate) and any additional expenses necessarily realised in settling or receiving any outstanding obligations.

Any value added tax on any fees, charges or expenses payable to the Depositary will be added to such fees, charges or expenses.

In each such case such payments, expenses and disbursements may be payable to any person (including the ACD or any 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.

### 28.5 Administrator and Registrar Fees and Expenses

The Administrator and Registrar fees and expenses (plus VAT if applicable) for providing services will be paid by the ACD out of the Annual Management Charge.

### 28.6 Inducements

#### 28.6.1

In accordance with the Regulations, the ACD when executing orders or placing orders with other entities in relation to financial instruments for execution on behalf of the Company must not accept and retain any fees, commission or monetary benefits from a third party (**Third Party Payments**). If the ACD receives any Third Party Payments, the ACD will return the Third Party Payments to the Company as soon as reasonable possible and will inform

Shareholders of the amount received which will be set out in the annual reports.

### **28.6.2**

The ACD must not accept any non-monetary benefits when executing orders or placing orders with other entities for execution in relation to financial instruments on behalf of the Company and attributed to a Sub-Fund, except those which are capable of enhancing the quality of the service provided to the Company, and which are of a scale and nature such that they could not be judged to impair the ACD's compliance with its duty to act honestly, fairly and professionally in the best interests of the Company.

## **28.7 Research**

Certain brokers may from time to time provide research services to the ACD. The ACD pays for such research services out of its own resources, which is used by the ACD in its investment management process.

## **28.8 General Expenses**

### **28.8.1**

In addition to the fees already listed, the costs, charges and expenses (together with any value added tax payable) which may be charged to the Company include:

- a) all taxes and other duties which may be due on the assets and the income or otherwise of the Company;
- b) usual banking, audit and brokerage fees (if any) due on transactions involving portfolio securities of the Company;
- c) insurance, postage, telephone, fax and email;
- d) the fees of any directors additional to the ACD;
- e) fees and expenses in respect of establishing and maintaining the Register of Shareholders;
- f) remuneration (and out-of-pocket expenses) of the ACD (and any delegate), the Depositary (and any delegate), distributor or paying agent appointed. Certain of these functions may be performed by and remuneration paid to, associates of the ACD;
- g) formation expenses, including the cost of preparing and filing the Instrument, this Prospectus and all other documents concerning the Company;
- h) any costs incurred in relation to a unitisation, amalgamation or reconstruction of the Company where the property of another body corporate or collective investment scheme is transferred to the Company in consideration for Shares and any liability arising after the transfer, which if it had arisen prior to the transfer would have been properly payable out of such property, provided that the ACD is satisfied that proper provision was made for satisfying such liability as was

known or could have reasonably been anticipated at the time of the transfer;

- i) any fees or levies of the FCA relating to the Company;
- j) broker commission where applicable (and where such payment may be made in accordance with the Regulations);
- k) the cost of convening and holding any meeting of Shareholders (including meetings of Shareholders of a particular Sub-Fund or Class of Shareholder) requisitioned by Shareholders other than the ACD or an associate of the ACD;
- l) the cost incurred in amending the Instrument, this Prospectus including the costs of covering any meeting for Shareholders and/or directors;
- m) any sum incurred by the Company or the ACD on behalf of the Company in order to comply with any governmental or regulatory requirement;
- n) the cost of qualifying the Company for the sale of Shares in any jurisdiction or a listing on any stock exchange;
- o) fees due to ratings agencies;
- p) the cost of preparing, printing and publishing in such languages as are necessary and distributing annual and half-yearly reports of the Company or any Sub-Fund and such other reports or documents as may be desirable or required under any applicable laws or regulations of any relevant jurisdiction;
- q) the cost of preparing, printing, publishing and distributing public notices and other communications to the Shareholders including proxies and the costs incurred by Shareholder meetings;
- r) the cost of making distributions for any Sub-Fund or for the Company;
- s) any legal, auditing and other professional fees, expenses or disbursements incurred by the Company or the ACD in relation to the Company;
- t) interest and other charges relating to permitted borrowing;
- u) the sums incurred by reason of indemnifying the ACD against all losses and liabilities incurred by reason of acting as ACD of the Company except where the ACD has been negligent, fraudulent or acting by wilful default;
- v) the sums incurred by reason of any indemnity given to the Depositary; and
- w) all other charges and expenses as may be deducted from the scheme property in accordance with the Instrument and/or the COLL Sourcebook.

### **28.8.2**

For the avoidance of doubt, where research services are provided to the ACD, any research fee is paid from the ACD's own resources and not charged to the Company (or Sub-Fund).

### **28.8.3 Basis of Calculation of Administrative Expenses**

Administrative and other expenses of a regular or recurring nature may be calculated on an estimated basis for yearly or other periods in advance and the same may be accrued in equal proportion over any such period as the directors may consider reasonable.

### **28.8.4 Allocation**

Expenses can be allocated between income and capital in accordance with the COLL Sourcebook.

All expenses are allocated first against income. However, to the extent that there is insufficient income, expenses will be allocated to capital in accordance with the COLL Sourcebook. This may constrain capital growth.

See Annexure 1 for full details of all charges relating to each Sub-Fund.

## **29. Termination and Amalgamation**

### **29.1**

The ACD shall proceed to wind up the Company:

#### **29.1.1**

if the order declaring the Company to be an authorised collective investment scheme is revoked;

#### **29.1.2**

if the ACD or Depositary requests the FCA to revoke the order declaring the Company to be an authorised investment company with variable capital and the FCA has agreed that on the conclusion of the winding up of the Company it will accede to that request;

#### **29.1.3**

if an extraordinary resolution to that effect is passed;

#### **29.1.4**

on the effective date of a duly approved scheme of amalgamation of the Company with another body or scheme;

#### **29.1.5**

on the effective date of a duly approved scheme of reconstruction which results in all the property of the reconstructed scheme becoming the property of two or more authorised or recognised schemes; or

#### **29.1.6**

if a court scheme is initiated under Part V of the Insolvency Act 1986 for an unregistered company.

### **29.2**

The procedure for winding up the Company will be as follows: in the case of an amalgamation or reconstruction, the ACD shall wind up the Company

in accordance with the approved scheme of amalgamation or reconstruction; in any other case, the ACD shall as soon as practicable after the Company falls to be wound up realise the scheme property and, after paying out all liabilities of the Company properly so payable and retaining provision for the costs of the winding up, distribute the proceeds to the Shareholders and to itself (upon production by them of evidence as to their entitlement) proportionately to their respective interests in the Company. Any unclaimed net proceeds or other cash held by the ACD after the expiry of 12 months from the date on which the same became payable will be paid by the ACD into court subject to the ACD having a right to receive out of it any expenses incurred by it in making that up, the ACD shall notify the FCA and request the FCA to revoke the order of authorisation.

### **29.3**

A Sub-Fund may be terminated with the approval of the FCA, if a solvency statement is lodged with the FCA in respect of the liabilities of the Company relating to that Sub-Fund and either an extraordinary resolution to that effect has been passed by Class meeting(s) of the Class(es) of Shares of the Sub-Fund; or the FCA has agreed to a request by the ACD for the termination of the Sub-Fund.

The ACD may make such a request, among other circumstances, if at any time after the first anniversary of the issue of the first Shares of a Sub-Fund the net value of the assets of the Company attributable to that Sub-Fund is less than £1,000,000. Termination of a Sub-Fund will be carried out by the ACD in accordance with the COLL Sourcebook in a similar way to the winding-up of the Company as described above.

## **30. Taxation**

### **UK Taxation**

The following section is only intended as a general summary of certain UK tax law and HM Revenue & Customs (HMRC) practice, as at the date of this Prospectus, that may be applicable to the Company, its Sub-Fund(s) and/or its Shareholders. This is not a comprehensive summary of all technical aspects of the structure and 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 own professional adviser on the overall tax consequences of investing in the Company. The statements in this section that relate to investors are applicable only to those investors entering into the Company for investment purposes. It does not deal with the position of certain classes of Shareholders, such as dealers in securities and insurance companies, trusts, persons who have acquired their Shares by reason of their or another's employment

and people relying on the regime for foreign income and gains introduced 6 April 2025.

As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Company is made will endure indefinitely. The tax consequences for each investor of investing in the Company may depend upon the investor's own tax position and upon the relevant laws of any jurisdiction to which the investor is subject. The statements in this section relate to the UK tax implications of a UK tax resident and domiciled individual, or UK tax resident company, investing in the Company. The tax consequences may differ for investors who are not tax resident in the UK or are not domiciled in the UK for tax purposes.

### 30.1 Taxation of the Company

The Company is an umbrella Open-Ended Investment Company (**OEIC**). Umbrella OEICs are entirely transparent and therefore not treated as companies for UK tax purposes. Each separate Sub-Fund is an OEIC in its own right and each is treated as a company for UK tax purposes and taxed accordingly.

## 30.2 Taxation of The Public Sector Deposit Fund

### 30.2.1 Introduction

The PSDF is the only Sub-Fund of the Company at the date of this Prospectus and a summary of its UK tax treatment is set out below.

The PSDF should qualify as a "bond fund" for UK taxation purposes for any given distribution period because it is anticipated that the market value of qualifying investments of the PSDF will exceed 60% of the market value of its investments. This summary is based on the premise that the PSDF is and will continue to qualify as a bond fund. The effect of the PSDF being regarded as a bond fund is that all distributions by the PSDF are deemed to be payments of yearly interest. The PSDF is then entitled to deduct as an expense, distributions paid from income received when evaluating taxable profits for the computation of its own tax liability.

The rate of corporation tax applicable to the PSDF is equal to the basic rate of income tax, currently 20%.

### 30.2.2 Tax on capital gains

Capital gains accrued in or realised by the Sub-Fund will generally not be subject to UK taxation. If, however, it was deemed that the Sub-Fund was trading in securities (rather than holding them as investments) any gains made would be treated as taxable trading income for corporation tax purposes, subject to the exception below.

Part 2B of the Authorised Investment Funds (Tax) Regulations 2006 provides certainty that specified transactions carried out by an authorised fund, such

as the Company, will not be treated as trading transactions for funds that meet a genuine diversity of ownership condition. For these purposes, the ACD confirms that all share classes of the Company are primarily intended for and marketed to the category of retail and professional investors. The ACD intends that shares in the Company should be widely available and will be marketed and made available sufficiently widely to reach the intended categories of investors and in a manner appropriate to attract those kinds of investors.

### 30.2.3 Tax on income

The Sub-Fund will be liable to UK corporation tax on income from investments in debt, debt-related securities and cash deposits. However, if such income is distributed (or treated as distributed) as an interest distribution, either by way of cash distribution or through accumulation or re-investment in the Sub-Fund, the value of such distributions can be deducted from income, thereby reducing or eliminating the charge to corporation tax. The restrictions on the tax deductibility of interest contained in Part 10 and Schedule 7A of TIOPA will not apply to interest distributions made by the Sub-Fund.

### 30.2.4 Withholding Tax liability

To the extent the Company (or the Sub-Fund) is required to withhold tax as a result of:

- I. a Shareholder failing (or delaying) to provide relevant information to the ACD;
- II. a Shareholder failing (or delaying) to enter into a direct agreement with a tax authority where required; or
- III. the Company (or the Sub-Fund) becoming liable under the US Foreign Account Tax Compliance Act (FATCA) or any legislation or regulation to account for tax in any jurisdiction in the event that a Shareholder or beneficial owner of a Share receives a distribution, payment or redemption, in respect of their Shares or disposes (or is deemed to have disposed) of part or all of their Shares in any way;

each a **Chargeable Event**,

the ACD may take any action in relation to a Shareholder's holding in a Sub-Fund to ensure that such withholding is economically borne by the relevant Shareholder and the ACD and/or its delegate or agent shall be entitled to deduct from any payments to that Shareholder arising on or after a Chargeable Event an amount equal to the appropriate tax withheld. The action by the ACD may include, but is not limited to, the removal of a non-compliant Shareholder by the ACD or its delegates or agents redeeming or cancelling such numbers of Shares held by the Shareholder or such beneficial owner as are required for the Company or the Sub-Fund to meet the amount of tax. Neither the ACD nor its delegate or agent, including the

Administrator, will be obliged to make any additional payments to the Shareholder in respect of such withholding or deduction.

Shareholders should consult their own tax advisors regarding the possible implications of these results on their investments in the Sub-Fund.

### **30.2.5 Indemnity**

Each Shareholder agrees to indemnify the ACD and its delegates/agents including the Administrator for any loss caused by such Shareholder arising to the ACD and/or its delegates/agents by reason of them both becoming liable to account for tax in any jurisdiction on the occurrence of a Chargeable Event (as defined in Paragraph 30.2.4).

## **30.3 Taxation of a Shareholder**

This is a summary of the UK tax treatment of Shareholders in a bond fund, with a primary focus on Shareholders that are UK tax-resident and domiciled individuals in the UK.

### **30.3.1 Income Tax**

#### **a) Individual Shareholders**

UK resident individuals are subject to income tax on interest distributions paid (or deemed to be paid) by the Company.

No income tax is required to be deducted at source with the result that Shareholders will receive interest distributions gross of tax.

Basic rate taxpayers are entitled to a personal savings allowance of £1,000 and higher rate taxpayers are entitled to a reduced personal savings allowance of £500. Additional rate taxpayers are not entitled to any personal savings allowance.

UK tax-resident Shareholders will pay income tax (in the case of basic rate and higher rate taxpayers, on the amount exceeding the applicable personal savings allowance) at the basic rate of 20%, the higher rate of 40% or the additional rate of 45%.

Scottish resident individuals will be obliged to pay the same rate(s) of tax on this income as residents in the rest of the UK, given that distributions from the Sub-Fund should be treated as interest income.

Non-resident individual Shareholders will generally not be liable to UK income tax on interest distributions received from the Company or a Sub-Fund and will receive interest distributions without deduction of income tax.

#### **b) Corporate Shareholders**

A corporate Shareholder which, whether UK resident or not, is within the charge to UK corporation tax is usually entitled to receive

interest distributions (or deemed distributions from Accumulation Shares) gross and will generally treat an interest distribution as income taxable under the loan relationships regime.

### **30.3.2 Capital Gains Tax**

#### **a) UK resident individuals**

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 in the year, and by the annual exemption (currently £3,000). The rate of capital gains tax applicable to disposals of the Shares is currently 18% where the total taxable gains and income are less than the upper limit of the income tax basic rate band and 24% where gains are above that limit.

#### **b) UK resident companies**

Special rules apply to shareholders of a bond fund which are within the charge to UK corporation tax. These rules generally result in a holding of Shares being treated as a creditor relationship for the purposes of the UK's corporate debt rules. The result is that a fair value basis of accounting has to be used for computing corporation tax liabilities with regard to that creditor relationship. Accordingly, such a corporate Shareholder may, depending on its own circumstances, incur a charge to corporation tax on an unrealised increase in the value of its holding of Shares (and, likewise, obtain relief against corporation tax for an unrealised reduction in the value of its holding of Shares).

Exempt Shareholders, which include UK charities, UK approved pension funds, ISAs (and their individual investors), would not normally be liable to capital gains tax on their disposal of Shares.

#### **c) Non-resident Individual and Corporate Shareholders**

A Shareholder who is not resident in the UK will not normally be liable to UK tax on capital gains realised on the disposal (or deemed disposal) of Shares.

### **30.3.3 Inheritance tax**

A gift by a Shareholder of his Shareholding in a Sub-Fund or the death of a Shareholder may give rise to a liability to inheritance tax, except where the Shareholder has lived in the UK for less than 10 years in the last 20 years. For these purposes, a transfer of a Shareholding at less than its full market value may be treated as a gift.

### 30.3.4 Stamp Duty Reserve Tax (SDRT)

No SDRT is chargeable on dealings of Shares in the PSDF. However, investors should note that should SDRT or a similar tax relating to dealings on shares in an OEIC be re-introduced in the future, all such costs will be paid by the Company or Sub-Fund and charged to capital.

It should be noted that, in the event of either of the below occurring within the Sub-Fund, SDRT may still be triggered and, where applicable, be charged to the investor:

- a) transfers of Shares to third-party buyers; or
- b) non-pro rata in specie redemptions.

## 30.4 International Tax Compliance

### 30.4.1

FATCA was implemented to enable the Internal Revenue Service to combat US tax evasion. It requires "foreign financial institutions" (such as the Company) to report on US investors. Failure to comply (or be deemed compliant) with these requirements may mean that foreign financial institutions are subject to US withholding taxes on certain US-sourced income and gains. Under an intergovernmental agreement between the US and the UK the Company may be deemed compliant if it identifies and reports US taxpayer information directly to HMRC.

### 30.4.2

Similar reporting requirements may also apply to the Company in respect of any Shareholders who are not solely UK tax resident following laws enacted to implement the OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (**CRS**).

### 30.4.3

Council Directive (EU) 2018/822 (DAC 6) as it applies in the EU, imposes mandatory disclosure requirements on intermediaries and, in certain circumstances, taxpayers in respect of reportable cross-border arrangements implemented on or after 25 June 2018. Subject to the implementation of DAC 6 in the relevant Member States, the ACD, investors in the Sub-Funds, or any person that has advised or assisted could be legally obliged to file information in relation to the Sub-Funds and its activities with the competent authorities with a view to an automatic exchange of such information with other Member States. Following its exit from the EU on 31 December 2020, the UK revoked most of DAC 6 with immediate effect. The remaining DAC 6 regulations were subsequently repealed on 28 March 2023 and replaced by the mandatory disclosure rules (MDR). The UK MDR legislation is broadly aligned with the OECD's CRS guidelines and aims to prevent aggressive tax planning by requiring taxpayers and

advisers to report arrangements and structures which could be used to facilitate tax evasion.

### 30.4.4

Accordingly, Shareholders should note that:

#### 30.4.4.1

they may be asked to provide additional information (including information regarding their tax residence) to the ACD to enable the Company (or a Sub-Fund) to satisfy these obligations;

#### 30.4.4.2

the ACD may be required to report these details to HMRC; and

#### 30.4.4.3

HMRC may subsequently exchange this information with other governments or tax authorities in other jurisdictions.

### 30.4.5

Institutional Shareholders may be required to provide a Global Intermediary Identification Number (**GIIN**). Failure to provide the 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 GIIN for each Sub-Fund is available on request.

### 30.4.6

By signing the application form to open an account and subscribe for Shares, each Shareholder agrees and acknowledges that, in certain circumstances, the ACD will be obliged to share this information with UK tax authorities, who may pass it on to other tax authorities. Shareholders are encouraged to consult with their own tax advisors regarding the possible implications of FATCA or CRS on their interest in the Company.

## 31. Miscellaneous

### 31.1 Notices

Notices and other documents will be served on Shareholders by post, with copies available to be sent by email.

The address of the head office and place for service of the Company of notices or other documents required or authorised to be served on it is The Zig Zag Building, 70 Victoria Street, London SW1E 6SQ.

### 31.2 Telephone and electronic communications

The ACD in accordance with the Regulations must take all reasonable steps to record telephone conversations and keep a copy of electronic communications where such conversations and communications relate to activities in financial instruments as required by the FCA Rules.

### 31.3 Communicating by Email

Investors and potential investors in the Company acknowledge and accept that when they instruct the Registrar to purchase or sell Shares on their behalf by email (or otherwise communicate with the ACD/Registrar by email) that there are inherent risks (including the security risks of interception of or unauthorised access to such communications, the risks of and corruption of such communications and the risks of viruses or other harmful devices) and possible delays. Instructions sent or received by email over the internet may be altered, amended, deleted or may fail to be delivered without the knowledge of the parties. The ACD/Registrar does not accept responsibility for any loss caused to an investor or potential investor in the Company or a Sub-Fund or any other third party due to any breach of confidentiality or alteration to information sent or received over the internet which occurs during transmission and prior to receipt by the relevant party including any email communications from an investor or potential investor to the ACD/Registrar which have failed to be delivered for whatever reason. Additionally, a signed email instructions authority form must be in place before instructions can be sent by email.

### 31.4 Complaints

Complaints in respect of the operation or marketing of the Company should in the first instance be made in writing to the Head of Client Services of the ACD at The Zig Zag Building, 70 Victoria Street, London SW1E 6SQ. A Shareholder may also have a right to refer complaints to the Financial Ombudsman

Service, Exchange Tower, London E14 9SR, [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk) or telephone 0800 023 4567. A copy of the ACD's internal complaints handling procedure is available upon request and at [www.ccla.co.uk](http://www.ccla.co.uk).

### 31.5 Compensation

In the event of the ACD being unable to pay a valid claim against it, a Shareholder may be entitled to protection from the FSCS. The PSDF is not a bank account and is not covered by the FSCS's deposit protection. The PSDF is recognised as an MMF under the MMF Regulation. Therefore, under the rules of the FSCS it is an investment and is covered under the 'Investments' section of the FSCS. The maximum amount that can be claimed under the FSCS is £85,000. However, please be aware that the compensation limits from the FSCS apply at a firm level. This means, for example, that if the ACD cannot meet its obligations and a Shareholder has investments in more than one CCLA fund (and each fund is eligible under the FSCS), then it is likely that the maximum amount that would be protected would be £85,000, provided the Shareholder is eligible to claim. For further information about the FSCS please refer to [www.fscs.org.uk](http://www.fscs.org.uk) or phone 0800 678 1100.

### 31.6 Data Protection

Where relevant, CCLA's Privacy Notice sets out how personal data (as further detailed in the Privacy Notice) shall be processed by CCLA. A copy of the Privacy Notice is available upon request and on CCLA's website at [www.ccla.co.uk](http://www.ccla.co.uk).

## Annexure 1

### Sub-Fund Information: The Public Sector Deposit Fund (PSDF)

#### 1. Sub-Fund Information

##### 1.1

The PSDF is a UK UCITS Scheme, and a low volatility net asset value money market fund (LVNAV MMF) which is a short term MMF.

##### 1.2

The FCA product reference number of the PSDF is 637315.

#### 2. Investment Objective

The investment objective of the PSDF is to maximise the current income consistent with the preservation of principal and liquidity by investing in a diversified portfolio of high quality sterling denominated deposits and instruments. The primary objective is to maintain the net asset value of the fund at par (net of earnings).

#### 3. Investment Policy

##### 3.1

The PSDF will only invest in sterling denominated investments and deposits. The principal investments will comprise certificates of deposit, call accounts and term deposits with banks and building societies. The PSDF may also invest in other securities such as commercial paper, floating rate notes and bonds which may be issued or guaranteed as to principal or interest by sovereign governments and their agencies, supranational entities, corporations and financial institutions. All investments at the time of purchase will be considered by the ACD to be of high quality, meaning that the ACD has performed its own documented assessment of the credit quality of money market instruments taking into account ratings awarded by a credit rating agency registered and supervised by the FCA or ESMA in accordance with the Regulations.

##### 3.2

The PSDF (as an LVNAV MMF) is subject to the investment and borrowing powers applicable to such funds as referred to in this Annexure 1 and set out in Annexure 3. Consistent with its status as a QMMF which is an LVNAV MMF and subject always to the limits set out in this Annexure 1 and Annexure 3, the PSDF is entitled to exercise the investment and borrowing powers for UK UCITS Schemes, a summary of which is contained in Annexure 2.

##### 3.3

The WAM of the PSDF's investments will not exceed 60 days. When calculating the WAM of investments, the maturity of a floating rate instrument shall be deemed to be its next interest readjustment date and the maturity of any obligations subject to demand features shall be deemed to be the earlier of the next relevant reset date or the date upon which the demand may be invoked to recover the principal.

##### 3.4

The WAL of the PSDF's investments will not exceed 120 days. The WAL will be calculated in accordance with the MMF Regulation and as set out in Annexure 3.

##### 3.5

Up to 100% of the PSDF's net assets may be invested in debt and/or debt-related instruments issued or guaranteed as to principal and interest by the UK government, its agencies or instrumentalities and which at the time of purchase have received a favourable assessment as a result of the ACD performing its internal credit quality assessment as described further in Paragraph 7 of Annexure 1.

##### 3.6

The administrations, institutions and organisations which issue or guarantee separately or jointly money market instruments in which PSDF intends to invest more than 5% of its assets are:

###### 3.6.1

The UK Government

##### 3.7

A full list of the administrations, institutions and organisations which issue or guarantee separately or jointly money market instruments in which PSDF intends to invest its assets, is published at [www.ccla.co.uk](http://www.ccla.co.uk).

##### 3.8

As a QMMF, the investment objective and policy of the PSDF must meet the conditions specified in the definition of a QMMF in the FCA Glossary.

##### 3.9

The PSDF will not invest in derivatives or other collective investment schemes.

##### 3.10

The PSDF will not invest in eligible securitisations and ABCPs.

##### 3.11

The PSDF will not enter into repurchase agreements.

### 3.12

The PSDF will not undertake any of the following activities:

#### 3.12.1

investing in assets which are not eligible assets for investment by an MMF (as set out in Annexure 3);

#### 3.12.2

short sale of money market instruments, securitisations, ABCPs and units or shares of other MMFs;

#### 3.12.3

taking direct or indirect exposure to equity or commodities, including via derivatives, certificates representing them, indices based on them, or any other means or instrument that would give an exposure to them;

#### 3.12.4

entering into securities lending agreements or securities borrowing agreements, or any other agreement that would encumber the assets of the PSDF;

#### 3.12.5

borrowing and lending cash.

### 3.13

For the avoidance of doubt, cash as referred to in Paragraph 3.12.5 above does not include near-cash as described in the FCA Glossary.

## 4. Sustainability Approach

### 4.1

This product does not have a UK sustainable investment label. Sustainable investment labels help investors find products that have a specific sustainability goal. The PSDF does not use a sustainable investment label because it does not have a sustainability goal.

However, the PSDF is managed in line with CCLA's sustainability approach for cash funds which is available at [www.ccla.co.uk/about-us/policies-and-reports/policies/our-sustainability-approach-cash-funds](http://www.ccla.co.uk/about-us/policies-and-reports/policies/our-sustainability-approach-cash-funds). This approach follows an engagement prioritisation framework which includes targeted engagement with counterparties on issues including – but not limited to – climate change and human rights. We assess counterparties against a number of sustainability factors including their coal and oil expansion policies (analysis by Reclaim Finance) and their governance (using CCLA's own governance rating). This is complemented by CCLA's controversy process which excludes any counterparty which does not comply with the UN Global Compact or has the most severe level of controversy (as advised by our third-party provider). When significant concerns

about their governance, or wider social and/or environmental impact are identified, counterparties' eligibility for use by the PSDF is suspended.

Recognising the importance of engagement to the sustainability approach the ACD has adopted an engagement metric. The ACD, no less than annually, will disclose the proportion of active counterparties that have been engaged directly and report on the effectiveness of these engagements.

## 5. Risk Profile

The PSDF will maintain a low level of overall risk. This will be achieved by only investing with high-quality issuers, by maintaining a high level of diversification and by maintaining a low WAM. In addition to the general risk factors outlined in the Prospectus investors should also note that purchase of Shares in the PSDF is not the same as making a deposit with a bank or other deposit taking body and is not a guaranteed investment. Although it is intended to maintain constant Net Asset Value, there can be no assurance that this will be achieved in either a positive or Negative Yield Environment. The PSDF does not rely on external support for guaranteeing the liquidity of the Sub-Fund or stabilising the Net Asset Value per Share. The value of the PSDF may be affected by the creditworthiness of issuers in which the Sub-Fund invests and, notwithstanding the policy of investing in short-term instruments, may also be affected by substantial adverse fluctuations in interest rates. The risk of loss of principal is borne by the Shareholder.

The ACD will endeavour to maintain a Triple A money market fund rating with at least one competent rating agency.

As part of prudent risk management the ACD will conduct stress testing at least bi-annually.

## 6. Rating Award

The ACD will seek to maintain an AAmmf rating from Fitch Ratings in accordance with the CRA Regulation as defined in the FCA Glossary. Fitch Ratings takes into account, inter alia, the PSDF's portfolio quality, its counterparties and management, operating procedures and controls, regulatory compliance and market price risk relative to the PSDF's published objectives. The ACD intends to operate the Sub-Fund in accordance with the Fitch Ratings requirements (as amended from time to time). **Shareholders and potential Shareholders should be aware that the rating was solicited by the ACD and financed by the PSDF.**

## 7. Internal Credit Quality Assessment

### 7.1

In accordance with the MMF Regulation the ACD has established and implemented an internal credit quality assessment procedure which will be applied to determine the credit quality of the money market instruments in which the PSDF is invested.

### 7.2

The PSDF will only invest in money market instruments in respect of which the issuer and the quality of the instrument have received a favourable assessment. The ACD will carry out a credit quality assessment in accordance with the MMF Regulation to determine whether the relevant issuer and/or instrument receives a favourable assessment.

### 7.3

In carrying out the assessment, the ACD will take into account the following factors and general principles:

#### 7.3.1

the quantification of the credit risk of the issuer and of the relative risk of default of the issuer and of the instrument;

#### 7.3.2

qualitative indicators on the issuer of the instrument, including in the light of the macroeconomic and financial market situation;

#### 7.3.3

the short-term nature of money market instruments;

#### 7.3.4

the asset class of the instrument;

#### 7.3.5

the type of issuer distinguishing at least the following types of issuers: national, regional or local administrations, financial corporations, and non-financial corporations;

#### 7.3.6

for structured financial instruments, the operational and counterparty risk inherent within the structured financial transaction and, in case of exposure to securitisations, the credit risk of the issuer, the structure of the securitisation and the credit risk of the underlying assets; and

#### 7.3.7

the liquidity profile of the instrument.

### 7.4

The ACD maintains a risk management policy specifically for PSDF which provides a detailed overview of the principles applied by the ACD when carrying out internal credit quality assessments, as

well as the procedure to be followed. By way of summary:

#### 7.4.1

an effective process has been established whereby the ACD obtains continual updates on issuer and instrument characteristics; and

#### 7.4.2

the ACD's Investment Committee meet at least quarterly to review this information and to discuss the implementation of the PSDF's investment policy. Care is taken to ensure that all reviews of credit quality are based on a thorough analysis of the information that is available and includes all relevant driving factors that influence the creditworthiness of the issuers and the credit quality of the instruments.

### 7.5

The procedure for carrying out an assessment will be approved by the Investment Committee and ratified by the Governing Body. It is monitored on an ongoing basis and all credit quality assessments are reviewed at least annually. The Governing Body shall be regularly informed about the performance of the internal credit quality assessment procedures, the areas where deficiencies were identified, and the status of efforts and actions taken to improve previously identified deficiencies.

### 7.6

While there can be no mechanistic over-reliance on external ratings, the ACD shall undertake another credit quality assessment for money market instruments where there is a material change that could have an impact on the existing assessment of the instrument. As the PSDF is a QMMF this will include (but may not be limited to) a downgrade below the two highest short-term credit ratings by any agency registered and supervised by the FCA or ESMA that has rated the instrument.

### 7.7

The methodologies used to assess credit quality are set out in the PSDF's risk management policy. These methodologies will be assessed at least annually by the ACD to ensure that they remain appropriate for the current portfolio of the PSDF, as well as the current external conditions.

### 7.8

Where the ACD becomes aware of any errors in its credit quality assessment methodology or in its application, it shall immediately correct those errors.

### 7.9

Where the methodologies, models or key assumptions used in the internal credit quality assessment procedure are changed, the ACD will review all affected internal credit quality assessments as soon as possible.

## 8. Liquidity management procedures applicable to the PSDF

### 8.1

The ACD has established and implemented liquidity management procedures which are applied consistently in order to comply with the liquidity thresholds applicable to LVNAV MMFs.

### 8.2

The procedures in summary entail the following:

#### 8.2.1

a dilution levy may be applied in accordance with Paragraph 20 of this Prospectus;

#### 8.2.2

the ACD may suspend dealing in accordance with Paragraph 21 of this Prospectus;

#### 8.2.3

In the event that the proportion of weekly maturing assets falls below 30% of the total assets of the PSDF and the net daily redemptions on a single Business Day exceed 10% of total assets, then the ACD shall undertake a documented assessment of the situation to determine the appropriate course of action having regard to the interests of the Shareholders and shall decide whether to apply one or more of the following measures:

- a) liquidity fees on redemptions that adequately reflect the cost to the PSDF of achieving liquidity and ensure that Shareholders who remain in the PSDF are not unfairly disadvantaged when other Shareholders redeem their Shares during the period;
- b) redemption gates that limit the amount of Shares to be redeemed on any one Business Day to a maximum of 10% of the value of Shares in the PSDF for any period up to 15 Business Days (and where such redemptions gates are applied, the ACD will apply these on a pro-rata basis across all redemptions requested on that day);
- c) suspension of redemptions for any period up to 15 Business Days; or
- d) if the limits are exceeded for reasons beyond the control of the ACD, or as a result of the exercise of subscription or redemption rights, take no immediate action other than adopting as a priority objective the correction of that situation, taking due account of the interests of its Shareholders.

#### 8.2.4

After the ACD has determined a course of action under Paragraph 8.2.3 above, it shall promptly provide details of its decision to the FCA.

Shareholders will be notified via a publication on the ACD's website ([www.ccla.co.uk](http://www.ccla.co.uk)).

### 8.2.5

In the event that the proportion of weekly maturing assets falls below 10% of the total assets of the PSDF, then the ACD shall undertake a documented assessment of the situation to determine the appropriate course of action having regard to the interests of the Shareholders and shall decide whether to apply one or more of the following measures:

- a) liquidity fees on redemptions that adequately reflect the cost to the PSDF of achieving liquidity and ensure that Shareholders who remain in the PSDF are not unfairly disadvantaged when other Shareholders redeem their shares during the period;
- b) a suspension of redemptions for a period of up to 15 Business Days.

### 8.2.6

After the ACD has determined its course of action under Paragraph 8.2.5 above, it shall promptly provide details of its decision to the FCA. Shareholders will be notified via a publication on the ACD's website ([www.ccla.co.uk](http://www.ccla.co.uk)).

### 8.2.7

In the event that, within a period of 90 days, the total duration of the suspensions exceeds 15 days the PSDF shall automatically cease to be an LVNAV Money Market Fund. The ACD shall immediately inform each Shareholder thereof in writing in a clear and comprehensible way.

### 8.3

The ACD has established sound policies and procedures for 'know your customer' purposes which assist in understanding the PSDF's investor base in order to ensure appropriate liquidity management.

## 9. Comparator Benchmark

The comparator benchmark index for the PSDF is SONIA. This index was chosen as it is widely used in the banking and investment industries and meets accepted international standards of best practice.

## 10. Investment Style

The PSDF is actively managed which means the ACD, as investment manager, uses their discretion to pick investments seeking to achieve the PSDF's objective.

## 11. Share Classes Available for Investment in The Public Sector Deposit Fund

| Share Class (SC)          | Availability                                                                           | Minimum Initial Investment and Holding <sup>1</sup> | Characteristics     |
|---------------------------|----------------------------------------------------------------------------------------|-----------------------------------------------------|---------------------|
| SC 1 – Internal           | Restricted for use by Jupiter Group funds and separately managed client accounts only. | £1                                                  | Income Shares       |
| SC 2 – Non-Public Sector  | Restricted to investors who meet the minimum investment criteria.                      | £25,000                                             | Income Shares       |
| SC 3 – Non-Public Sector  | Restricted to investors who meet the minimum investment criteria.                      | £15,000,000                                         | Income Shares       |
| SC 4 – Public Sector      | Restricted to Public Sector investors who meet the minimum investment criteria.        | £1,000,000                                          | Income Shares       |
| SC 5 – Public Sector      | Restricted to Public Sector investors who meet the minimum investment criteria.        | £25,000                                             | Income Shares       |
| SC 1 – Internal*          | Restricted for use by Jupiter Group funds and separately managed client accounts only. | £1                                                  | Accumulation Shares |
| SC 2 – Non-Public Sector* | Restricted to investors who meet the minimum investment criteria.                      | £25,000                                             | Accumulation Shares |
| SC 3 – Non-Public Sector* | Restricted to investors who meet the minimum investment criteria.                      | £15,000,000                                         | Accumulation Shares |
| SC 4 – Public Sector*     | Restricted to Public Sector investors who meet the minimum investment criteria.        | £1,000,000                                          | Accumulation Shares |
| SC 5 – Public Sector*     | Restricted to Public Sector investors who meet the minimum investment criteria.        | £25,000                                             | Accumulation Shares |

<sup>1</sup> The ACD reserves the right in its absolute discretion to waive the minimum initial investment and holding requirements for any Share Class.

\* Accumulation Shares are not currently available. Accumulation Shares will be made available only in circumstances where the ACD implements the Negative Yield Response Measure (see Paragraph 19.10 of this Prospectus).

## 12. Annual Management Charge (AMC)

### 12.1

The table below shows the AMC and separately details any initial or redemption charges that may be applicable. The charges are shown for each Share Class as follows:

| Share Class (SC)         | Initial Charge | AMC    | Redemption Charge |
|--------------------------|----------------|--------|-------------------|
| SC 1 – Internal          | 0.00%          | 0.00%* | 0.00%             |
| SC 2 – Non-Public Sector | 0.00%          | 0.20%  | 0.00%             |
| SC 3 – Non-Public Sector | 0.00%          | 0.10%  | 0.00%             |
| SC 4 – Public Sector     | 0.00%          | 0.10%  | 0.00%             |
| SC 5 – Public Sector     | 0.00%          | 0.20%  | 0.00%             |

\*The AMC for Class 1 Shares is 0.00% however this Class, like all other Classes, incurs its proportionate share of all other costs and expenses of operating and administering the PSDF such as depositary, custody, audit and regulatory fees.

## 12.2

The AMC is exclusive of VAT (which if payable will apply in addition) and is calculated by reference to the sum of i) the Net Asset Value of the relevant Class on the previous Dealing Day and ii) net subscriptions or redemptions (as the case may be) received prior to the Dealing Deadline on the Dealing Day. The AMC will accrue daily and be payable monthly in arrears.

## 12.3

The ACD may rebate all or part of the AMC to recognised intermediaries.

## 13. Issue and redemption of shares

### 13.1

Subject to Paragraph 13.2 Shares will be issued or redeemed at a price equal to the PSDF's NAV per Share.

### 13.2

Shares in the PSDF may be issued or redeemed at a price equal to the PSDF's constant NAV per Share, as calculated in accordance with Article 32 of the MMF Regulation, provided that such price does not deviate from the NAV per Share calculated in accordance with Article 30 of the MMF Regulation by more than 20 basis points.

## 14. Operating Characteristics Common to Share Classes 1 to 5

The following operating characteristics are common to Share Classes 1 to 5:

### 14.1

annual accounting reference date: 31 March;

### 14.2

half-yearly accounting date: 30 September;

## 14.3

Income – For Income Shares, income is accrued daily and is distributed monthly within two Business Days after the calendar month to which it relates. For Accumulation Shares, income is accrued daily in the NAV of the Accumulation Shares.

## 15. Profile of Typical Investor

The PSDF is marketable to professional and retail clients but is principally targeted at Public Sector investors. The Sub-Fund is suitable for investors who are looking for security, liquidity and yield in that order.

## 16. Reports

The ACD shall make available to investors the following information on at least a weekly basis via a publication on the ACD's website ([www.ccla.co.uk](http://www.ccla.co.uk)):

### 16.1

the maturity breakdown of the PSDF's portfolio;

### 16.2

the credit profile of the PSDF;

### 16.3

the WAM and the WAL of the PSDF;

### 16.4

details of the 10 largest holdings of the PSDF;

### 16.5

the total value of the PSDF's assets; and

### 16.6

the net yield of the PSDF.

## Annexure 2

### Summary of Investment and Borrowing Powers for UK UCITS Schemes

#### Sub-Funds which are not Regulated Money

##### Market Funds

The property of each Sub-Fund will be invested with the aim of achieving the investment objective relating to the relevant Sub-Fund but subject to the relevant limits on investment and borrowing set out in the FCA's COLL Sourcebook. The general investment and borrowing powers applicable to UK UCITS Schemes are summarised in this Annexure 2.

#### Sub-Funds which are Regulated Money Market Funds

Investment powers and limits for Regulated Money Market Funds (including QMMFs) are set out in the MMF Regulation and further details regarding the requirements of the MMF Regulation are provided in Annexure 3. However, certain investment restrictions as set out in COLL are also applicable to Regulated Money Markets Funds which are UK UCITS Schemes.

As a guide, provisions marked with an asterisk (\*) are applicable to the ACD in respect of its management of a Sub-Fund which is a Regulated Money Market Fund (such as the PSDF). Further details of the applications of COLL 5.2 to Regulated Money Market Funds can be found at COLL 5.2.2.

#### All Sub-Funds

Regardless of whether a Sub-Fund is a Regulated Money Market Fund or not, the ACD must ensure that, taking account of the investment objectives and policy of the Sub-Fund, the scheme property of each Sub-Fund aims to provide a prudent spread of risk.

The requirements on spread of investments do not apply until the expiry of a period of six months after the date of effect of the authorisation order in respect of a Sub-Fund (or on which the initial offer commenced if later) provided that the requirement to maintain prudent spread of risk is complied with.

## 1. Permitted Categories of Investment

### 1.1

With limited exceptions a Sub-Fund must invest solely in any or all permitted categories of the following:

#### 1.1.1

transferable securities;

#### 1.1.2

approved money market instruments;

#### 1.1.3

derivatives and forward transactions;

#### 1.1.4

deposits;

#### 1.1.5

units in collective investment schemes; and

#### 1.1.6

movable and immovable property that is necessary for the direct pursuit of the Company's business.

## 2. Transferable Securities

### 2.1 Types of Transferable Security

#### 2.1.1

A transferable security is an investment which is a share, a debenture, an alternative debenture, a government and public security, a warrant, or a certificate representing certain securities (as such terms are defined in the FCA Handbook).

#### 2.1.2

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.

#### 2.1.3

In applying Paragraph 2.1.2 to an investment which is issued by a body corporate and which is a share or a debenture (as such terms are defined in the FCA Handbook), the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored.

#### 2.1.4

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.

### 2.2 Criteria for Investment in Transferable Securities

#### 2.2.1

A Sub-Fund may invest in a transferable security only to the extent that the transferable security fulfils the following criteria:

- the potential loss which a Sub-Fund may incur with respect to holding the transferable security is limited to the amount paid for it;
- its liquidity does not compromise the ACD's ability to comply with its obligations to redeem Shares at the request of any qualifying Shareholder;
- reliable valuation is available for it as follows:

1. in the case of a transferable security admitted to or dealt in on an eligible market (see further Paragraph 5 below for an explanation of 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;
  2. in the case of a transferable security not admitted to or dealt in on an eligible market, where there is a valuation on a periodic basis which is derived from information from the issuer of the transferable security or from competent investment research;
- d) appropriate information is available for it as follows:
1. in the case of a transferable security admitted to or dealt in on an eligible market, where there is regular, accurate and comprehensive information available to the market on the transferable security or, where relevant, on the portfolio of the transferable security;
  2. in the case of a transferable security not admitted to or dealt in on an eligible market where there is regular and accurate information available to the 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.

### **2.2.2**

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 obligations to redeem Shares at the request of any qualifying Shareholder; and
- b) to be negotiable.

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

A unit in a closed-end fund shall be taken to be a transferable security for the purposes of investment by a Sub-Fund, provided it fulfils the criteria for transferable securities set out in Paragraph 2.2 above and either:

### **2.3.1**

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

1. it is subject to corporate governance mechanisms applied to companies; and
2. where another person carries out asset management activity on its behalf that person is subject to national regulation for the purpose of investor protection; or

### **2.3.2**

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

1. it is subject to corporate governance mechanisms equivalent to those applied to companies; and
2. it is managed by a person who is subject to national regulation for the purpose of investor protection.

## **2.4 Transferable Securities Linked to Other Assets**

### **2.4.1**

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 Paragraph 2.2 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.

### **2.4.2**

Where an investment in Paragraph 2.4.1 contains an embedded derivative component, the requirements of this Annexure 2 with respect to derivatives and forwards will apply to that component.

## **3. Approved Money Market Instruments**

### **3.1**

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.

### **3.2**

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

#### **3.2.1**

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

#### **3.2.2**

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

#### **3.2.3**

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

#### **3.2.4**

has a risk profile, including credit and interest rate risks, corresponding to that of an instrument which has a maturity as set out in 3.2.1 or 3.2.2 or is subject to yield adjustments as set out in 3.2.3.

### 3.3

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.

### 3.4

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

#### 3.4.1

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

#### 3.4.2

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

### 3.5

A money market instrument that is normally dealt 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.

## 4. Transferable Securities and Money Market Instruments Generally to be Admitted to or Dealt on an Eligible Market

### 4.1

Transferable securities and approved money market instruments held within a Sub-Fund must be:

#### 4.1.1

admitted to or dealt on an eligible market (as described in Paragraph 5.2.1 or Paragraph 5.3); or

#### 4.1.2

dealt in on an eligible market (as described in Paragraph 5.2.2); or

#### 4.1.3

for an approved money market instrument not admitted to or dealt on an eligible market within Paragraph 6; or

#### 4.1.4

recently issued transferable securities provided that the terms of issue include an undertaking that an application will be made to be admitted to an eligible market; and such admission is secured within a year of issue.

### 4.2

A Sub-Fund may invest no more than 10% of the Sub-Fund's investments in transferable securities and approved money market instruments other than those referred to in Paragraph 4.1.

### 4.3

However, the ability to hold up to 10% of the Sub-Fund's investments in ineligible assets under Paragraph 4.2 above is subject to the following limitation: for a qualifying money market fund (as defined in the FCA Rules), the 10% restriction is limited to high quality money market instruments with a maturity or residual maturity of not more than 397 days or regular yield adjustments consistent with such a maturity, and with a WAM of no more than 60 days.

## 5. Eligible Markets Regime

### 5.1

To protect investors the markets in which investments of a Sub-Fund are dealt or traded on should be of an adequate quality ("eligible") at the time of acquisition of the investment and until it is sold. Where a market ceases to be eligible, investments on that market cease to be approved securities. The 10% restriction in Paragraph 4.2 above on investment in non-approved securities applies and exceeding this limit because a market ceases to be eligible will generally be regarded as a breach beyond the control of the ACD.

### 5.2

A market is eligible for the purposes of the FCA Handbook if it is:

#### 5.2.1

a regulated market (as defined in the FCA Handbook); or

#### 5.2.2

a market in the UK or an EEA State which is regulated, operates regularly and is open to the public; or

#### 5.2.3

any market within Paragraph 5.3.

### 5.3

A market not falling within Paragraph 5.2 is eligible for the purposes of the FCA Handbook if:

#### 5.3.1

the ACD after consultation with and notification to the Depositary decides that market is appropriate for investment of, or dealing in the Sub-Fund's property;

#### 5.3.2

the market is included in a list in the Prospectus; and

### 5.3.3

the Depositary has taken reasonable care to determine that adequate custody arrangements can be provided for the investment dealt on that market; and all reasonable steps have been taken by the ACD in deciding whether that market is eligible.

### 5.4

In Paragraph 5.3.1 a market must not be considered appropriate unless it is regulated, operates regularly, is recognised as a market or exchange or as a self regulating organisation 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 to the order of investors.

## 6. Money Market Instruments with a Regulated Issuer

### 6.1

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

#### 6.1.1

the issue or the issuer is regulated for the purposes of protecting investors and savings; and

#### 6.1.2

the instrument is issued or guaranteed in accordance with Paragraph 7.

### 6.2

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 purposes of protecting investors and savings if:

#### 6.2.1

the instrument is an approved money market instrument;

#### 6.2.2

appropriate information is available for the instrument (including information which allows an appropriate assessment of the credit risks related to investments in it) in accordance with Paragraph 8, and

#### 6.2.3

the instrument is freely transferable.

## 7. Issuers and Guarantors of Money Market Instruments

### 7.1

A Sub-Fund may invest in an approved money market instrument if it is:

#### 7.1.1

issued or guaranteed by any one of the following:

- a) a central authority of the UK or an EEA State or if the EEA State is a federal state, one of the members making up the federation;
- b) a regional or local authority of the UK or an EEA State;
- c) the Bank of England
- d) the European Central Bank or a central bank of an EEA State;
- e) the EU or the European Investment Bank;
- f) a non-EEA State, or in the case of a federal state one of the members making up the federation; or
- g) a public international body to which the UK or one or more EEA States belong;

#### 7.1.2

issued by a body, any securities of which are dealt on an eligible market; or

#### 7.1.3

issued or guaranteed by an establishment which is:

- a) subject to prudential supervision in accordance with criteria defined by UK or EU law; or
- b) subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by UK or EU law.

### 7.2

An establishment shall be considered to satisfy the requirement in Paragraph 7.1.3(b) if it is subject to and complies with prudential rules, and fulfils one or more of the following criteria:

#### 7.2.1

it is located in the EEA;

#### 7.2.2

it is located in an OECD country belonging to the Group of Ten;

#### 7.2.3

it has at least investment grade rating;

#### 7.2.4

on the basis of an in-depth analysis of the issuer, it can be demonstrated that the prudential rules applicable to that issuer are at least as stringent as those laid down by UK or EU law.

## 8. Appropriate Information for Money Market Instruments

### 8.1

In the case of an approved money market instrument within Paragraph 7.1.2 or issued by a body referred to in the COLL Sourcebook at COLL 5.2.10EG; or which is issued by an authority within Paragraph 7.1.1(b) or a public international body within Paragraph 7.1.1(g), but is not guaranteed by a central authority within Paragraph 7.1.1(a), the following information must be available:

#### 8.1.1

information on both the issue or the issuance programme and the legal and financial situation of the issuer prior to the issue of the instrument, verified by appropriately qualified third parties not subject to instructions from the issuer;

#### 8.1.2

updates of that information on a regular basis and whenever a significant event occurs; and

#### 8.1.3

available and reliable statistics on the issue or the issuance programme.

### 8.2

In the case of an approved money market instrument issued or guaranteed by an establishment within Paragraph 7.1.3 the following information must be available:

#### 8.2.1

information on the issue or the issuance programme or on the legal and financial situation of the issuer prior to the issue of the instrument;

#### 8.2.2

updates of that information on a regular basis and whenever a significant event occurs; and

#### 8.2.3

available and reliable statistics on the issue or the issuance programme, or other data enabling an appropriate assessment of the credit risks related to investment in those instruments.

### 8.3

In the case of an approved money market instrument within Paragraph 7.1.1(a) 7.1.1(e) or 7.1.1(f) or which is issued by an authority within Paragraph 7.1.1(b) or a public international body within Paragraph 7.1.1(g) and is guaranteed by a central authority within Paragraph 7.1.1(a) 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.

## 9. Spread Limits

### 9.1

This Paragraph does not apply to government and public securities.

### 9.2

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

### 9.3

Not more than 20% in value of a Sub-Fund's property can consist of deposits with a single body.

### 9.4

No more than 5% in value of a Sub-Fund's scheme property can consist of transferable securities or approved money market instruments issued by any single body (raised to 10% in respect of up to 40% in value of a Sub-Fund's property (covered bonds need not be taken into account for the purpose of applying the limit of 40%) and raised to 25% in value of a Sub-Fund's property in respect of covered bonds, provided that where more than 5% of a Sub-Fund's property is invested in covered bonds issued by a single body, the total value of covered bonds held must not exceed 80% in value of a Sub-Fund's property).

### 9.5

In applying Paragraph 9.4 certificates representing certain securities are to be treated as equivalent to the underlying security.

### 9.6

The exposure to any one counterparty in an OTC derivative transaction must not exceed 5% in value of a Sub-Fund's property (raised to 10% when the counterparty is an approved bank).

### 9.7

Not more than 20% in value of a Sub-Fund's property can consist of transferable securities and approved money market instruments issued by the same group as referred to in Paragraph 9.2.

### 9.8

Not more than 20% in value of a Sub-Fund's property is to consist of the units of any one collective investment scheme.

### 9.9

In applying the limits in Paragraphs 9.3, 9.4 and 9.6 in relation to a single body and subject to the 25% limit in Paragraph 9.4, not more than 20% in value of a

Sub-Fund's investments can consist of any combination of two or more of the following:

**9.9.1**

transferable securities (including covered bonds) or approved money market instruments issued by that body; or

**9.9.2**

deposits made with that body; or

**9.9.3**

exposures from OTC derivatives transactions made with that body.

**9.10**

The ACD must ensure that counterparty risk arising from an OTC derivative transaction is subject to the limits set out in Paragraphs 9.4 and 9.9.

**9.11**

When calculating the exposure of a Sub-Fund to a counterparty in accordance with the limits in Paragraph 9.4, the ACD must use the positive mark-to-market value of the OTC derivative contract with that counterparty.

**9.12**

The ACD may net the OTC derivative positions of a Sub-Fund with the same counterparty, provided:

**9.12.1**

it is able legally to enforce netting agreements with the counterparty on behalf of a Sub-Fund; and

**9.12.2**

the netting agreements in Paragraphs 9.12.1 do not apply to any other exposures a Sub-Fund may have with that same counterparty.

**9.13**

The ACD may reduce the exposure of a Sub-Fund's investments to a counterparty to an OTC derivative transaction 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.

**9.14**

The ACD must take collateral into account in calculating exposure to counterparty risk in accordance with the limits in Paragraph 9.16 when it passes collateral to the counterparty to an OTC derivative transaction on behalf of a Sub-Fund.

**9.15**

Collateral passed in accordance with Paragraph 9.14 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 a Sub-Fund.

**9.16**

The ACD must calculate the issuer concentration limits referred to Paragraph 9 on the basis of the underlying exposure created through the use of OTC derivatives in accordance with the commitment approach.

**9.17**

In relation to exposures arising from OTC derivative transactions, as referred to in Paragraph 9.9, the ACD must include in the calculation any counterparty risk relating to the OTC derivative transactions.

## 10. Government and Public Securities

This Paragraph applies to government and public securities issued by:

- a) the UK or an EEA State;
- b) a local authority of the UK or an EEA State;
- c) a non-EEA State;
- d) a public international body to which the UK or one or more EEA States belong.

**10.1**

Where no more than 35% in value of a Sub-Fund's investments 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.

**10.2**

A Sub-Fund may invest more than 35% in value of its investments in such securities issued by one issuer provided that:

**10.2.1**

the ACD, after prior consultation with the Depositary, considers that the issuer of such securities is one which is appropriate in accordance with the investment objectives of a Sub-Fund;

**10.2.2**

no more than 30% in value of the investments of a Sub-Fund consist of such securities of any one issue;

**10.2.3**

the investments of a Sub-Fund include such securities issued by that or another issuer of at least six different issues;

**10.2.4**

the disclosures in COLL 3.2.6R(8) and COLL 4.2.5R(3)(i) have been made; and

**10.2.5**

such securities are issued or guaranteed by or on behalf of the government of the UK.

## 10.3

In relation to such securities:

- a) issue, issued and issuer include guarantee, guaranteed and guarantor; and
- b) an issue differs from another if there is a difference as to repayment date, rate of interest, guarantor or other material terms of the issue.

## 10.4

Notwithstanding Paragraph 9.1 and subject to Paragraphs 10.1 and 10.2, in applying the 20% limit in Paragraph 9.9, with respect to a single body government and public securities issued by that body shall be taken into account.

## 11. Collective Investment Schemes

With regard to collective investment schemes:

### 11.1

A Sub-Fund must not invest in units in a collective investment scheme (a “second scheme”) unless the second scheme satisfies all of the following conditions, and provided that no more than 30% in value of a Sub Fund’s investments is invested in second schemes within Paragraphs 11.1.2 to 11.1.5:

#### 11.1.1

the second scheme is a UK UCITS or complies with the conditions necessary for it to enjoy the rights conferred by the UCITS Directive as implemented in the EEA; or,

#### 11.1.2

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

#### 11.1.3

the second scheme is authorised as a non-UCITS retail scheme (provided the requirements of COLL 5.2.13AR(1)(a), (3) and (4) are met); or

#### 11.1.4

the second scheme is authorised in an EEA State (provided the requirements of COLL 5.2.13AR are met); or

#### 11.1.5

the second scheme is authorised by the competent authority of an OECD member country (other than an EEA State) which has:

- a) signed the IOSCO Multilateral Memorandum of Understanding; and
- b) approved the scheme’s management company, rules and depositary/custody arrangements;

(provided that the requirements of COLL 5.2.13AR are met);

and the second scheme must satisfy all of the following conditions:

### 11.1.6

it complies with certain restrictions set out in the FCA Rules including restrictions designated to avoid double charging as set out at COLL 5.2.15R and 5.2.16R;

### 11.1.7

it is a scheme which has terms which prohibit more than 10% in value of the scheme property consisting of units in collective investment schemes; and

### 11.1.8

where the second scheme is an umbrella the provisions in Paragraphs 11.1.6, 11.1.7 and 9 apply to each Sub-Fund as if it were a separate scheme.

### 11.2

The requirements of COLL 5.2.13AR referred to above in Paragraph 11.1 are that:

- a) the Second Scheme is an undertaking:
  - I. with the sole object of collective investment in transferable securities or in other liquid financial assets, of capital raised from the public and which operate on the principle of risk-spreading; and
  - II. with units which are, at the request of holders, repurchased or redeemed, directly or indirectly, out of those undertakings’ assets (action taken by a scheme to ensure that the price of its units on an investment exchange does not significantly vary from their net asset value shall be regarded as equivalent to such repurchase or redemption);
- b) the Second Scheme is authorised under laws which provide that they are subject to supervision considered by the FCA to be equivalent to that laid down in the law of the UK, and that cooperation between the FCA and the supervisory authorities of the Second Scheme is sufficiently ensured;
- c) the level of protection for unitholders in the Second Scheme is equivalent to that provided for unitholders in a UK UCITS, and in particular that the rules on asset segregation, borrowing, lending, and uncovered sales of transferable securities and approved money market instruments are equivalent to the requirements of this chapter; and
- d) the business of the Second Scheme is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period.

### 11.3

Subject to the limits specified in Paragraph 11.1, investment may be made in a second scheme managed by the ACD or an associate of the ACD.

### 11.4

A Sub-Fund may invest in units of other collective investment schemes and pay any related charges or expenses for investing in such units where the schemes are managed, operated or administered by the ACD (or one of its associates) in which case the rules on double charging contained in the FCA Rules (in particular those set out at COLL 5.2.16R) will be complied with.

## 12. Nil/Partly Paid

With regard to nil or partly paid transferable securities or approved money market instruments, a Sub-Fund may invest in such securities or instruments only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be met by a Sub-Fund when payment is required without contravening the COLL Sourcebook.

## 13. Derivatives: General

### 13.1

The ACD may hedge transactions by back-to-back foreign currency borrowings against GBP. The ACD does not envisage entering into such hedging transactions.

### 13.2

A transaction in derivatives or a forward transaction must not be effected for a Sub-Fund unless:

#### 13.2.1

it is a permitted derivative and forward transaction (broadly a derivative must be effected on or under the rules of any eligible derivatives market and have underlyings consisting of any or all of the following; transferable securities, money market instruments, deposits, permitted derivatives, permitted collective investment schemes, financial indices, interest rates, foreign exchange rates, currencies); and

#### 13.2.2

it is fully covered in accordance with the COLL Sourcebook.

### 13.3

The exposure to the underlying assets must not exceed the limits in the COLL Sourcebook for the class of underlying asset concerned.

### 13.4

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 Paragraph.

### 13.5

A transferable security or an approved money market instrument will embed a derivative if it contains a component which fulfils the following criteria:

#### 13.5.1

by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or approved money market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable and therefore vary in a way similar to a standalone derivative;

#### 13.5.2

the economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and

#### 13.5.3

it has a significant impact on the risk profile and pricing of the transferable security or approved money market instrument.

### 13.6

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.

### 13.7

If a Sub-Fund invests in an index-based derivative, provided the relevant index falls within Paragraph 15, the underlying constituents of the index do not have to be taken into account for the purposes of Paragraphs 9 and 10 above.

## 14. Permitted Transactions (Derivatives and Forwards)

### 14.1

A transaction in a derivative must be in an approved derivative or be one which complies with the requirements for permitted OTC derivatives, in Paragraph 18.

## 14.2

A transaction in a derivative must have the underlyings consisting of any one or more of the following to which the scheme is dedicated:

- a) transferable securities;
- b) approved money-market instruments;
- c) permitted deposits;
- d) permitted derivatives;
- e) permitted collective investment scheme units;
- f) financial indices;
- g) interest rates;
- h) foreign exchange rates and currencies.

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

A derivatives transaction 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 Prospectus. It 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, collective investment scheme units or derivatives provided that a sale is not to be considered as uncovered if the conditions in the COLL Sourcebook are satisfied.

## 14.3

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

## 14.4

A derivative includes an instrument which fulfils the following criteria:

### 14.4.1

it allows the transfer of the credit risk of the underlying independently from the other risks associated with that underlying;

### 14.4.2

it does not result in the delivery or the transfer of assets other than those referred to in COLL 5.2.6A R including cash;

### 14.4.3

in the case of an OTC derivative, it complies with the requirements in COLL 5.2.23 R;

### 14.4.4

its risks are adequately captured by the risk management process of the ACD, and by its internal control mechanisms in the case of risks of asymmetry of information between the ACD and the counterparty to the derivative, resulting from potential access of the counterparty to non-public information on persons whose assets are used as the underlying by that derivative.

## 14.5

A Sub-Fund may not undertake transactions in derivatives on commodities.

## 15. Financial Indices Underlying Derivatives(\*)

### 15.1

The financial indices referred to in Paragraph 14.2 are those where the index is sufficiently diversified, it represents an adequate benchmark for the market to which it refers and the index is published in an appropriate manner.

### 15.2

A financial index is sufficiently diversified if:

#### 15.2.1

it is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;

#### 15.2.2

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 Annexure 2; and

#### 15.2.3

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 Annexure 2.

### 15.3

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

#### 15.3.1

it measures the performance of a representative group of underlyings in a relevant and appropriate way;

#### 15.3.2

it is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers, following criteria which are publicly available; and

#### 15.3.3

the underlyings are sufficiently liquid, allowing users to replicate it if necessary.

### 15.4

A financial index is published in an appropriate manner if:

#### 15.4.1

its publication process relies on sound procedures to collect prices and calculate and subsequently publish the index value, including pricing procedures for components where a market price is not available; and

#### 15.4.2

material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.

#### 15.5

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 Paragraph 14.2 be regarded as a combination of those underlyings.

### 16. Transactions for the Purpose of Property(\*)

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 a 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 rules in the COLL Sourcebook.

### 17. Requirement to Cover Sales(\*)

#### 17.1

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 a Sub-Fund by delivery of property or the assignment (or, in Scotland, assignment) 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.

#### 17.2

Paragraph 17.1 can be met where:

##### 17.2.1

the risks of the underlying financial instrument of a derivative can be appropriately represented by another financial instrument and the underlying financial instrument is highly liquid; or

##### 17.2.2

the ACD or the Depositary has the right to settle the derivative in cash and cover exists within a Sub-Fund's property which falls within one of the following asset classes:

- a) cash;
- b) liquid debt instruments (e.g. government bonds of first credit rating) with appropriate safeguards (in particular, haircuts); or
- c) other highly liquid assets having regard to their correlation with the underlying of the financial derivative instruments, subject to appropriate safeguards (e.g. haircuts where relevant).

#### 17.3

In the asset classes referred to in Paragraph 17.2 an asset may be considered liquid where the instrument can be converted into cash in no more than seven Business Days at a price closely corresponding to the current valuation of the financial instrument on its own market.

### 18. OTC Transactions in Derivatives(\*)

#### 18.1

A transaction in an OTC derivative under Paragraph 14.1 or, for the purposes of 18.1 only, executed by or on behalf of a Regulated Money Market Fund must be:

##### 18.1.1

- a) with an approved counterparty (namely an eligible institution or an approved bank);
- b) a person whose permission (including any requirements or limitations), as published in the Financial Services Register, permits it to enter into the transaction as principal off-exchange;
- c) a CCP that is authorised in that capacity for the purposes of EMIR;
- d) a CCP that is recognised in that capacity in accordance with the process set out in article 25 of EMIR; or
- e) to the extent not already covered above, a CCP supervised in a jurisdiction that:
  - I. has implemented the relevant G20 reforms on over-the-counter derivatives to at least the same extent as the United Kingdom and
  - II. is identified as having done so by the Financial Stability Board in its summary report on progress in implementation of G20 financial regulatory reforms dated 25 June 2019).

##### 18.1.2

on approved terms; the terms of the transaction in derivatives are approved only if the ACD:

- a) carries out, at least daily, a reliable verifiable valuation in respect of that transaction corresponding to its fair value and which does

- not rely on market quotations by the counterparty; and
- b) can enter into one or more further transactions to sell, liquidate or close out that transaction at any time, at its fair value;

### **18.1.3**

capable of reliable valuation, i.e. 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:

- a) on the basis of an up to date market value which the ACD and the Depositary have agreed is reliable; or
- b) if this is not available on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and

### **18.1.4**

subject to verifiable valuation (i.e. if throughout the life of the derivative (if the transaction is entered into)) verification of the valuation is carried out by:

- a) 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
- b) a department within the ACD which is independent from the department in charge of managing a Sub-Fund's property and which is adequately equipped for such purpose.

### **18.2**

The jurisdictions that fall within Paragraph 18.1.1(e) are Australia, France, Germany, Hong Kong, Italy, Japan, the Netherlands, Singapore, Spain, Switzerland, and the United States of America.

### **18.3**

For the purposes of Paragraph 18.1.2 "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.

### **18.4**

In respect of its obligations under COLL 6.6.4 R (1)(a), the Depositary must take reasonable care to ensure that the ACD has systems and controls that are adequate to ensure compliance with Paragraphs 18.1.1 to 18.1.4.

## **19. Valuation of OTC Derivatives**

### **19.1**

For the purposes of Paragraph 18.1.2, the ACD must:

#### **19.1.1**

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

#### **19.1.2**

ensure that the fair value of OTC derivatives is subject to adequate, accurate and independent assessment.

### **19.2**

Where the arrangements and procedures referred to in Paragraph 19.1 involve the performance of certain activities by third parties, the ACD must comply with the requirements in SYSC 8.1.13 R and COLL 6.6A.4 R (5) and (6).

### **19.3**

The arrangements and procedures referred to in this Paragraph 19 must be:

#### **19.3.1**

adequate and proportionate to the nature and complexity of the OTC derivative concerned; and

#### **19.3.2**

adequately documented.

## **20. Deposits**

A Sub-Fund may invest in deposits only with an approved bank which are repayable on demand or have the right to be withdrawn, and which mature in no more than 12 months.

## **21. Risk Management**

The ACD uses a risk management process, as reviewed by the Depositary enabling it to monitor and measure as frequently as appropriate the risk of a Sub-Fund's position and their contribution to the overall risk profile of a Sub-Fund. Before using the process, the ACD will notify the FCA of the details of the risk management process.

## **22. Derivative Exposure**

### **22.1**

A Sub-Fund 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 a Sub-Fund's property. Exposure will include any initial outlay in respect of that transaction.

### **22.2**

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 Sub-Fund's property. Therefore, a Sub-Fund must hold property

sufficient in value or amount to match the exposures arising from a derivative obligation to which the Sub-Fund is committed. Paragraph 23 sets out detailed requirements for cover of the Sub-Fund.

### **22.3**

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 the scheme 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).

### **22.4**

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.

## **23. Cover for Transactions in Derivatives and Forward Transactions**

### **23.1**

A transaction in derivatives or a forward transaction is to be entered into only if the maximum exposure, in terms of the principal or notional principal created by the transaction to which the scheme is or may be committed by another person is covered globally.

### **23.2**

Exposure is covered globally if adequate cover from within a Sub-Fund's property is available to meet a Sub-Fund's total exposure, taking into account the value of the underlying assets, any reasonably foreseeable market movement, counterparty risk and the time available to liquidate any positions.

### **23.3**

Cash not yet received into a Sub-Fund's property but due to be received within one month is available as cover.

### **23.4**

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

### **23.5**

The total exposure relating to derivatives held in a Sub-Fund may not exceed the net value of the Sub-Fund's property.

## **24. Daily Calculation of Global Exposure**

### **24.1**

The ACD must calculate a Sub-Fund's global exposure on at least a daily basis.

### **24.2**

For the purposes of this Paragraph 24, 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.

## **25. Cover and Borrowing**

### **25.1**

Cash obtained from borrowing and borrowing which the ACD reasonably regards as an eligible institution or an approved bank to be committed to provide, is unavailable for cover under Paragraph 23 except where Paragraph 25.2 below applies.

### **25.2**

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 on deposit with the lender (or his agent or nominee), then this applies as if the borrowed currency and not the deposited currency, were part of the Sub-Fund's property.

## **26. Significant Influence(\*)**

### **26.1**

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:

#### **26.1.1**

immediately before the acquisition, the aggregate of any such securities held by the Company gives the Company power to influence significantly the conduct of business of that body corporate; or;

### 26.1.2

the acquisition gives the ACD that power.

## 26.2

For the purpose of Paragraph 26.1 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).

## 27. Concentration Limits

### 27.1

A Sub-Fund must comply with the concentration limits set out in Paragraph 27.2 below (unless, in the case of sub-Paragraphs 27.2.2 and 27.2.3 at the time of acquisition, the net amount in issue of the relevant investment cannot be calculated).

### 27.2

A Sub-Fund:

#### 27.2.1

must not acquire transferable securities (other than debt securities) which do not carry a right to vote on any matter at a general meeting of the body corporate that issued them; and represent more than 10% of those securities issued by that body corporate;

#### 27.2.2

must not acquire more than 10% of the debt securities issued by any single body;

#### 27.2.3

must not acquire more than 10% of the approved money market instruments issued by any single body.

## 28. Underwriting

### 28.1

The following reflects the requirements of COLL 5.5 which is not applicable to a Regulated Money Market Fund (with the exception of COLL 5.5.3 and COLL 5.5.9).

### 28.2

Subject to certain conditions set out in the COLL Sourcebook, underwriting or sub underwriting transactions may be entered into on behalf of a Sub-Fund.

## 29. Cash and Near Cash(\*)

### 29.1

Cash and near cash may be held by a Sub-Fund where this may reasonably be regarded as necessary in order to enable:

#### 29.1.1

the pursuit of the Sub-Fund's investment objectives;

#### 29.1.2

redemption of Shares;

#### 29.1.3

efficient management of the Sub-Fund in accordance with its investment objectives; or

#### 29.1.4

other purposes reasonably regarded as ancillary to the investment objectives of the Sub-Fund.

### 29.2

During the period of the initial offer a Sub-Fund may consist of cash and near cash without limitation.

## 30. Borrowing and Lending Powers

### 30.1

The following reflects the requirements of COLL 5.5 which is not applicable to a Regulated Money Market Fund (with the exception of COLL 5.5.3 and COLL 5.5.9).

### 30.2

The Company may on the instructions of the ACD and subject to the provisions of the COLL Sourcebook, borrow money for the use of the Sub-Fund on terms that the borrowing is to be repayable out of the property of the Sub-Fund.

### 30.3

The remainder of this Annexure 2 notwithstanding, the PSDF, as a UK UCITS which is a QMMF, may not borrow or lend cash. For the avoidance of doubt, reference to cash in this context does not include near cash as described in the FCA Glossary.

### 30.4

Borrowing must be on a temporary basis and not persistent and against these criteria the ACD must have regard to:

#### 30.4.1

the duration of any period of borrowing; and

#### 30.4.2

the number of occasions on which it has had to resort to borrowing in any period.

**30.5**

No period of borrowing should exceed three months without the prior consent of the Depositary which may only be given on such conditions as appear appropriate to the Depositary to ensure that borrowing does not cease to be on a temporary basis only.

**30.6**

This Paragraph 30 does not apply to "back to back" borrowing under Paragraph 25.2.

**30.7**

The Company must not issue any debenture unless it acknowledges or creates a borrowing that complies with Paragraphs 30.1 to 30.5.

**30.8**

The ACD must ensure that a Sub-Fund's borrowing does not, on any Business Day, exceed 10% of the value of the Sub-Fund's property.

**30.8.1**

This Paragraph 30.8 does not apply to "back to back" borrowing under Paragraph 25.2.

**30.8.2**

For the purposes of this Paragraph 30.8 borrowing includes, as well as borrowing in a conventional manner, any other arrangement (including a combination of derivatives) designed to achieve a temporary injection of money into the scheme property in the expectation that the sum will be repaid.

**30.9**

None of the money in the property of a Sub-Fund may be lent. However, providing an officer of a Sub-Fund with money to meet expenditure does not constitute lending for the purposes of this prohibition.

**30.10**

Neither acquiring a debenture nor placing money on deposit in a current account constitutes lending.

**30.11**

A Sub-Fund may not lend (by way of deposit or otherwise) or mortgage the property of that Sub-Fund (other than money).

**30.12**

Stock lending as permitted by the COLL Sourcebook does not constitute lending for the purposes of this prohibition.

**30.13**

Where transactions in derivatives or forward transactions are used for the account of a Sub-Fund in accordance with the COLL Sourcebook, and subject to the Regulations, a Sub-Fund may lend, deposit, pledge or charge the property of the Sub-Fund for margin requirements or may transfer fund 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 provide appropriate protection to Shareholders.

**31. Movable and Immovable Property**

The Company will not have any interest in any immovable property or tangible movable property.

**32. Guarantees and Indemnities(\*)****32.1**

The Company or the Depositary on behalf of the Company must not provide any guarantee or indemnity in respect of the obligation of any person and none of the property of the Company may be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person.

**32.2**

Paragraph 32.1 does not apply to guarantees or indemnities permitted by COLL 5.5.9 R.

## Annexure 3

### Summary of Investment and Borrowing Powers for LVNAV MMFs

Investment powers and limits for Regulated Money Market Funds (including QMMFs) are set out in the MMF Regulation as summarised below.

In addition, certain COLL requirements are also applicable to Regulated Money Markets Funds which are UK UCITS Schemes (as set out at COLL 5.2.2). The investment and borrowing powers applicable to UK UCITS Schemes, along with an indication of the provisions which are applicable to Regulated Money Market Funds are summarised in Annexure 2.

#### 1. Definition of QMMF

##### 1.1

As set out in this Prospectus, the PSDF is a QMMF. This means that the PSDF is a collective investment scheme authorised under the UCITS Directive or which is subject to supervision and, if applicable, authorised by an authority under the national law of the UK or an EEA State and which satisfies the following conditions:

##### 1.1.1

its primary investment objective must be to maintain the net asset value of the undertaking either constant at par (net of earnings), or at the value of the investors' initial capital plus earnings;

##### 1.1.2

it must, with a view to achieving that primary investment objective, invest exclusively in high quality money market instruments with a maturity or residual maturity of no more than 397 days, or regular yield adjustments consistent with such a maturity and with a WAM of no more than 60 days. It may also achieve this objective by investing on an ancillary basis in deposits with credit institutions;

##### 1.1.3

it must provide liquidity through same day or next day settlement.

##### 1.2

For the purposes of Paragraph 1.1.2, a money market instrument may be considered to be of high quality if the ACD performs its own documented assessment of the credit quality of money market instruments that allows it to consider a money market instrument as high quality, subject to the conditions below:

##### 1.2.1

where one or more credit rating agencies registered and supervised by the FCA or ESMA have provided a rating of the instrument, the ACD's internal assessment must have regard, inter alia, to those credit ratings; and

##### 1.2.2

while there can be no mechanistic reliance on such external ratings, a downgrade below the two highest short-term credit ratings by any agency registered and supervised by the FCA or ESMA that has rated the instrument will lead the ACD to undertake a new assessment of the credit quality of the money market instrument to ensure it continues to be of high quality.

#### 2. Restrictions on Categories of Investment for MMFs

A Sub-Fund which is a UK UCITS and a MMF (such as the PSDF) may only invest in the following categories of financial assets:

##### 2.1

Money market instruments (as specified in Paragraph 3 below);

##### 2.2

Eligible securitisations and ABCPs;

##### 2.3

Deposits with credit institutions;

##### 2.4

Financial derivative instruments;

##### 2.5

Certain types of repurchase agreements and reverse repurchase agreements as specified in the MMF Regulation;

##### 2.6

Units or shares of other EU or UK MMFs.

#### 3. Eligible money market instruments

##### 3.1

A money market instrument shall be eligible for investment by an MMF provided that it fulfils all of the following requirements:

##### 3.1.1

It falls within one of the following categories of money market instrument:

- a) money market instruments admitted to or dealt in on a regulated market;
- b) money market instruments dealt in on another regulated market in the UK or an EEA State, which operates regularly and is recognised and open to the public;

- c) money market instruments admitted to official listing on a stock exchange in a country other than the UK or Member State or dealt in on another regulated market in a country other than the UK or Member State which operates regularly and is recognised and open to the public provided that the choice of stock exchange or market has been approved by the competent authorities or is provided for in this Prospectus or in the Instrument;
- d) money market instruments other than those dealt in on a regulated market, if the issue or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, provided that they are:
  - i. issued or guaranteed by a central, regional or local authority of the UK or of an EEA State, the Bank of England, the European Central Bank or a central bank of an EEA State, the European Union or the European Investment Bank, a non-EEA State, or in the case of a federal state, one of the members making up the federation, a public international body to which the UK or one or more EEA States belong;
  - ii. issued by a body, any securities of which are dealt in on an eligible market;
  - iii. issued or guaranteed by an establishment which is: subject to prudential supervision, in accordance with the criteria defined by UK or EU law or subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by UK or EU law; or
  - iv. issued by other bodies belonging to the categories approved by the FCA provided that investments in such instruments are subject to investor protection equivalent to that laid down in (i), (ii) or (iii) above and provided that the issuer is a company whose capital and reserves amount to at least €10,000,000 and which presents and publishes its annual accounts, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

### 3.1.2

it displays one of the following alternative characteristics:

- a) it has a legal maturity at issuance of 397 days or less;
- b) it has a residual maturity of 397 days or less;

### 3.1.3

the issuer of the money market instrument and the quality of the money market instrument have

received a favourable assessment pursuant the MMF Regulation;

### 3.1.4

where an MMF invests in a securitisation or ABCP, it is subject to the requirements laid down in the MMF Regulation.

### 3.2

Notwithstanding Paragraph 3.1.2 above, standard MMFs shall also be allowed to invest in money market instruments with a residual maturity until the legal redemption date of less than or equal to 2 years, provided that the time remaining until the next interest rate reset date is 397 days or less. For that purpose, floating-rate money-market instruments and fixed-rate money-market instruments hedged by a swap arrangement shall be reset to a money market rate or index.

### 3.3

Paragraph 3.1.3 above shall not apply to money market instruments issued or guaranteed by the EU, a central authority or central bank of the UK or a Member State, the European Central Bank, the European Investment Bank, the European Stability Mechanism or the European Financial Stability Facility.

## 4. Eligible deposits with credit institutions

### 4.1

A deposit with a credit institution shall be eligible for investment by an MMF provided that all of the following conditions are fulfilled:

#### 4.1.1

the deposit is repayable on demand or is able to be withdrawn at any time;

#### 4.1.2

the deposit matures in no more than 12 months;

#### 4.1.3

the credit institution has its registered office in the UK or a Member State or, where the credit institution has its registered office in a country other than the UK or a Member State, it is subject to prudential rules considered equivalent to those laid down in Union law in accordance with the procedure laid down in Article 107(4) of Regulation (EU) No 575/2013 as it applies in the UK from time to time including as retained, amended, extended, re-enacted or otherwise given effect on or after 11 pm on 31 December 2020.

## 5. Portfolio rules for short-term MMFs

A Sub-Fund which is a short-term MMF must comply with the following requirements:

### 5.1

its portfolio is to have a WAM of no more than 60 days;

### 5.2

its portfolio is to have a WAL of no more than 120 days, subject to Paragraph 5.8;

### 5.3

for LVNAV MMFs, at least 10% of its assets are to be comprised of daily maturing assets, reverse repurchase agreements which are able to be terminated by giving prior notice of one Business Day or cash which is able to be withdrawn by giving prior notice of one Business Day. A LVNAV MMF is not to acquire any asset other than a daily maturing asset when such acquisition would result in that MMF investing less than 10% of its portfolio in daily maturing assets;

### 5.4

for LVNAV MMFs, at least 30% of its assets are to be comprised of weekly maturing assets, reverse repurchase agreements which are able to be terminated by giving prior notice of five Business Days or cash which is able to be withdrawn by giving prior notice of five Business Days. A LVNAV MMF is not to acquire any asset other than a weekly maturing asset when such acquisition would result in that MMF investing less than 30% of its portfolio in weekly maturing assets;

### 5.5

for the purpose of the calculation referred to in Paragraph 5.4, assets referred to in Article 17(7) of the MMF Regulation which are highly liquid and can be redeemed and settled within one Business Day and have a residual maturity of up to 190 days may also be included within the weekly maturing assets of the MMF, up to a limit of 17.5% of its assets;

### 5.6

When calculating the WAL for securities, including structured financial instruments, the MMF shall base the maturity calculation on the residual maturity until the legal redemption of the instruments. However, in the event that a financial instrument embeds a put option, the MMF may base the maturity calculation on the exercise date of the put option instead of the residual maturity, but only if all of the following conditions are fulfilled at all times:

#### 5.6.1

the put option is able to be freely exercised by the MMF at its exercise date;

#### 5.6.2

the strike price of the put option remains close to the expected value of the instrument at the exercise date;

#### 5.6.3

the investment strategy of the short-term MMF implies that there is a high probability that the option will be exercised at the exercise date.

### 5.7

Paragraph 5.2 notwithstanding, when calculating the WAL for securitisations and ABCPs, a short-term MMF may instead, in the case of amortising instruments, base the maturity calculation on one of the following:

#### 5.7.1

the contractual amortisation profile of such instruments;

#### 5.7.2

the amortisation profile of the underlying assets from which the cash-flows for the redemption of such instruments result.

### 5.8

If the limits referred to in this Paragraph 5 are exceeded for reasons beyond the control of an MMF, or as a result of the exercise of subscription or redemption rights, that MMF shall adopt as a priority objective the correction of that situation, taking due account of the interests of its unitholders or shareholders.

## 6. Diversification

### 6.1

Subject to Paragraphs 6.4 and 6.5, an MMF shall invest no more than:

#### 6.1.1

5% of its assets in money market instruments, securitisations and asset-backed commercial papers issued by the same body;

#### 6.1.2

10% of its assets in deposits made with the same credit institution, unless the structure of the banking sector in the UK is such that there are insufficient viable credit institutions to meet that diversification requirement and it is not economically feasible for the MMF to make deposits in a Member State, in which case up to 15% of its assets may be deposited with the same credit institution.

### 6.2

Notwithstanding the individual limits laid down in Paragraph 6.1 and subject to Paragraph 6.3, an MMF shall not combine, where to do so would result in an

investment of more than 15% of its assets in a single body, any of the following:

#### **6.2.1**

investments in money market instruments, securitisations and ABCPs issued by that body;

#### **6.2.2**

deposits made with that body;

#### **6.2.3**

OTC financial derivative instruments giving counterparty risk exposure to that body.

### **6.3**

Paragraph 6.2.1 notwithstanding, where the structure of the financial market in the UK is such that there are insufficient viable financial institutions to meet that diversification requirement and it is not economically feasible for the MMF to use financial institutions in a Member State, the MMF may combine the types of investments referred to in Paragraph 6.2 up to a maximum investment of 20% of its assets in a single body.

### **6.4**

Paragraph 6.1.1 notwithstanding, the FCA may authorise an MMF to invest, in accordance with the principle of risk-spreading, up to 100% of its assets in different money market instruments issued or guaranteed separately or jointly by the EU, the national, regional and local administrations of the UK or Member States or their central banks, the European Central Bank, the European Investment Bank, the European Investment Fund, the European Stability Mechanism, the European Financial Stability Facility, a central authority or a central bank of a country other than the UK or a Member State, the International Monetary Fund, the International Bank for Reconstruction and Development, the Council of Europe Development Bank, the European Bank for Reconstruction and Development, the Bank for International Settlements, or any other relevant international financial institution or organisation to which the UK or one or more Member States belong. This Paragraph 6.4 shall only apply where all of the following requirements are met:

#### **6.4.1**

the MMF holds money market instruments from at least six different issues by the issuer;

#### **6.4.2**

the MMF limits the investment in money market instruments from the same issue to a maximum of 30% of its assets;

#### **6.4.3**

the MMF makes express reference, in its fund rules or instruments of incorporation, to all administrations, institutions or organisations referred to in Paragraph

6.1 that issue or guarantee separately or jointly money market instruments in which it intends to invest more than 5% of its assets;

#### **6.4.4**

the MMF includes a prominent statement in its prospectus and marketing communications drawing attention to the use of the derogation and indicating all administrations, institutions or organisations referred to in Paragraph 6.1 that issue or guarantee separately or jointly money market instruments in which it intends to invest more than 5% of its assets.

### **6.5**

Notwithstanding the individual limits laid down in Paragraph 6.1, an MMF may invest no more than 10% of its assets in bonds issued by a single credit institution that has its registered office in the UK or a Member State and is subject by law to special public supervision designed to protect bond-holders. In particular, sums deriving from the issue of those bonds shall be invested in accordance with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in the event of failure of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest.

### **6.6**

Where an MMF invests more than 5% of its assets in the bonds referred to in 6.5 issued by a single issuer, the total value of those investments shall not exceed 40% of the value of the assets of the MMF.

### **6.7**

Notwithstanding the individual limits laid down in Paragraph 6.1, an MMF may invest no more than 20% of its assets in bonds issued by a single credit institution where the requirements set out in the Companies Partnerships and Groups (Accounts and Reports) Regulations 2015 are met, including any possible investment in assets referred to in Paragraph 6.6.

### **6.8**

Where an MMF invests more than 5% of its assets in the bonds referred to in Paragraph 6.1 issued by a single issuer, the total value of those investments shall not exceed 60% of the value of the assets of the MMF, including any possible investment in assets referred to in Paragraph 6.6, respecting the limits set out in that Paragraph.

### **6.9**

Companies which are included in the same group for the purposes of consolidated accounts in accordance with Section 399 of Companies Act 2006, Directive 2013/34/EU of the European Parliament and of the Council, as it applies in the UK from time to time, or in accordance with recognised

international accounting rules, shall be regarded as a single body for the purpose of calculating the limits referred to in this Paragraph.

## 7. Concentration

### 7.1

An MMF shall not hold more than 10% of the money market instruments, securitisations and ABCPs issued by a single body.

### 7.2

The limit laid down in this Paragraph 7 shall not apply in respect of holdings of money market instruments issued or guaranteed by the EU, national, regional

and local administrations of the UK or Member States or their central banks, the European Central Bank, the European Investment Bank, the European Investment Fund, the European Stability Mechanism, the European Financial Stability Facility, a central authority or central bank of a country other than the UK or a Member State, the International Monetary Fund, the International Bank for Reconstruction and Development, the Council of Europe Development Bank, the European Bank for Reconstruction and Development, the Bank for International Settlements, or any other relevant international financial institution or organisation to which the UK or one or more Member States belong.

## Annexure 4

### Eligible Securities Markets

#### **The Public Sector Deposit Fund**

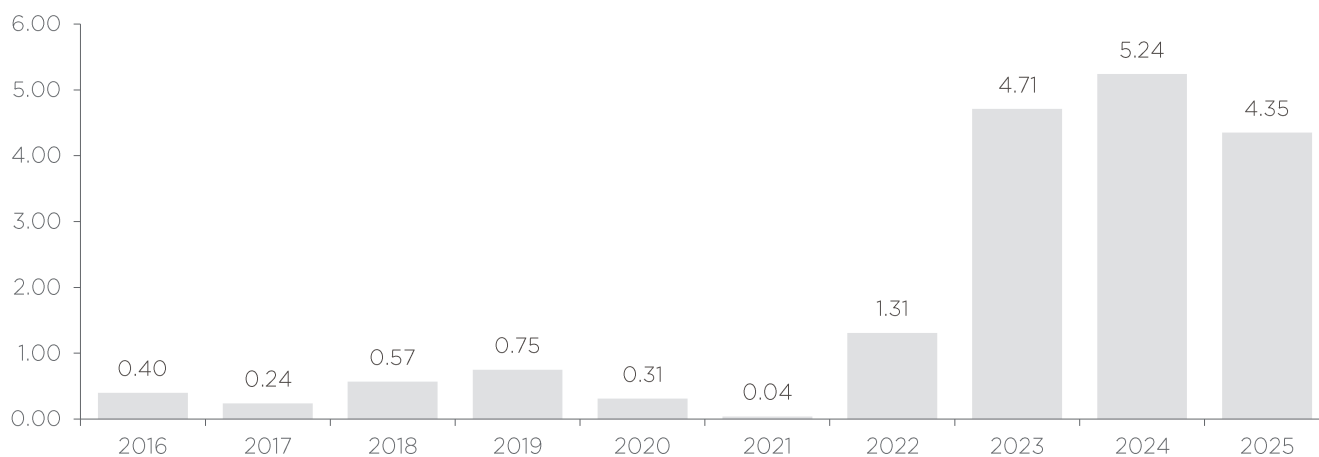
As at the date of this Prospectus, the markets which the ACD, after consultation with the Depositary, has decided are appropriate for the purpose of investment of or dealing in the property of the PSDF and having regard to the relevant criteria in the COLL Sourcebook are:

- a) regulated markets established in the UK, a Member State, or any other state which is within the EEA on which transferable securities admitted to official listing are traded; and
- b) the market organised by the International Capital Markets Association.

## Annexure 5

### Past Performance

The past performance below is shown for each calendar year and is net of all PSDF charges and expenses, with income re-invested. It is based on Income Share Class 4, Performance of other Classes may differ.



Source: CCLA. **Past performance is not a reliable indicator of future results.**

## Annexure 6

### Sub-custodians appointed by the Depositary

| Country        | Sub-custodian/Agent                                            |
|----------------|----------------------------------------------------------------|
| Argentina      | Citibank Argentina                                             |
| Australia      | HSBC Bank Australia Ltd                                        |
| Austria        | HSBC Continental Europe S.A., Germany                          |
| Bahrain        | HSBC Bank Middle East Ltd (Bahrain)                            |
| Bangladesh     | The Hongkong and Shanghai Banking Corporation Ltd (Bangladesh) |
| Belgium        | BNP Paribas, Belgium S.A.                                      |
| Belgium        | Euroclear Bank S.A./N.V.                                       |
| Benin          | Societe Generale Côte d'Ivoire                                 |
| Botswana       | Standard Chartered Bank (Botswana) Ltd                         |
| Brazil         | BNP Paribas Brasil S.A.                                        |
| Bulgaria       | UniCredit Bulbank AD                                           |
| Burkina Faso   | Societe Generale Côte d'Ivoire                                 |
| Canada         | Royal Bank of Canada                                           |
| Chile          | Banco Santander Chile                                          |
| China          | HSBC Bank (China) Co Ltd                                       |
| Colombia       | Santander CACEIS Services Colombia S.A. Sociedad Fiduciara     |
| Costa Rica     | Banco Nacional De Costa Rica                                   |
| Croatia        | Privredna Banka, Zagreb d.d                                    |
| Cyprus         | BNP Paribas S.A. Athens Branch                                 |
| Czech Republic | Ceskoslovenska Obchodni Banka, AS                              |
| Denmark        | Skandinaviska Enskilda Banken AB, (publ), Copenhagen Branch    |
| Egypt          | HSBC Bank Egypt SAE                                            |
| Estonia        | AS SEB Pank                                                    |
| Finland        | Skandinaviska Enskilda Banken AB, (publ), Helsinki Branch      |
| France         | CACEIS Bank France                                             |
| Germany        | HSBC Continental Europe S.A., Germany                          |
| Ghana          | Stanbic Bank Ghana Ltd                                         |
| Greece         | BNP Paribas S.A Athens branch                                  |
| Hong Kong      | The Hongkong and Shanghai Banking Corporation Ltd, Hong Kong   |
| Hungary        | Unicredit Bank Hungary Zrt                                     |
| Iceland        | Landsbankinn h.f.                                              |
| India          | The Hongkong and Shanghai Banking Corporation Ltd, India       |
| Indonesia      | PT Bank HSBC, Indonesia                                        |
| Ireland        | HSBC Bank Plc, UK                                              |
| Israel         | Bank Leumi Le-Israel BM                                        |
| Italy          | BNP Paribas S.A.                                               |
| Ivory Coast    | Societe Generale Côte d'Ivoire                                 |
| Japan          | The Hongkong and Shanghai Banking Corporation Ltd, Japan       |
| Jordan         | Bank of Jordan                                                 |

|                 |                                                                |
|-----------------|----------------------------------------------------------------|
| Kenya           | Stanbic Bank Kenya Ltd                                         |
| Kuwait          | HSBC Bank Middle East Ltd, Kuwait Branch                       |
| Latvia          | AS SEB Banka                                                   |
| Lithuania       | AB SEB Bankas                                                  |
| Luxembourg      | Clearstream Banking SA                                         |
| Malaysia        | HSBC Bank Malaysia Berhad                                      |
| Mali            | Societe Generale Côte d'Ivoire                                 |
| Mauritius       | The Hongkong and Shanghai Banking Corporation Ltd, Mauritius   |
| Mexico          | Banco S3 Caceis Mexico, S.A., Institución de Banca Múltiple    |
| Morocco         | Citibank Maghreb S.A.                                          |
| Netherlands     | BNP Paribas S.A.                                               |
| New Zealand     | The Hongkong and Shanghai Banking Corporation Ltd, New Zealand |
| Niger           | Societe Generale Côte d'Ivoire                                 |
| Nigeria         | Stanbic IBTC Bank                                              |
| Norway          | Skandinaviska Enskilda Banken AB, (publ), Oslofilialen         |
| Oman            | HSBC Bank Middle East Limited, Oman Branch                     |
| Pakistan        | Citibank NA                                                    |
| Palestine       | Bank of Jordan Plc Palestine Branch                            |
| Peru            | Citibank del Peru                                              |
| Philippines     | The Hongkong and Shanghai Banking Corporation Ltd, Philippines |
| Poland          | Societe General SA, Branch in Poland                           |
| Portugal        | BNP Paribas S.A.                                               |
| Qatar           | HSBC Bank Middle East Ltd, Qatar Branch                        |
| Romania         | Citibank Europe plc, Romania branch                            |
| Saudi Arabia    | HSBC Saudi Arabia Ltd                                          |
| Senegal         | Societe Generale Côte d'Ivoire                                 |
| Serbia          | UniCredit Bank Srbija A.D.                                     |
| Singapore       | The Hongkong and Shanghai Banking Corporation Ltd, Singapore   |
| Slovak Republic | Ceskoslovenska Obchodna Banka AS                               |
| Slovenia        | Unicredit Banka Slovenia DD                                    |
| South Africa    | Standard Bank of South Africa                                  |
| South Korea     | The Hongkong and Shanghai Banking Corporation Ltd, Korea       |
| Spain           | BNP Paribas S.A.                                               |
| Sri Lanka       | The Hongkong and Shanghai Banking Corporation Ltd, Sri Lanka   |
| Sweden          | Skandinaviska Enskilda Banken AB, (publ)                       |
| Switzerland     | UBS AG (ex Credit Suisse) Switzerland                          |
| Taiwan          | HSBC Bank (Taiwan) Ltd                                         |
| Tanzania        | Standard Chartered Bank (Mauritius) Ltd, Tanzania              |
| Thailand        | The Hongkong and Shanghai Banking Corporation Ltd, Thailand    |
| Togo            | Societe Generale Côte d'Ivoire                                 |
| Tunisia         | Union Internationale de Banques Tunisia                        |
| Turkey          | Türk Ekonomi Bankası A.Ş.                                      |
| Uganda          | Stanbic Bank (Uganda) Ltd                                      |

|                      |                                       |
|----------------------|---------------------------------------|
| United Arab Emirates | HSBC Bank Middle East Ltd, UAE        |
| United Kingdom       | HSBC Bank Plc                         |
| United States        | HSBC Bank USA, N.A.                   |
| Vietnam              | HSBC Bank (Vietnam) Ltd               |
| Zambia               | Stanbic Bank Zambia Ltd - Lusaka      |
| Zimbabwe             | Standard Bank of South Africa Limited |

**CCLA Investment Management Limited**

The Zig Zag Building  
70 Victoria Street  
London SW1E 6SQ

Freephone 0800 022 3505  
clientservices@ccla.co.uk

**[www.ccla.co.uk](http://www.ccla.co.uk)**

CCLA Investment Management Limited  
(registered in England and Wales No.2183088) is part  
of the Jupiter Group and is authorised and regulated  
by the Financial Conduct Authority.

**CCLA**

BECAUSE GOOD IS BETTER