



SUNTERA  
GLOBAL

Suntera High Income Fund PLC

# Scheme Particulars

# Suntera High Income Fund PLC

## Scheme Particulars

04 January 2021

Offer of participating redeemable Preference Shares of £0.001 (one tenth of a penny) each ('Shares')

## Manager:

Suntera Fund Services (IOM) Limited  
Clinch's House,  
Lord Street,  
Douglas, Isle of Man,  
IM99 1RZ

## THIS DOCUMENT IS IMPORTANT

If you are in any doubt about the contents of this document, you should consult your bank manager, stockbroker, solicitor, accountant or other authorised financial adviser.

Suntera High Income Fund PLC is a Type A Authorised Scheme pursuant to an authorisation order made by the Isle of Man Financial Services Authority ("FSA"), the most recent order having been issued on 04 January 2021, and complies with the Isle of Man Authorised Collective Investment Schemes Regulations 2010 ("Regulations").

Participants are not liable for the debts of the scheme. This document is the Scheme Particulars of the Fund valid as at 04 January 2021.

## Contents

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|  |    |
|--|----|
| Definitions .....  | 4  |
| Offer of Shares of Suntera High Income Fund PLC ('the Fund') .....           | 4  |
| Main Features .....  | 4  |
| Introduction .....   | 4  |
| Investment objectives .....  | 4  |
| Who the Fund is aimed at .....   | 4  |
| Risks .....  | 4  |
| Dividends .....  | 5  |
| Purchase and redemption of Shares .....                                      | 5  |
| Share prices .....   | 5  |
| Taxation .....   | 5  |
| Minimum investment .....   | 5  |
| Verification of identity .....   | 5  |
| Charges .....  | 6  |
| Directory .....  | 6  |
| Board of Directors of the Fund .....   | 6  |
| Biographies of the Board of Directors of the Fund .....                      | 6  |
| Management and Administration .....  | 7  |
| 1 The Fund .....   | 7  |
| 2 The Manager .....  | 7  |
| 3 The Fiduciary Custodian .....  | 8  |
| 4 The Investment Manager .....   | 9  |
| 5 The Registrar .....  | 9  |
| 6 The Auditors .....   | 9  |
| 7 The Register of Participants .....   | 9  |
| 8 The Constitution, Objectives and Investment Restrictions of the Fund ..... | 10 |
| 8.1 Constitution .....   | 10 |
| 8.2 Authorised Share Capital .....   | 10 |
| 8.3 Objective .....  | 10 |
| 8.4 Investment restrictions .....  | 10 |
| 8.5 Historical Performance .....   | 11 |
| 8.6 Winding Up .....   | 11 |
| 8.7 Accounting dates .....   | 12 |
| 9 Characteristics of Shares in the Fund .....                                | 12 |
| 9.1 Types of Shares .....  | 12 |
| 9.2 Proof of purchase .....  | 13 |
| 9.3 Variation of class rights .....  | 13 |
| 9.4 Shares .....   | 13 |
| 9.5 Holders .....  | 13 |

|       |   |    |
|-------|---|----|
| 10    | Valuation of Property, Charges and Distributions .....  | 13 |
| 10.1  | Valuation of Assets.....  | 13 |
| 10.2  | Charges .....   | 14 |
| 10.3  | Distributions .....   | 16 |
| 10.4  | Income Equalisation.....  | 16 |
| 11    | The Sale and Repurchase of Shares .....   | 17 |
| 11.1  | Dealing Day .....   | 17 |
| 11.2  | Dealing by the Manager .....  | 17 |
| 11.3  | Currency of payment and foreign exchange transactions .....   | 17 |
| 11.4  | Shareholder Communications .....  | 17 |
| 11.5  | Application Procedure .....   | 17 |
| 11.6  | Redemption procedure.....   | 17 |
| 11.7  | Settlement .....  | 18 |
| 11.8  | Dealing Price.....  | 18 |
| 11.9  | Dilution .....  | 18 |
| 11.10 | Minimum Holding of Shares.....  | 19 |
| 11.11 | Suspension of the Calculation of the Net Asset Value and the Subscription and Redemption of Shares. | 19 |
| 11.12 | Transfers .....   | 19 |
| 12    | General Information .....   | 19 |
| 12.1  | Meetings.....   | 19 |
| 12.2  | Availability of Documents and Reports.....  | 19 |
| 12.3  | Preliminary expenses .....  | 20 |
| 12.4  | Taxation .....  | 20 |
| 12.5  | Directors.....  | 22 |
| 12.6  | Amendment to the Articles of Association .....  | 22 |
| 12.7  | Delivery to the FSA .....   | 22 |
| 12.8  | Listing .....   | 22 |
| 12.9  | Compensation Scheme Arrangements.....   | 22 |
| 13    | Material Agreements .....   | 23 |
| 14    | Directors' Responsibility, Consents, Filings, etc.....  | 24 |
| 15    | Additional Information .....  | 25 |
| 16    | UK Facilities Agent.....  | 25 |
| 17    | Data Protection .....   | 26 |

## DEFINITIONS

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**“Articles”** means the articles of association of the Fund.

**“Dealing Day”** means any business day (being in relation to anything done or to be done in the Isle of Man, any day other than a Saturday, Sunday or bank holiday or other public holiday in the Island, and, in relation to anything done or to be done by reference to a market outside the Island, any day on which that market is normally open for business), except a business day falling within a period of suspension of the determination of the value of the Fund’s property.

**“Directors”** means the directors from time to time of the Fund.

**“FSA”** means the Isle of Man Financial Services Authority and any successor regulatory body.

**“Fund”** means Suntera High Income Fund PLC.

**“Net Asset Value”** means the net asset value of the Fund or per Share, as the context requires, being the value of the total assets less the total liabilities attributable thereto (as determined in accordance with the Articles), including accrued income.

**“Dealing Price”** means the price at which Shares can be subscribed for, or redeemed or repurchased from time to time.

**“Shareholders”** means the registered holder(s) of Shares from time to time.

**“Shares”** means participating redeemable first preference shares with a nominal value of £0.001 (one tenth of a penny) each, in the capital of the Fund.

**“US Person”** has the meaning ascribed thereto in Regulation S promulgated under the US Securities Act of 1933 and includes any person who is a citizen or national or resident of the US or a corporation, partnership or other entity created or organised in or under the laws of the US or a political sub-division thereof or an estate or trust the income of which is subject to US federal income taxation regardless of the source of its income.

## OFFER OF SHARES OF SUNTERA HIGH INCOME FUND PLC (‘THE FUND’)

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The Fund is a company incorporated with limited liability in the Isle of Man under the provisions of the Companies Acts 1931-2004.

Shares may be purchased or redeemed on any Dealing Day (as described in section 11) at prices calculated by reference to the Net Asset Value of Shares and determined in the manner described in this document.

The remainder of this document gives full details of the Fund and its investment objectives and policies. An Application Form can be found on the website of Suntera Global at [www.suntera.com](http://www.suntera.com) or is available on request. The procedure for application is set out in the Application Form.

## MAIN FEATURES

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### INTRODUCTION

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The Fund is managed by Suntera Fund Services (IOM) Limited (“the Manager”). The Investment Manager to the Fund is Aberdeen Asset Managers Limited.

The Fund (previously known as The CMI High Income Fund P.L.C, Capital International High Income Fund P.L.C. and SMP High Income Fund PLC) is an Authorised Scheme formed as an open-ended investment company registered and managed in the Isle of Man under the Companies Acts 1931-2004 and in accordance with the Regulations. The Fund was originally established and authorised on 3 March 1989.

### INVESTMENT OBJECTIVES

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The purpose of the Fund is to provide investors with a high income from a managed portfolio of fixed-interest securities, denominated in sterling and other currencies, subject to the Regulations. For details of the spread and concentration limits of the holdings permitted by the Fund compared to the maximum permitted holdings specified in the Regulations, please refer to section 8.4.

### WHO THE FUND IS AIMED AT

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The Fund is aimed at investors with a cautious risk profile, looking for a high income and, while the Fund does not provide a risk free investment such as a cash savings account, it has a lower risk profile than equity based funds. The Fund is particularly suited to non-tax payers as dividends can be paid without deduction of income tax.

### RISKS

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- You should remember that past performance is no guide to the future. The value of an investment and any income from it can go up and down as a

result of market and currency movements. You may get back less than you invested.

- Fixed-interest securities are particularly affected by trends in interest rates and inflation. For example, if interest rates increase, capital values may go down and vice versa. Inflation erodes the real value of capital. In addition, companies may not be able to honour repayment on bonds they issue.
- The value of a fixed interest security will fall in the event of a 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 (also known as sub-investment grade bonds or junk bonds) are potentially more risky (higher credit risk) as the companies are more likely not to be able to honour repayment on the bonds they issue.
- No cancellation rights are available for an investment in the Fund.

The Fund is established in the Isle of Man and is not itself subject to taxation. However, redemption of shares may lead to taxation being payable by a redeeming shareholder in their country of residence.

## DIVIDENDS

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Each year there will be a dividend distribution of the whole amount available determined in accordance with the Regulations. Subject to the availability of sufficient profits for distribution, dividends will be paid in Sterling on 15 February, 15 May, 15 August and 15 November in each year (the payment dates) to Shareholders whose names appear on the Share register on 31 December, 31 March, 30 June and 30 September respectively. Shareholders may elect to have their dividends reinvested in further Shares. Such further Shares will be issued at the Dealing Price less the preliminary charge, normally four working days prior to each quarterly payment date.

For the purposes of the Regulations, the income allocation date will be 15 November.

Shareholders should note that the gross amount of dividend, whether paid in cash or reinvested, should be included on their return of income to the appropriate revenue authority.

## PURCHASE AND REDEMPTION OF SHARES

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Shares may be purchased or redeemed in the Isle of Man. This may generally take place between 9.00 am and 12.00 noon on any Dealing Day (see section 11). Applications for the purchase or redemption of

Shares received after 12.00 noon will be held over until the next Dealing Day and on acceptance by the Manager will be dealt with at prices ruling on that day.

No interest will be paid on subscription monies awaiting investment or redemption monies awaiting payment. Any interest received on such monies will be retained for the benefit of the Fund.

## SHARE PRICES

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The Fund is a single-priced scheme and as such, has only one price for Shares (the Net Asset Value per Share).

The Dealing Price of Shares is based on the Net Asset Value per Share, which is calculated each Dealing Day. For further details, please see sections 10 and 11.

The Dealing Price is published daily on the Suntera Global website at [www.suntera.com](http://www.suntera.com).

It should be noted that the price of Shares and the income from them may go down as well as up.

## TAXATION

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The Fund is resident for tax purposes in the Isle of Man and it is intended that its affairs are so conducted that it does not become resident for tax purposes in the United Kingdom or elsewhere.

## MINIMUM INVESTMENT

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There is a minimum initial investment requirement of £500 in Shares of the Fund, or such lower value as the Directors may specify either generally or in any specific case.

## VERIFICATION OF IDENTITY

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The Fund and the Manager are required to collect certain information about investors in accordance with anti-money laundering and countering the financing of terrorism laws. Upon application for Shares it is the duty of the Manager to verify the identity and address of each applicant, and any person on whose instruction the Manager is expected to act, by obtaining acceptable forms of documentation.

Acceptable personal identification documents are either originals or certified copies and should bear a photograph of the applicant, e.g. current valid full passport or driving licence.

Acceptable forms of address verification documentation include an account statement from a bank, building society or credit card company, a mortgage statement, rates bill, utility bill or council

tax bill. The document provided should be no more than 6 months old.

All verification documents must be certified as a true copy by a suitable certifier.

A suitable certifier must be a person such as a lawyer, accountant, a manager/director of an authorised financial institution, notary public, a member of the judiciary, a consular official at a British embassy or a senior police officer.

For details of verification documents for corporate investors please refer to the Suntera Global website at [www.suntera.com](http://www.suntera.com).

Details of how the Fund and the Manager process personal data are set out in their Data Privacy Notices which are available upon request from the Manager.

## CHARGES

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The Manager may impose an initial charge on subscriptions. The current charge is up to 5% of the amount subscribed. The maximum charge permitted under the Articles is 8.5% of the amount subscribed.

In addition, the Fund will bear its own management and other fees and administration costs (as to which, please refer to section 10.2).

## DIRECTORY

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### BOARD OF DIRECTORS OF THE FUND

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Directors:

- Scott William Bowden
- William Juan Clarke (Chairman)
- Robert Keith Corkill
- Graeme Michael Easton

### BIOGRAPHIES OF THE BOARD OF DIRECTORS OF THE FUND

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#### Scott William Bowden

Scott was appointed as a Director in March 2019 and from 01 May 2020 is now also a Director of the Manager. He has over 15 years of financial services experience, initially spending 5 years at Clerical Medical International gaining experience in investments, currency dealing and system development before moving into the funds industry in 2006 spending 3 years at an investment management company before moving to Chamberlain Fund Services in 2010 which was subsequently acquired by the Manager. Scott was prominently involved in the

transfer and setup of the Fund from the previous manager and involved operationally on a day to day basis.

#### William Juan Clarke (Non-executive Director)

Juan was appointed as a Director in March 2012 and has continued in a non-executive capacity since the divestment of CMI Fund Managers (IOM) Limited (a former manager of the Fund) from the Lloyds Banking Group in 2015. Up until March 2016 Juan was Managing Director of the Clerical Medical International (CMI) Group of Companies comprising trust, fund management and venture capital investment companies and Scottish Widows' offshore insurance arm, CMI Insurance Company Limited (now known as RL360 Life Insurance Company Limited). He has over 35 years' experience, initially joining Barclaytrust in 1982 and moving to CMI in 1991, having held various senior positions specialising in insurance, investments and fund management. Juan is a Board Member of the Isle of Man Financial Services Authority, appointed in March 2016, and is a Non-executive Director of a Lloyds Banking Group Fund based in Luxembourg. He is a Chartered Fellow of the Chartered Institute for Securities and Investment and has Chartered Wealth Manager status with the Institute. Juan was appointed Chairman with effect from 11 March 2019.

#### Robert Keith Corkill

Appointed as a Director in June 2018, Keith is also a Director of the Manager. He is a member of the Institute of Chartered Accountants in England & Wales and has a Mathematics degree from Southampton University. Keith trained with Coopers & Lybrand (now PWC) and since qualifying as a chartered accountant in 1994 he has worked in the field of fund administration including senior positions with GAM Administration Limited, BoE International Fund Services Limited and latterly as a founder member and Director of Chamberlain Fund Services Limited which was acquired by the Manager in 2013.

#### Graeme Michael Easton (Non-executive Director)

Graeme was appointed as a Director in March 2019. He is a Fellow of the Institute and Faculty of Actuaries, holds the Institute of Directors' Diploma in Company Direction and has a Mathematics degree from Cambridge University. He has over 35 years' experience in financial services, initially with Sun Life (which became AXA) in the UK and then AXA, Zurich and Canada Life in the Isle of Man. He has held a number of senior roles including Appointed Actuary, Compliance Officer, Chief Financial Officer and Executive Director. Graeme is the Non-executive Chairman of Hansard Global plc and Hansard International Limited and a Non-executive director

and Chairman of the Audit Committee of Hansard Europe dac. He is a past Chairman of the Manx Actuarial Society.

All of the above Directors are also Directors of the Suntera Sterling Roll-Up Fund PLC.

## MANAGEMENT AND ADMINISTRATION

### Manager and Registrar:

Suntera Fund Services (IOM) Limited, Clinch's House, Lord Street, Douglas, Isle of Man, IM99 1RZ, British Isles.

Telephone: (44) 1624 682224

Fax: (44) 1624 691773

Email: [fund.services@suntera.com](mailto:fund.services@suntera.com)

(for security purposes, only use email for general enquiries, not for specific account queries).

### Investment Manager:

Aberdeen Asset Managers Limited, 10 Queen's Terrace, Aberdeen, AB10 1YG.

### Fiduciary Custodian:

Apex Financial Services (Corporate) Limited, 12 Castle Street, St Helier, Jersey, JE2 3RT.

### Auditors:

PricewaterhouseCoopers LLC, Sixty Circular Road, Douglas, Isle of Man, IM1 1SA, British Isles.

### UK Facilities Agent:

GemCap UK Limited, 33 Turner Street, Manchester, M4 1DW.

### Company Secretary:

Robert Keith Corkill

### Scheme Particulars

These Scheme Particulars are prepared in accordance with the Regulations, complying with the requirements of Appendix 2 thereto.

## 1 THE FUND

- 1.1 Suntera High Income Fund PLC ('the Fund') is a public company incorporated with limited liability in the Isle of Man number 043089C on 24 February 1989 with unlimited duration under the provisions of the Companies Acts 1931-2004.

The Fund has its registered office at Clinch's House, Lord Street, Douglas, Isle of Man, IM99 1RZ, British Isles. The Fund has an authorised share capital of £500,000.

## 2 THE MANAGER

- 2.1 Suntera Fund Services (IOM) Limited ('the Manager') is a private company limited by shares which was incorporated in the Isle of Man on 12 July 2007, with company number 120288C with unlimited duration under the provisions of the Companies Acts 1931 to 2004 and is a wholly-owned subsidiary of Suntera Group Limited, a company incorporated with limited liability in the Isle of Man, and a member of the Suntera Global group of companies.

The Manager has its registered office at Clinch's House, Lord Street, Douglas, Isle of Man, IM99 1RZ. The Manager has an authorised and issued share capital of £75,000 all of which is fully paid.

- 2.2 The Board of Directors of the Manager are:

Scott Bowden

Robert Keith Corkill

David Hudson

Claire Mulhern

Paul Mundy

Mark Reynolds

Biographies of the Board of Directors of the Manager:

### David Hudson

David has been with Suntera Global since 2005, during which time he has been instrumental in the development and growth of both the core Suntera brand and multiple niche sectors across the business. Formerly the Group Business Development Director, he became Group CEO in June



2019 after leading a management buyout from the founding directors.

**Claire Mulhern**

Claire is the Suntera Global Director of Information Exchange. She joined Suntera Global in 2014 after spending over 10 years in the Isle of Man Income Tax Division. She is responsible for ensuring that all Suntera Global group entities and managed entities are complying with the relevant legislative requirements relating to information exchange, from both a local and international perspective, in a consistent manner across the group. Claire has a degree in Business Studies & Business Law from Stirling University and is a member of the Chartered Institute of Tax.

**Paul Mundy**

Paul joined Suntera Global in May 2020 as the Global Head of Funds. Based in Jersey, he has over 30 years' experience in the finance industry with the last 20 years being in the funds sector. Prior to joining Suntera, Paul was the Managing Director of State Street's Alternative Investment Funds business in the Channel Islands. He has also held senior roles at Citibank and The Royal Bank of Scotland. Paul is an experienced Director having held numerous Board positions over the last 10 years and has a Diploma in Company Direction.

**Mark Reynolds**

Mark was appointed as Managing Director of the Suntera Global group's Isle of Man office in January 2020. He has been employed in the corporate services and digital industries on the Island for the last 15 years, and previously worked for the group between 2010 and 2014. An Associate Member of the Chartered Institute of Secretaries and Administrators, Mark has held a number of senior Business Development positions throughout his career and has previously worked with Newfield where he held the positions of Chief Operating Officer and Director, Boston Limited, and IQE Limited.

For the biographies of Scott Bowden and Keith Corkill please see the section entitled "Board of Directors of the Fund".

2.3 The Manager is an Authorised Person as defined in the Collective Investment Schemes Act 2008 and is licensed by the FSA

under Section 7 of the Financial Services Act 2008.

2.4 The Manager is also the Manager of Suntera Sterling Roll-Up Fund PLC which is an Authorised Scheme, and in addition may provide management or administration services to other collective investment schemes from time to time.

### 3 THE FIDUCIARY CUSTODIAN

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Apex Financial Services (Corporate) Limited (formerly Link Corporate Services (Jersey) Limited) ('the Fiduciary Custodian') was incorporated in Jersey as a limited liability company on 28 April 1956, Company Number 702, having its registered office at 12 Castle Street, St Helier, Jersey JE2 3RT.

The Fiduciary Custodian is a wholly-owned subsidiary of Apex Group Limited, a company incorporated in Bermuda, whose registered office is at 20 Reid Street, 3rd Floor Williams House, Hamilton HM 11, Bermuda. The Fiduciary Custodian has an authorised issued and fully paid-up share capital of 53,975 shares divided into 50,000 shares of £1 each issued at par and 3,975 shares of £1 each issued at a price of £1,000.

The principal business activity of the Fiduciary Custodian is that of acting as custodian or trustee to collective investment schemes. The Fiduciary Custodian is a body corporate that (i) is incorporated in a jurisdiction with which the FSA has a co-operation agreement that includes provisions in relation to collective investment schemes; (ii) is authorised to act as fiduciary custodian for retail collective investment schemes in its jurisdiction of incorporation; and (iii) has received the FSA's approval to act as such in relation to authorised schemes.

The Fiduciary Custodian may delegate certain duties as fiduciary custodian to third parties. The Fiduciary Custodian has appointed The Bank of New York Mellon, London Branch of The Bank of New York Mellon Centre, 160 Queen Victoria Street, London EC4V 4LA, United Kingdom as sub-custodian of the Fund, to undertake certain safe-keeping and other duties.

## 4 THE INVESTMENT MANAGER

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Aberdeen Asset Managers Limited ('the Investment Manager') was incorporated in the United Kingdom as a private company limited by shares and has its registered office at 10 Queen's Terrace, Aberdeen AB10 1YG. The principal activities of the Investment Manager include the management of investments and the giving of investment advice. The Investment Manager is regulated by the UK Financial Conduct Authority. The Investment Manager is not and need not be an Authorised Person for the purposes of the Collective Investment Schemes Act 2008.

The main terms of the Investment Management Agreement provide that the Investment Manager agrees to act as investment manager to the Manager and may, at its discretion and without prior reference to the Manager, manage, invest, realise or reinvest the proceeds from the sale of any investment, the assets or any part thereof in any investment, as agent for the Manager, in accordance with the Fund's investment objectives, having regard to any restrictions in the fund mandate, the Articles and the Scheme Particulars.

This shall include the following:

- a) placing orders for the execution of portfolio transactions in accordance with the Investment Manager's Execution Policy with or through such brokers, dealers, agents, market makers or issuers or on such markets or exchanges as the Investment Manager may select, subject to terms of business agreed by the Investment Manager, the rules or regulations of the relevant market or exchange or those implied by market practice;
- b) subscribing to issues and offers for sale and accepting placings, underwritings and sub-underwritings of any investments.
- c) to give instructions for the opening of accounts in the name of the Manager and the operation of such accounts;
- d) to negotiate, amend, execute, sign, deliver or otherwise bring into effect all such agreements, master

agreements, confirmations, account opening documents, contracts, deeds, other instruments, notifications, warranties, undertakings, representations and indemnities in the name of, binding against, and on behalf of the Manager;

- e) to give instructions to the Fiduciary Custodian to transfer cash or securities held by the Fiduciary Custodian on behalf of the Fund in connection with the settlement of transactions;
- f) to take any other action (including, without limitation, day-to-day decisions) which the Investment Manager reasonably considers to be necessary, desirable or incidental to carry out the services under the Investment Management Agreement; and
- g) to give instructions to or liaise with any prime broker and/or clearing agent appointed by the Manager from time to time in connection with the execution of portfolio transactions.
- h) The Investment Manager has the power to enter into transactions on behalf of or in any other way to bind the Manager or the Fund, as is required to enable the Investment Manager to provide any additional services requested from time to time by the Manager.

## 5 THE REGISTRAR

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The Fund has delegated the functions of the Registrar to the Manager.

## 6 THE AUDITORS

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PricewaterhouseCoopers LLC, Sixty Circular Road, Douglas Isle of Man IM1 1SA, British Isles.

## 7 THE REGISTER OF PARTICIPANTS

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This is available for inspection at the offices of the Manager.

## 8 THE CONSTITUTION, OBJECTIVES AND INVESTMENT RESTRICTIONS OF THE FUND

### 8.1 CONSTITUTION

The Fund is an Authorised Scheme and has elected to be a Type A scheme for the purpose of the Regulations.

### 8.2 AUTHORISED SHARE CAPITAL

The Fund has an authorised share capital of £500,000 divided into 10 Management Shares ('Management Shares') of £1 each, all of which have been subscribed in full in cash by or on behalf of the Manager, and 499,990,000 Unclassified Shares ('Unclassified Shares') of £0.001 (one tenth of a penny) each, available for issue as Shares or Nominal Shares (See section 9). The base currency of the Fund is sterling.

### 8.3 OBJECTIVE

The purpose of the Fund is to provide investors with a high income from a managed portfolio of fixed-interest securities, denominated in sterling and other currencies, subject to the Regulations.

### 8.4 INVESTMENT RESTRICTIONS

8.4.1 The following summarises the investment and borrowing powers of the Fund pursuant to the Regulations.

As a Type A scheme the Fund must only invest in the types of scheme property permitted by the Regulations, which include eligible transferable securities

and may:

- invest up to 10% in transferable securities which are not eligible securities
- invest up to 35% in Government and other public securities
- invest up to 5% in other collective investment schemes

- invest up to 5% in warrants
- invest in derivatives (but only in the context of efficient portfolio management), employ efficient portfolio management techniques and underwriting
- hold cash and near cash if reasonably necessary for example, for redemption
- on any day, borrow up to 10% of the value of the property of the scheme

and must not:

- hold influential stakes in bodies corporate, shareholdings being restricted to 10% of the voting shares in issue.

Further details may be found in Part 5 of the Regulations.

8.4.2 The Fund must invest in the types of scheme property permitted by the Regulations. The following table shows the spread and concentration limits of the holdings by the Fund (as a percentage of the Fund property).

| Investment class                                   | Minimum permitted holding by the fund | Maximum permitted holding by the fund |
|--|---------------------------------------|---------------------------------------|
| UK Government Securities & other public Securities | 0%                                    | 30%                                   |
| Sterling denominated Bonds (investment grade)      | 10%                                   | 100%                                  |
| Sterling denominated Bonds (non-investment grade)  | 0%                                    | 30%                                   |
| Overseas Government Securities                     | 0%                                    | 30%                                   |
| Overseas Corporate Bonds (investment grade)        | 0%                                    | 30%                                   |
| Cash or near cash                                  | 0%                                    | 10%                                   |

In addition

The Fund may:

- borrow or go overdrawn by up to 5% of the Net Asset Value of the Fund to meet liquidity requirements
- hold up to 10% in cash or near cash in order to enable, for example, the redemption of units, efficient portfolio management or purposes ancillary to the objectives of the Fund

- invest in derivative transactions for the purposes of efficient portfolio management.

**The Fund will not:**

- invest more than 20% of the property of the Fund in securities issued by one issuer
- participate in Stock Lending
- invest in warrants, nil paid or partly paid securities
- invest in other Collective Investment Schemes managed or operated by the Manager
- invest in voting shares in bodies corporate
- permit investment in an instrument that compels the acceptance of physical delivery of a commodity
- participate in hedging transactions which are not authorised by the Articles
- have an interest in any immovable property or movable property for the direct pursuit of the Fund's business.

**The Eligible Markets in which the Fund invests are:**

- The London Stock Exchange
- The Market organised by the International Securities Market Association.

8.4.3 The Manager and the Investment Manager may enter into hedging transactions for the purpose of efficient portfolio management in accordance with the Regulations, to utilise currency hedging to reduce, so far as possible any risks which may arise in the foreign exchange markets. Hedging arrangements will only be utilised if the Investment Manager believes it to be in the best interests of both the Fund and all Shareholders. There is no guarantee that hedging will achieve its aim.

## 8.5 HISTORICAL PERFORMANCE

Comparative tables as at 30 September 2020.

### Performance record

|                   | Highest share price | Lowest share price | Net distribution per share* |
|-------------------|---------------------|--------------------|-----------------------------|
|                   | p                   | p                  | p                           |
| 30 September 2016 | 62.81               | 51.70              | 1.91                        |
| 30 September 2017 | 61.28               | 54.67              | 1.91                        |
| 30 September 2018 | 56.52               | 53.71              | 1.63                        |
| 30 September 2019 | 58.00               | 52.98              | 1.61                        |
| 30 September 2020 | 58.63               | 51.39              | 1.40                        |

\*Net distribution per share is based on average shares during the year

### Net asset value record

|                   | Net asset value of participating shares | Shares in issue | Closing net asset value per share |
|-------------------|---|-----------------|-----------------------------------|
|                   | £                                       |                 | p                                 |
| 30 September 2018 | 34,402,323                              | 64,154,434      | 53.62                             |
| 30 September 2019 | 33,980,283                              | 59,455,542      | 57.15                             |
| 30 September 2020 | 32,344,373                              | 56,058,278      | 57.70                             |

### Ongoing Charges Figure

The Ongoing Charges Figure ("OCF") has replaced the Total Expense Ratio ("TER"). It is the total expenses paid by a share class in the year against its average Net Asset Value.

|                   | Ongoing Charges Figure % |
|-------------------|--------------------------|
| 30 September 2018 | 0.95                     |
| 30 September 2019 | 0.89                     |
| 30 September 2020 | 0.98                     |

## 8.6 WINDING UP

The Fund may be wound up if a Special Resolution of the Shareholders so determines or may be wound up if the order declaring the Fund to be an Authorised Scheme is revoked, or otherwise in accordance with the Regulations.

On a winding up, the assets available for distribution amongst the Shareholders shall be applied in the following priority:

- in the payment to the holders of Shares of sums up to the nominal amount paid thereon;

- b) in the payment to the holders of Nominal Shares of sums up to the nominal amount paid thereon;
- c) in the payment to the holders of Management Shares of sums up to the nominal amount paid thereon; and
- d) in the payment to the holders of Shares in accordance with their respective interests in the Fund, any balance then remaining.

The Fund may only be wound up or terminated in accordance with the Regulations:

- if an extraordinary resolution to that effect is passed; or
- on the date stated in any agreement by the FSA in response to a request from the board of Directors for the winding up of the Fund.

Before giving notice to the FSA of the winding-up proposals, the board of Directors must make a full enquiry into the Fund's affairs to determine whether the Fund will be able to meet all its liabilities. The Manager must then prepare a statement either confirming that the Fund will be able to meet all its liabilities within 12 months of that date or alternatively, stating that this confirmation cannot be given. The Auditor must confirm whether it agrees with the statement made.

Subject to the terms of any scheme of arrangement sanctioned by an extraordinary resolution of Shareholders, on a winding up the Manager is required as soon as practicable after the winding-up or termination has commenced, to realise the property of the Fund and meet the liabilities of the Fund out of the proceeds.

The Manager must instruct the Fiduciary Custodian how such proceeds (until used to meet liabilities or make distributions to Shareholders) are held, with a view to the prudent protection of creditors and Shareholders against loss. Where sufficient liquid funds are available after making adequate provision for all remaining liabilities and retaining provision for the costs of the winding up, the Manager must arrange for the Fiduciary Custodian to make one or more interim distributions to Shareholders proportionately to their respective interests in the Fund as at the

date of the relevant event. The Manager may, in certain circumstances, (and with the agreement of the affected Shareholders) distribute property of the Fund (rather than the proceeds on the realisation of that property) to Shareholders on a winding-up.

The Fiduciary Custodian must notify the FSA once the winding up of the Fund is complete, and at the same time request the FSA to revoke the authorisation order.

## 8.7 ACCOUNTING DATES

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The annual accounting period of the Fund ends on 30 September in each year.

## 9 CHARACTERISTICS OF SHARES IN THE FUND

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### 9.1 TYPES OF SHARES

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The types of Shares in the Fund and their characteristics are as follows:

#### a) Shares

The Shares confer the right to a proportionate share in the property of the Fund and to dividends, if any. At General Meetings, on a poll, every holder of a Share present in person or by proxy will be entitled to one vote for every whole Share of which he is the holder. For the rights of holders on a winding up, see section 8.6.

#### b) Management Shares

The Management Shares exist to comply with Isle of Man law which requires that the Shares have preference over another class of capital in order to be redeemable. Management Shares can only be issued at par to the Manager or to any associate of the Manager. Management Shares do not entitle the holders thereof to receive any dividends. For the rights of holders on a winding up, see section 8.6. Management Shares carry no other rights.

#### c) Nominal Shares

Nominal Shares will only be issued at par to the Manager for the purpose of providing funds for the redemption of the nominal value of Shares. No dividends will be payable to the holders of Nominal Shares. For the

rights of holders on a winding up, see section 8.6.

Nominal Shares may be converted into Shares (see section 11.8 Dealing Price). Nominal Shares carry no other rights.

d) Unclassified Shares

These may be issued either as Shares or as Nominal Shares.

9.2 PROOF OF PURCHASE

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Proof of purchase of Shares will be evidenced by entry on the Share Register. A contract note will be issued to Shareholders. No Share Certificates or bearer shares will be issued. The Directors have exercised their right under the Articles to dispense with the issue of Share Certificates.

9.3 VARIATION OF CLASS RIGHTS

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9.3.1 The rights attached to the Shares shall be deemed to be varied by any variation of the rights attached to shares of any other class or by the creation or issue of any shares, other than Shares, ranking in priority to or pari passu with them as respects rights in a winding up.

9.3.2 Subject to 9.3.1 above, the rights conferred upon the holders of the Shares of any class issued with preferred or other special rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking pari passu therewith or by the conversion of Nominal Shares into Shares as provided in the Regulations.

9.4 SHARES

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9.4.1 The Directors are authorised without limitation but subject always to the availability of Shares, to allot and issue Shares at any time without reserving preferential subscription rights to existing Shareholders.

9.4.2 Fractions of Shares may be issued (up to one thousandth of a Share).

9.4.3 The Fund shall register Shares jointly in the names of not more than four holders should they so require. In the case of joint holders, the vote of the senior who tenders a vote

whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of holders.

9.5 HOLDERS

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The Manager may determine whether or not any particular person should become the holder of Shares. No Shares may be acquired, delivered, sold or held by any US Person (except where permitted by the Directors or where they may lawfully own Shares), by any person in breach of the laws or requirements of any country or governmental authority; or by any person such that the status, standing or tax residence of the Fund is or may be prejudiced or the Fund may suffer any financial or regulatory disadvantage which it would not otherwise have done.

The Manager may reject any application for Shares where in its opinion the applicant is not qualified to hold Shares.

Where Shares are held in breach of these requirements the Manager may invoke a procedure under the Articles to require the holder of such Shares to remedy the situation. If they do not, the Manager may arrange for the compulsory redemption of such Shares by the Fund.

10 VALUATION OF PROPERTY, CHARGES AND DISTRIBUTIONS

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10.1 VALUATION OF ASSETS

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10.1.1 Cash and amounts held on deposit account shall be taken into account at their nominal value.

The valuation of assets will be made in accordance with the provisions of the Regulations. The Fund shall be valued each Dealing Day at 12 noon in the Isle of Man, using the prices of the appropriate markets.

All other property shall be valued:

- a) in the case of property which is an investment of any description other than a unit in a collective investment

scheme, at the mid-market price of that investment;

- b) in the case of property which is units in a collective investment scheme, at the most recent net asset valuation of the relevant units in the relevant scheme;
- c) if there is no price of the property in question under sub-paragraph a) or b), at a reasonable estimate of the amount which would be paid by a buyer, by way of consideration, for an immediate transfer or assignment to him at arm's length plus any fiscal charges, commission and other purchase charges which would be payable by him.

Subject to the Regulations, the Fiduciary Custodian, the Manager and the Directors shall be entitled to rely upon a statement as to the value of any investment or the rate of exchange prevailing at any time if they believe it to be genuine and to be given by a person independent of any of them who is competent to make such a statement.

#### 10.1.2

- a) The Manager reserves the right to revalue the property of the Fund at any time at its discretion. This is only likely to take place in cases where there has been a substantial (at least 2%) change in the value of the underlying assets of the Fund since the previous valuation. In these circumstances the Manager is obliged to revalue if pricing is on an historic basis.
- b) The Manager may elect to deal at either forward or historic prices. The basis may be changed on notification to the Fiduciary Custodian. At present, pricing is on a forward basis. The Regulations are complex and there may be circumstances when the Manager cannot deal at forward prices. The Manager has the right to vary the basis for large deals (as defined below) and shall consider any such deals on a case by case, acting always in the best interests of the Fund and all Shareholders.
- c) A large deal in the Fund (as defined by the Regulations) is a transaction or a series of transactions which is in excess of £15,000.

10.1.3 In calculating the value of the property of the Fund inter alia:

- a) there shall be deducted from the property of the Fund a reasonable estimate by the Manager of the total amount of the liabilities including potential liabilities which have accrued to date and are payable out of the property of the Fund, including the principal amount of any outstanding borrowings whenever repayable;
- b) there shall be added to the property of the Fund;
  - b.i a reasonable estimate by the Manager of the total amount of any claims for repayment of any taxation levied on capital (including capital gains) or on income accrued before the valuation point; and
  - b.ii a sum representing any interest or dividends accrued but not received.
- c) any Shares for which application has been made shall be deemed to be in issue [immediately after the time as at which the Dealing Price for such Shares is determined and after such time the Dealing Price payable to the Fund if not received shall be deemed to be an asset of the Fund and any liabilities in connection with the issue of such Shares shall be deemed to be liabilities of the Fund; and
- d) any Shares to be redeemed shall be deemed to be in issue only until the time as at which the Dealing Price is determined and, from such time until paid, the Dealing Price for such Shares shall be deemed to be a liability of the Fund.

## 10.2 CHARGES

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### 10.2.1 Manager's preliminary charge

The Manager may impose an initial charge on subscriptions. The current charge is up to 5% of the amount subscribed. The maximum charge permitted under the Articles is 8.5% of the amount subscribed.

### 10.2.2 Manager's remuneration

The Manager is entitled to receive from the Fund, in addition to the initial charge payable on the subscription for Shares, a

management charge as a percentage per annum of the Net Asset Value of the Fund. The management charge accrues daily and is paid monthly. The maximum chargeable will be 1.5% per annum. The current charge is 0.70%. Out of this charge, the Manager is responsible for the payment of the fee to the Investment Manager.

### 10.2.3 Fiduciary Custodian's remuneration

The Fiduciary Custodian's remuneration is as follows:

- a) Annual fee of 0.035% of the Fund's Net Asset Value (with a minimum of £20,000 pa).

The maximum payment to the Fiduciary Custodian (expressed as an annual percentage of the Fund's Net Asset Value) permitted under the Articles is 1% plus VAT.

All fees will be paid out of the property of the Fund. The Fiduciary Custodian fee accrues daily and is paid monthly.

The Fiduciary Custodian's fees are exclusive of all fees and expenses of any Sub-Custodian (including those of The Bank of New York Mellon London Branch), which, as incurred, are payable by the Fund.

### 10.2.4 Directors' fees and expenses

Each Non-executive Director (William Juan Clarke and Graeme Michael Easton) is paid a fee of £7,500 per annum for acting as a Director of the Fund. The Chairman (William Juan Clarke) will receive an additional £1,500 per annum for this role. No fees are paid by the Fund to the Executive Directors for acting as Directors of the Fund.

### 10.2.5 Investment Manager's fees and expenses

The fees of the Investment Manager are met by the Manager.

### 10.2.6 General expenses

The following expenses may be paid out of the property of the Fund, in addition to those set out at 10.2.1 to 10.2.4 and 12.3:

- a) the costs of dealing in the property of the Fund;
- b) interest on borrowings permitted by the Fund and charges incurred in negotiating, effecting or varying the terms of such borrowings;

- c) the costs and expenses incurred in obtaining a listing for the Shares of the Fund on any stock exchange;
- d) taxation and duties payable in respect of the property of the Fund, the principal constitutional documents and the creation and sale of Shares;
- e) any costs incurred in modifying the principal constitutional documents and entering into or modifying agreements with the service providers to the Fund;
- f) the costs incurred in the preparation and publication of any prospectus or Scheme Particulars and any substituted or supplementary prospectus or Scheme Particulars;
- g) any costs incurred in respect of meetings of holders;
- h) any charges reasonably incurred by the Fiduciary Custodian in depositing any part of the property of the Fund in safekeeping in a country or territory outside the Isle of Man;
- i) expenses and disbursements of the Fiduciary Custodian incurred in connection with its duties as Fiduciary Custodian of the Fund are authorised by the Articles for payment out of the property of the Fund.
- j) any other expenses authorised under the Regulations. Such expenses and disbursements shall, without limitation, include:
  - j.i the fees, expenses and disbursements of any agent appointed by the Fiduciary Custodian in connection with its duties in relation to the Fund and the Fiduciary Custodianship;
  - j.ii the fees, expenses and disbursements of any legal or accountancy adviser, valuer, broker or other professional person appointed by the Fiduciary Custodian in connection with its duties in relation to the Fund and the Fiduciary Custodianship including the cost of obtaining advice on whether or not the Fiduciary Custodian has the power or capacity to act in any question relating to the Fund; and
  - j.iii all other expenses and disbursements bona fide incurred by the Fiduciary



- Custodian in connection with the Fiduciary Custodianship of the Fund.
- k) the fees and expenses of the Auditor of the Fund;
  - l) the costs incurred in publishing annual and interim reports;
  - m) the costs incurred in keeping the register;
  - n) the costs incurred in administrating the Fund;
  - o) the fees of the FSA or any regulatory authority in a country or territory outside the Isle of Man in which Shares are or may be marketed;
  - p) legal expenses of the Fund; and
  - q) filing and other fees and charges of any government bodies or agencies

Save as disclosed in this document, there will not be any payments out of scheme property.

#### 10.2.7 Valued Added Tax

In addition, all fees and charges will, where appropriate, be subject to VAT in the Isle of Man, currently levied at 20%. Such VAT will be paid by the Fund.

### 10.3 DISTRIBUTIONS

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#### 10.3.1 Dividend Policy

Subject to the availability of sufficient profits for distribution each year there will be a dividend distribution of the whole amount available determined in accordance with the Articles.

Dividends will be paid in Sterling on 15 February, 15 May, 15 August and 15 November in each year (the payment dates) to Shareholders whose names appear on the Share register on 31 December, 31 March, 30 June and 30 September respectively.

Shareholders may elect to have their dividends paid by cheque or BACS or reinvested in further Shares. Such further Shares will be issued at the Dealing Price less the preliminary charge normally 4 business days prior to each quarterly payment date in each year.

For these purposes, the income allocation date will be 15 November.

10.3.2 If dividend instructions are not completed, cash dividends will be automatically reinvested in further Shares.

10.3.3 From 1 July 2011, the Directors may resolve that all dividends unclaimed for a period of six years after having been declared or due for payment shall become part of the Fund's capital property. Dividends remaining unclaimed prior to 1 July 2011 will become part of the Fund's property after a period of 12 years.

### 10.4 INCOME EQUALISATION

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At an Annual General Meeting held on 30 November 1989 Shareholders approved the introduction of Income Equalisation, with effect from 1 October 1989.

The Dealing Price for subscription of Shares will therefore be deemed to include an equalisation payment (which will be credited to the relevant equalisation account) representing undistributed income accrued and the first distribution to a Shareholder in respect of any such Shares will include a payment of capital (which will be debited to the relevant equalisation account) usually equal to the amount of such equalisation payment.

The Dealing Price for the redemption of Shares will also include an equalisation payment (which will be debited to the relevant equalisation account) in respect of the undistributed income accrued in the Fund up to the date of redemption.

Accordingly, Shares purchased since the last date which entitled Shareholders to receipt of a dividend (i.e. 31 December, 31 March, 30 June and 30 September respectively) are designated as 'Group 2' Shares whilst Shares already held at that date are designated as 'Group 1' Shares. When a dividend is next paid the distribution on the Group 1 Shareholding will be entirely represented by income but the dividend on the Group 2 Shareholding will include a return of capital representing the equalisation payment.

## 11 THE SALE AND REPURCHASE OF SHARES

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### 11.1 DEALING DAY

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A Dealing Day in relation to Shares is any business day (being in relation to anything done or to be done in the Isle of Man, any day other than a Saturday, Sunday or public holiday in the Island, and, in relation to anything done or to be done by reference to a market outside the Island, any day on which that market is normally open for business), except a business day falling within a period of suspension of the determination of the Net Asset Value of Shares as described in section 11.11.

### 11.2 DEALING BY THE MANAGER

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The Manager will deal in Shares on any Dealing Day at prices based on the valuations of the underlying investments available as set out at 10.1.1 above.

Purchases and redemptions of Shares may take place between 9.00 am and 12.00 noon on any Dealing Day. However, applications for the purchase or redemption of Shares received after 12.00 noon will be held over until the next Dealing Day and on acceptance by the Manager will be dealt with at prices ruling on that day.

Transactions will take place at the Dealing Price ruling at the time an application for shares or a redemption request is accepted by the Manager (or if no price is available at that time, due to a suspension or revaluation, at the next available price).

### 11.3 CURRENCY OF PAYMENT AND FOREIGN EXCHANGE TRANSACTIONS

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Where payments in respect of purchase or redemption of Shares are tendered or requested in a freely transferable currency other than sterling, the necessary foreign exchange transactions will be arranged by the Manager for the account of, and at the expense of, the applicant at the time the application is received and accepted. Subject to the Regulations the Manager will take no responsibility for the rate of exchange obtained. Payments will be made by sterling

cheque or credited direct to a bank account by telegraphic transfer at the expense of the Shareholder.

### 11.4 SHAREHOLDER COMMUNICATIONS

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All communications regarding the purchase or redemption of Shares must be made to the Manager:

Suntera Fund Services (IOM) Limited, Clinch's House, Lord Street, Douglas, Isle of Man, IM99 1RZ, British Isles.

Telephone: (44) 1624 682224

Fax: (44) 1624 691773

Dealing Prices are published daily on the Suntera Global website at [www.suntera.com](http://www.suntera.com).

### 11.5 APPLICATION PROCEDURE

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Applications for Shares may be made to the Manager on any Dealing Day. Shares will be allotted in accordance with the Articles of Association of the Fund at the Dealing Price per Share ruling on the Dealing Day on which the application is accepted by the Manager.

Applications should be made by completing the Application Form which is available on the Suntera Global website or on request and sending it duly completed to the Manager. An acknowledgement of the investment will be made by the issue of a contract note which will be sent to the applicant's authorised agent, if one is appointed, or otherwise direct to the applicant.

Details of methods of payment are contained in the Application Form.

### 11.6 REDEMPTION PROCEDURE

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Requests for the redemption of Shares may be made to the Manager on any Dealing Day.

Requests to redeem Shares should be made to the Manager and may be made by telephone or in writing. Telephone requests must be confirmed in writing. Redemption proceeds will be held, without interest, pending receipt of such written instructions. The following written information shall be

given: the name and the Personal Account Number of the holder of Shares and the number of Shares to be redeemed.

Requests for redemptions received by 12.00 noon UK time and accepted by the Manager will be dealt with at the relevant Dealing Price ruling on that day. Requests received after 12.00 noon will be held over until the next Dealing Day. UK residents should note that the sum equal to income equalisation included in any redemption proceeds must be included on their income tax return to the appropriate revenue authority.

The Manager may refuse to comply with instructions for dealings in Shares if to do so would result in a residual holding having a value of less than £500.

Requests to redeem, once made, may only be withdrawn in the event of a suspension or deferral of the redemption of Shares. The Manager is not bound to redeem, procure the purchase of more than one-fifth of the number of Shares in issue as at any Dealing Day. If the Manager receives redemption requests as at any Dealing Day in respect of a greater number of Shares, the Manager may scale down the number of Shares to be redeemed in response to each redemption request on a pro rata basis to such extent as may be necessary to ensure that the foregoing limit is not exceeded and shall carry forward for redemption as at the next following Dealing Day the balance of each redemption request and so on to each succeeding Dealing Day until each such request has been complied with in full, provided that requests which have been carried forward from an earlier Dealing Day shall, subject always to the foregoing limits, be complied with in priority to later requests.

## 11.7 SETTLEMENT

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Payment of the redemption proceeds will be made to the Shareholder upon delivery of the above written instructions.

Payments will normally be made in sterling, or in a freely transferable currency as requested by the Shareholder, within four business days after the relevant Dealing Day. Any costs in respect of currency conversions will be borne by the Shareholder.

Redemption proceeds will be paid by electronic transfer at your expense to the remitting bank from which your subscription was received as set out in your application form. If a Shareholder requires redemption proceeds to be paid by cheque or to an alternative account, the Manager will require prior confirmation in writing signed by the Shareholder(s). Payments will only be made to a registered Shareholder or to a bank account in the name of a registered Shareholder.

## 11.8 DEALING PRICE

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Shares will be issued or redeemed on Dealing Days for an amount equal to the net asset value of the Fund divided by the number of Shares in issue, or deemed to be in issue.

The right is reserved to waive the whole or part of the initial charge in respect of any particular subscription. The Dealing Price will be accurate to at least four significant figures.

On the redemption of Shares, the nominal value of each Share will be financed by the issue of a Nominal Share (for which, during the tenure of the Management Agreement, the Manager has agreed to subscribe). Nominal Shares may be converted into Shares on payment to the Fund on any Dealing Day the difference between the current Dealing Price of Shares and the nominal value of the Nominal Shares converted.

Redemption proceeds will not be satisfied in specie by the transfer of assets to the redeeming shareholder.

## 11.9 DILUTION

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Dilution may occur as a result of costs incurred by a fund in connection with the issue or redemption of shares, in particular costs incurred in acquiring or disposing of assets of the fund. A dilution levy is a charge that a fund can choose to apply to cover any dealing or other costs they may incur in connection with the issue or redemption of shares in order to protect the existing or remaining shareholders in the fund, in particular in circumstances where underlying investments are sold to finance redemptions.

The Directors have considered the potential effects of dilution on the Fund as required by the Regulations and, in particular, have reviewed the circumstances when dilution might occur and the effect on the investors remaining in the Fund. It is not possible to predict accurately whether dilution is likely to occur. However, the Directors have concluded that the costs associated with subscriptions or redemptions are likely to be immaterial to investors remaining in the Fund.

In view of the above, the Directors do not intend to require a dilution levy or make a dilution adjustment.

#### 11.10 MINIMUM HOLDING OF SHARES

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The minimum holding of Shares in this Fund shall be the holding of Shares having a value of not less than £500 or such lower value as the Directors may specify either generally or in any specific case.

#### 11.11 SUSPENSION OF THE CALCULATION OF THE NET ASSET VALUE AND THE SUBSCRIPTION AND REDEMPTION OF SHARES

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The Manager may (with the prior agreement of the Fiduciary Custodian), and must without delay, if the Fiduciary Custodian so requires, temporarily suspend the allocation, issue, repurchase and cancellation of Shares, where due to exceptional circumstances it is in the interests of all Shareholders. The Manager and the Fiduciary Custodian shall ensure that the suspension is only allowed to continue for as long as it is justified having regard to the interests of the Shareholders.

Whenever the Manager declares a period of suspension, as soon as may be practicable (or the Fiduciary Custodian if it has required the Manager to suspend dealings in Shares), all Shareholders, the FSA and any other regulators of jurisdictions in which the Fund is distributed will be notified in writing of the suspension, and also when the period of suspension has ended.

#### 11.12 TRANSFERS

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The transfer of Shares may normally be affected by delivery to the Manager of an instrument of transfer in appropriate form together with a specimen signature of the transferee. The register of Shareholders may be inspected at the registered office of the Fund.

Shareholders will not be permitted to transfer Shares where to do so would leave them with a residual holding with a value of less than £500.

### 12 GENERAL INFORMATION

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#### 12.1 MEETINGS

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The Annual General Meeting of Shareholders of the Fund (the 'Annual General Meeting') will be held at the registered office of the Fund in the Isle of Man each year, normally in December. 21 clear days' notice will be given in writing to Shareholders. General meetings of Shareholders will be held at such time and place as are indicated in the notices of such meetings.

#### 12.2 AVAILABILITY OF DOCUMENTS AND REPORTS

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Financial periods of the Fund end on 30 September in each year, being the Fund's financial year end. Annual abbreviated financial statements will be sent to all Shareholders within four months of the end of the financial year end.

Interim abbreviated financial statements will be sent to all Shareholders within two months of the end of each half yearly accounting period.

The Annual Report containing the audited financial statements of the Fund, prepared in accordance with the Regulations, will be made available on the Suntera Global website. The Annual Report will also be available at the Fund's registered office 14 days before each Annual General Meeting.

The Interim Report, containing the unaudited financial statements of the Fund made up to 31 March in each year, will also

be made available on the Suntera Global website.

Shareholders may also obtain from the Manager's registered office, information supplementary to these Scheme Particulars relating to:

- the quantitative limits applying to risk management of the Fund and the methods used in relation to this; and
- any recent development of the risk and yields of the main categories of investment.

Copies of all financial reports and statements, Scheme Particulars and the Fund's constitutional documents (and amendments, if any) may be obtained by Shareholders free of charge upon request and from the registered office of the Fund and the Manager.

Shareholders will receive statements regarding distributions, copies of annual and half-yearly abbreviated financial statements and notices of Shareholder meetings and the termination of the Fund (or revocation of its authorisation). Shareholders may contact the Manager at the above address for information in English about the payment of amounts due to Shareholders and the prices of Shares and to arrange redemption of Shares and payment.

### 12.3 PRELIMINARY EXPENSES

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The preliminary expenses of the Fund on incorporation and in respect of the Initial Offer have been written off against the share premium account.

### 12.4 TAXATION

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The following summary is based on the law and practice currently in force in the Isle of Man and the United Kingdom and is subject to changes therein.

The Fund is registered in the Isle of Man and the control and management of the Fund will be exercised in such a way that the Fund should be resident in the Isle of Man for taxation purposes. Accordingly, the Fund will be liable for Manx Income Tax (the rate is currently zero) on profits after deduction of dividends and expenses payable. The

policy of the Fund is to pursue a full distribution of profits.

Under current legislation there is no capital gains tax, stamp duty, capital transfer tax, estate or inheritance tax in the Isle of Man. However, a probate fee is charged on the grant of probate or letters of administration in the Isle of Man which are required to deal with the Shares of a deceased (Registered) sole Shareholder.

An offshore fund is defined in section 355 of the Taxation (International and Other Provisions) Act 2010. The rules for taxation of the returns to UK investors holding interests in offshore funds are set out in The Offshore Funds (Tax) Regulations 2009. The provisions of the Act as regards reporting status (previously distributor status) are detailed but it is the intention of the Directors to manage the affairs of the Fund so as to maintain HMRC reporting status. The Fund entered the reporting fund regime on 1 October 2010 with reporting fund reference C0094.

Shareholders resident in the Isle of Man for taxation purposes will, subject to their personal circumstances be liable to Isle of Man income tax in respect of dividends received from the Fund.

It is expected that Shareholders in the Fund will be resident for tax purposes in many different countries. Consequently, no attempt is made in these Scheme Particulars to summarise the actual taxation consequences for each investor of subscribing for, buying, holding, transferring, redeeming, selling or otherwise acquiring or disposing of Shares in the Fund. These consequences will vary in accordance with the law and practice currently in force in a Shareholder's country of citizenship, residence, and/or domicile and with his personal circumstances or, in the case of a corporation, its country of incorporation or place of management and control.

#### 12.4.1 Foreign Account Tax Compliance Act ('FATCA')

The Isle of Man Government and the United States have entered into a Model 1 intergovernmental agreement ("US IGA") to give effect to US FATCA legislation in the Isle of Man. Under the US IGA, the Fund is a "Reporting Isle of Man Financial Institution" ('Reporting FI') and is obliged to make annual

filings with the Isle of Man Assessor of Income Tax ('Assessor'), which includes providing information in relation to Shareholders who are Specified US Persons (as defined in the US IGA) or an entity that is identified as having one or more controlling persons who are Specified US Persons. The Assessor will automatically exchange such information with the Internal Revenue Service ('IRS') annually.

As a Reporting FI located in a Model 1 IGA country, the Fund is a "Registered Deemed-Compliant Foreign Financial Institution" under FATCA. Failure by the Fund to disclose information to the Assessor may expose the Fund to sanctions under Isle of Man law and eventually this may result in the Fund being deemed to be a "Non-participating Financial Institution" under the terms of the US IGA and may ultimately result in withholding tax being applied on certain US source income.

Shareholders will be required to furnish appropriate documentation certifying as to their US or non-US tax status and the identity of their controlling persons, together with such additional tax information as the Fund may from time to time request.

The Fund will pass on the costs of non-compliance to any Shareholder that fails to provide the necessary information, including any withholding or penalties to which the Fund may become subject. Ultimately the Fund may compulsorily redeem a Shareholder's entire interest in the Fund.

Shareholders are encouraged to consult with their own tax advisers regarding their tax status and the applicability of this legislation on their investment in the Fund.

#### 12.4.2 Common Reporting Standard ('CRS')

In February 2014, the OECD announced the CRS, intended to become an international standard for financial account reporting, and in October 2014, the Isle of Man Government signed up to the multi-lateral competent authority agreement ("MCAA"), in order to implement the CRS. The Income Tax (Common Reporting Standard) Regulations 2015 came into force on 23 October 2015 and require the Fund to operate new CRS account opening procedures.

By investing (or continuing to invest) in the Fund, investors shall be deemed to acknowledge that:

- a) the Fund (or its agent) may be required to disclose to the Assessor certain confidential information in relation to the investor, including but not limited to the investor's name, address, tax identification number (if any), social security number (if any) and certain information relating to the investor's investment;
- b) the Assessor may be required to automatically exchange information as outlined above with fiscal authorities located in Reportable Jurisdictions;
- c) the Fund (or its agent) may be required to disclose to fiscal authorities located in Reportable Jurisdictions certain confidential information when registering with such authorities and if such authorities contact the Fund (or its agent directly) with further enquiries;
- d) the Fund may require the investor to provide additional information and/or documentation that the Fund may be required to disclose to fiscal authorities located in Reporting Jurisdictions;
- e) in the event an investor fails to provide the requested information and/or documentation, whether or not such failure actually leads to compliance failures by the Fund, or a risk of the Fund or its investors being subject to withholding tax under the relevant legislative or inter-governmental regime, the Fund reserves the right to take any action and/or pursue all remedies at its disposal including, without limitation, compulsory redemption or withdrawal of the investor concerned; and
- f) no investor affected by any such action or remedy shall have any claim against the Fund (or its agent) for any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of the Fund in order to comply with FATCA, CRS or any of the relevant underlying legislation.

Shareholders are encouraged to consult with their own tax advisers regarding their

tax status and the applicability of this legislation to their investment in the Fund.

*All Shareholders should apprise themselves of, and when appropriate consult their professional advisers on, the possible tax consequences and any exchange control requirements of subscribing for, buying, holding, transferring, redeeming, selling or otherwise acquiring or disposing of Shares in the Fund under the laws of their country of citizenship, residence or domicile.*

*In addition, you may be liable, for tax on interest or savings income or dividends earned on your investment. Any such tax charge or liability is your sole responsibility and we shall not advise you in respect of such tax or be liable for its payment. We do not give tax advice and actions taken by us in relation to this clause shall not be construed as giving tax advice. We recommend you seek independent tax advice from a suitably qualified professional tax advisor in respect of your particular circumstances.*

## 12.5 DIRECTORS

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The Board of Directors shall comprise of at least three persons.

Directors may be removed or replaced at any time by resolution of the Shareholders.

There is no age limit or share qualification for Directors. The Directors are vested with all powers, subject to the Regulations, to perform all acts necessary or useful for accomplishing the Fund's objectives.

The Fund may indemnify any Director or officer, to the extent permitted by the Companies Acts 1931-2004 and the Regulations, out of the property of the Fund against all losses or liabilities which he may sustain or incur in relation thereto.

At no time will a majority of the Directors be resident in the United Kingdom nor will a meeting of Directors be validly constituted unless a majority of the Directors present at the meeting is not resident in the United Kingdom nor will the board of Directors meet in the United Kingdom.

The Manager (acting for itself and on behalf of the Fund) has entered into a non-executive Director appointment letter with each of William Juan Clarke and Graeme Michael Easton, the main terms of which are as follows:

- a) the appointment may be terminated by the non-executive Director or the Fund on three months' written notice or if the Articles or any law or regulation prevents the non-executive director from continuing in office;
- b) the fees for acting as non-executive Director will be notified to the non-executive Director from time to time. The current fees are set out at 10.2.4 above. In addition, the non-executive Director will be reimbursed for all reasonable and properly documented expenses incurred by the non-executive Director in the performance of his duties.

## 12.6 AMENDMENT TO THE ARTICLES OF ASSOCIATION

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The Articles of Association may, subject to the approval of the FSA, be amended at any time by a resolution of a meeting of Shareholders subject to the quorum and voting requirements provided by Isle of Man law and the Regulations. Written notice to Shareholders of the effectiveness of each amendment of the Articles of Association shall be provided with the next statement of account following its effectiveness. Such notice shall either state the text of amendment or summarise its content and provide that the complete text of the amendment shall be sent to any Shareholder upon request.

## 12.7 DELIVERY TO THE FSA

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This document has been delivered to the FSA and to the Fiduciary Custodian in accordance with the Regulations.

## 12.8 LISTING

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The Shares are not quoted or listed on any Stock Exchange.

## 12.9 COMPENSATION SCHEME ARRANGEMENTS

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The Authorised Collective Investment Schemes (Compensation) Regulations 2008 as amended by the Authorised Collective Investment Schemes (Compensation) (Amendment) Regulations 2019 of the Isle of Man apply. A copy of the Regulations

which were updated on 1st February 2020 may be inspected at the offices of the Manager.

## 13 MATERIAL AGREEMENTS

### 13.1 The Fund has entered into:

- a) an Agreement dated 1 June 2018 with the Manager and the Fiduciary Custodian ('Management Agreement') whereby the Manager agrees to manage the Fund in accordance with the Articles and Regulations;

The fees of the Manager are summarised at section 10.2.

- b) an Agreement dated 1 June 2018 with the Fiduciary Custodian ('Fiduciary Custodian Agreement') whereby the Fiduciary Custodian agrees to act as Fiduciary Custodian in accordance with the Articles and the Regulations.

The fees of the Fiduciary Custodian are summarised at section 10.2.

- 13.2 The Fiduciary Custodian Agreement provides that the Fund will indemnify the Fiduciary Custodian and any of its affiliates and its or their respective directors, officers or employees ('Apex Parties') from and against all losses incurred by them resulting or arising from the Fund's breach of the Fiduciary Custodian Agreement and in addition any third party claims, actions, proceedings, investigations or litigation relating to or arising from or in connection with the Fiduciary Custodian Agreement or the services provided under the Fiduciary Custodian Agreement, except to the extent such losses are determined to have resulted solely from the fraud, wilful default or negligence of the Apex Party seeking indemnity under the Fiduciary Custodian Agreement.

The maximum aggregate liability of all Apex Parties under the Fiduciary Custodian Agreement for all claims is limited to the lesser of £500,000 or an amount equal to 5 times the annual fees. The Fiduciary Custodian Agreement provides that no Apex Party shall have any liability in respect of any Claim for: (a) special, incidental, indirect or consequential loss or damages; (b) direct or indirect loss of profits or opportunity; (c) loss

of goodwill, loss of reputation or customers; or (d) any other pure economic loss.

Subject to the Regulations, the Fiduciary Custodian Agreement may be terminated by either party giving the other party 90 days' notice in writing or on lesser notice if there has been the occurrence of an event of default, change of law which makes it unlawful for the Fiduciary Custodian to continue or if there is a material breach.

The Management Agreement provides that subject to the Regulations, the Fund will indemnify the Manager against all actions, proceedings, claims and demands (including taxation for the account of the Fund) and costs and expenses incidental thereto which may be brought against, suffered or incurred by the Manager by reason of its performance or non-performance of its obligations or duties under the terms of the Management Agreement (including all legal, professional and other expenses incurred), except in any such case as shall arise from wilful breach of duty or negligence in the performance or non-performance by the Manager or any person designated by it of its obligations or duties thereunder or otherwise.

The Management Agreement provides that subject to the Regulations, the Manager will not be under any liability on account of anything done or suffered or omitted to be done by the Manager in good faith in accordance with or in pursuance of any request or advice of the Fund or its Directors and the Manager will not be liable to the Fund or any Shareholder of the Fund for any loss sustained by the Fund or any Shareholder of the Fund or in any of the investments of the Fund, except a loss arising from wilful breach of duty or negligence in the performance or non-performance by the Manager or any person designated by it of its obligations or duties thereunder.

Subject to the Articles and to the Regulations, the Management Agreement may be terminated by the Fund or the Manager giving twelve months' notice in writing to the other or on lesser notice if either the Fund or the Manager goes into liquidation. The Fund may also terminate on lesser notice if the Manager breaches its obligations under the Management Agreement, fails to comply with the Regulations, ceases to be licensed, becomes



resident in the United Kingdom for tax purposes or if all the Shares are redeemed.

The fees of the Manager are summarised at 10.2 above.

In addition, the Manager has entered into a novation deed with the Investment Manager and the former manager of the Fund, Capital International Fund Managers Limited ('Former Manager') dated 1 June 2018 which novates an agreement between the Investment Manager and the Former Manager dated 1 June 2015 ('Investment Management Agreement') the details of which are summarised in section 4.

The Investment Management Agreement provides that the Manager will indemnify the Investment Manager and any associate or third party to whom the Investment Manager may have delegated any one or more of its duties thereunder, against any cost, loss, liability or expense whatsoever which may be suffered or incurred by them directly or indirectly other than to the extent that the same results from the negligence, wilful default or fraud of the Investment Manager, its associate or delegate. The Investment Manager will not be liable for any indirect or consequential loss of the Manager, its agents (including the Fiduciary Custodian) or delegates.

The Investment Management Agreement provides, inter alia, that the Manager may terminate the Investment Management Agreement immediately without penalty by notice in writing, if acting reasonably, the Manager determines that it is in the interest of investors in the Fund to do so.

The fees of the Investment Manager are met by the Manager.

## 14 DIRECTORS' RESPONSIBILITY, CONSENTS, FILINGS, ETC.

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The Directors of the Fund are responsible for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the

import of such information. The Directors accept responsibility accordingly.

The Directors of the Fund undertake an annual review of all corporate governance matters in accordance with the FSA guidance. This includes reviewing all functions/powers that have been delegated to the Manager.

Statements made in this document are based on the law and practice currently in force in the Isle of Man and the United Kingdom and are subject to change. The distribution of this document and the offering of the Shares may be restricted in certain jurisdictions. It is the responsibility of any person in possession of this document and any persons wishing to make application for Shares pursuant to this document to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdictions.

Prospective applicants for Shares should inform themselves as to the legal requirements and consequences of applying for, holding and disposing of Shares and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile.

This document does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation.

The Shares have not been registered under the United States Securities Act of 1933 and, except in a transaction which does not violate such Act, may not be directly or indirectly offered or sold in the United States of America, or any of its territories or possessions or areas subject to its jurisdiction, or to or for the benefit of a US Person (save where such a US Person may lawfully own the same and the Directors, in their absolute discretion, permit such person to invest in the Company).

Copies of this document, having attached thereto copies of the Material Agreements referred to in section 13, have been delivered to the FSA.

Expressions which are not defined in this document have the meanings ascribed to them in the Articles and the Regulations.

## 15 ADDITIONAL INFORMATION

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### Share Certificates

The Fund no longer issues Share Certificates. The Directors ceased to issue Share Certificates with effect from 15 November 1995 exercising their right in accordance with article 34 of the Articles.

Proof of purchase of Shares will be evidenced by entry on the Share register. A contract note will be issued.

### Joint Applications

Joint applications may be made by up to four people. The names of each person should be clearly set out in the answer to Section 1 of the Application Form and each applicant must sign in Section 4. Joint holders should each declare as their taxable income the dividend attributable to their own shares.

### Corporate Investors

A corporation should sign the application under the hand of a duly authorised official, who should state his representative capability. Please refer to the Application Form for further details.

### Trustee Investors

Applications by trustees should be made using a separate Trustee Application Form available from the Manager.

### Power of Attorney

If the application is signed by an attorney pursuant to a power of attorney, identity documentation for the attorney must accompany the power of attorney.

### Address for Correspondence

All documents and correspondence relating to your Shareholding will be sent to the 'Address for Registration' that you specify on the Application Form (unless otherwise requested in writing).

### Returned Applications

In the case of an application that is rejected by the Manager, the application monies (or the balance thereof) will be returned by post at the risk of the applicant(s). No interest will be paid on this money.

### Additional Investments

Further investments into the Fund may be made at any time subject to a minimum of £500. It is not necessary to complete a further application form, although it is necessary to complete an Additional Investment Form which is available from the Manager.

### Your Adviser

The person who recommends this Fund or any other person who has advised you in connection with this application has acted and is acting on your behalf, not on behalf of the Manager.

### Service of Documents

Any notice or document to be served upon the Fund may be served at the Fund's registered office and principal place of business at Clinch's House, Lord Street, Douglas, Isle of Man, IM99 1RZ.

Any notice or document to be served upon a Shareholder may be served by being sent in the post to, or left at, the Shareholder's address appearing in the register of members or by being sent using an electronic medium in accordance with the Regulations.

### Proof of Identification

Proof of identity including evidence of age will be required, as described in the money laundering section on the Suntera Global website at: [www.suntera.com](http://www.suntera.com).

### Voting

The board of Directors of the Fund will provide suitable proxy forms so that a Shareholder may appoint a proxy to attend and vote at general meetings.

## 16 UK FACILITIES AGENT

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In connection with the Fund's recognition under section 272 of the UK Financial Services and Markets Act 2000, the Fund has appointed GemCap UK Limited ("GemCap"), as its Facilities Agent in the United Kingdom to maintain the facilities required of a recognised scheme pursuant to the rules contained in the Collective Investment Schemes Sourcebook ("COLL") published by the Financial Conduct Authority.

The Fund has entered into a facilities agent agreement dated 1 June 2018 with GemCap for a minimum of 2 years upon which a minimum 3-month notice period must be given. The Fund will pay GemCap a fee of £1,000 per year paid quarterly in arrears.

The facilities will be available during usual business hours on any week day (other than UK public holidays) at the offices of GemCap at: 33 Turner Street, Manchester, M4 1DW.

The UK Facilities Agent will maintain facilities to enable:

- a) any person to inspect (free of charge) a copy (in English) of:
  - the Fund's Memorandum and Articles of Association, the Regulations, the Material Agreements referred to in section 13, and any subsequent amendments to any of them;
  - the most recent Scheme Particulars issued by the Fund, as the same may be amended and supplemented from time to time;
  - the latest annual and, if subsequently published, semi-annual reports of the Fund; and
  - any other documents required from time to time by COLL to be made available.
- b) any person to obtain a copy (in English) of any of the above documents (free of charge in the case of documents b) and c) and at no more than a reasonable charge in respect of the other documents);
- c) any person to obtain information orally and in writing (in English) about the most recently published prices of Shares.
- d) any Shareholder to redeem or arrange for redemption of Shares and obtain payment from the Manager; by transmitting such requests to the Manager as soon as possible after receipt by the UK Facilities Agent;
- e) any person to make a complaint about the operation of the Fund, which complaint the UK Facilities Agent will transmit to the Fund; and

- f) any Shareholder to obtain, free of charge, details or copies of any notices which have been given or sent to Shareholders.

The UK Facilities Agent shall also accept service of all documents and process of the Courts in the United Kingdom.

## 17 DATA PROTECTION

The processing of personal information provided to the Fund or to the Manager on behalf of the Fund is governed by the data protection legislation of the Isle of Man and data protection legislation in any other relevant jurisdiction (Data Protection Laws).

Personal information is required by the Manager (and any other third party acting on the Fund's behalf) for the processing of your application and, if the application is successful, in administering and servicing the consequent investment in the Fund.

Details about the personal information collected, how it is used and on what legal basis is set out in the Fund's data privacy notice. The data privacy notice also includes details about any data sharing arrangements, data retention periods and important rights any individual has in relation to their personal data under Data Protection Laws. Investors should read the data privacy notice before completing an application form and can request a copy of the data privacy notice from the Manager at any time.

The rights in respect of the protection of personal data include the right to access all the personal data relating to that person held by the Fund. Further information regarding these rights may be obtained from the Isle of Man Information Commissioner whose website is [www.inforights.im](http://www.inforights.im).