

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

HARGREAVES LANSDOWN FUND MANAGERS LIMITED

---

PROSPECTUS

HL SELECT UMBRELLA TRUST

Dated and valid as at  
27 November 2024

---

HL SELECT UK GROWTH SHARES  
HL SELECT UK INCOME SHARES  
HL SELECT GLOBAL GROWTH SHARES

## PROSPECTUS

This document is the Prospectus for the Trust which has been prepared in accordance with the Rules (each as defined in Section 1 below), and is dated and valid as at 27 November 2024. Copies of this document have been sent to the FCA and the Trustee.

Hargreaves Lansdown Fund Managers Limited, the authorised fund manager of the Trust, is the entity responsible for the information contained in this Prospectus. To the best of its knowledge and belief (having taken reasonable care to ensure that such is the case) the information contained herein does not contain any untrue or misleading statement or omit any matters required by the Rules to be included in it. Hargreaves Lansdown Fund Managers Limited accepts responsibility accordingly.

No person has been authorised by the Manager to give any information or to make any representations in connection with the offering of Units other than those contained in this Prospectus and, if given or made, such information or representations must not be relied on as having been made by the Manager. The delivery of this Prospectus or the issue of Units shall not, under any circumstances, create any implication that the affairs of the Trust have not changed since the date of this Prospectus. This Prospectus is based on information, law and practice at the date hereof. The Manager cannot be bound by an out of date Prospectus when a new version has been issued, and investors should check with the Manager that this is the most recently published Prospectus.

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

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

The Manager, the Trust and the Funds have not been and will not be registered in the United States of America under any applicable legislation. Units may not be offered, sold or delivered in the United States of America or to investors who are US Persons.

Units are not listed on any investment exchange.

This Prospectus has been issued for the purpose of section 21 of the Financial Services and Markets Act 2000 by Hargreaves Lansdown Fund Managers Limited.

## SECTION 1: DEFINITIONS

"Administrator and Registrar"	Northern Trust Global Services SE or such other entity (or entities) to whom the Manager has delegated its administration and/or registrar function from time to time.
"Auditor"	Ernst & Young LLP, or such other entity as is appointed as auditor to the Funds from time to time.
"Benchmark Regulation"	The UK version of Regulation (EU) 2016/1011, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018.
"Business Day"	Monday to Friday excluding public and bank holidays in England or any day on which UK clearing banks are not open for business in London.
"CASS"	The Client Assets Sourcebook which forms part of the FCA's Handbook of Rules and Guidance, as amended from time to time. References to rules and guidance in the CASS Sourcebook are prefaced by "CASS".
"COLL Sourcebook"	The Collective Investment Scheme Sourcebook which forms part of the FCA's Handbook of Rules and Guidance, as amended from time to time. References to rules and guidance in the COLL Sourcebook are prefaced by "COLL".
"Custodian"	The Northern Trust Company, London Branch or such other entity (or entities) to whom the Trustee has delegated its custody function from time to time.
"Dealing Day"	Monday to Friday where these days are Business Days.
"efficient portfolio management"	An investment technique where derivatives are used for one or more of the following purposes: reduction of risk, reduction of cost or the generation of additional income with a level of risk which is consistent with the risk profile of the Fund and the risk diversification rules set out in the COLL Sourcebook, as further described in Schedule 2.
"FCA"	The Financial Conduct Authority of 12 Endeavour Square, London, E20 1JN, or any relevant successor regulatory body from time to time.
"Funds"	The sub-funds of the Trust as set out in Section 3 of this Prospectus, and "Fund" means any one of the Funds.
"HL Group"	The Hargreaves Lansdown group of companies, the ultimate holding company of which is Hargreaves Lansdown plc.
"HMRC"	HM Revenue & Customs.
"Manager"	Hargreaves Lansdown Fund Managers Limited, the authorised fund manager of the Trust.
"PRA"	The Prudential Regulation Authority or any relevant successor regulatory body from time to time.

"Register"	The register of Unitholders of a Fund.
"Rules"	The applicable rules set out in the COLL Sourcebook.
"Trust"	HL Select Umbrella Trust.
"Trust Deed"	The deed entered into by the Manager and the Trustee constituting the Trust, as amended or supplemented from time to time.
"Trustee"	Northern Trust Investor Services Limited, the trustee and depositary of the Trust.
"UK UCITS"	Means as defined in the Glossary to the FCA's Handbook of Rules and Guidance, as amended from time to time.
"Unit"	A Unit in a Fund (or a fraction thereof), and "Units" shall be construed accordingly.
"Unitholder"	A holder of Units.
"United States of America"	The United States of America (including the States and the District of Columbia), its territories, its possessions and any other areas subject to its jurisdiction.
"US Persons"	Means as defined in Section 8.
"VAT"	UK value added tax.

## SECTION 2: MANAGEMENT AND ADMINISTRATION

### The Manager

Hargreaves Lansdown Fund Managers Limited is the authorised fund manager of the Trust. The Manager is a private limited company incorporated in England and Wales on 15 April 1992 (registered number 2707155). The registered and head office of the Manager is One College Square South, Anchor Road, Bristol BS1 5HL. The Manager is a wholly-owned subsidiary of Hargreaves Lansdown PLC and forms part of the HL Group. The Manager is authorised and regulated by the FCA.

The Manager has an authorised share capital of 100,000 shares of £1 each of which 80,000 shares of £1 each are in issue and fully paid.

The executive directors of the Manager are: Paul Anthony Dimambro, Tobias Vaughan and Shawn Elizabeth Gamble. Each of these individuals is employed within the HL Group, the services of which include a direct-to-consumer platform service, portfolio management, personal financial planning and stockbroking.

The independent directors of the Manager are John Troiano and John Misselbrook. Each of these individuals: (a) may also serve as independent / non-executive directors of other entities of the HL Group; and (b) may engage in other business activities not connected with the business of the Manager or the HL Group. Any material conflicts of interests are managed appropriately and regularly reviewed.

The Trust Deed and Rules contain provisions governing the responsibilities of the Manager in relation to the management and administration of each Fund, including (but not limited to) portfolio management and risk management of each Fund, maintaining the Funds' books and records, valuing the Funds' assets and liabilities, calculating the net asset value of each Fund and each Unit, and the issue, sale and distribution of Units. The Manager covers its professional liability risks in respect of these activities by holding additional capital ("own funds") as calculated in accordance with regulatory requirements.

The Manager may delegate the performance of (but not responsibility for) certain of its functions to third parties. Further details of the functions currently delegated by the Manager are set out below.

### Remuneration Policy

The Manager is required to have a remuneration policy that is in accordance with the FCA's rules, relating to the way in which the Manager remunerates its staff. The policy is required to ensure that the Manager's remuneration practices (for those staff caught by the applicable rules):

- are consistent with and promote sound and effective risk management;
- do not encourage risk taking and are consistent with the risk profiles, or the constitutional documents of the Trust;
- do not impair the Manager's duty to act in the best interests of the Trust; and
- include fixed and variable components of remuneration including salaries and discretionary pension benefits.

The remuneration of individuals across the HL Group, including the Manager, usually consists of a salary and a discretionary, performance-related bonus. Award of variable remuneration is linked to the competent performance of apportioned duties and achievement of role-specific objectives. While remuneration decisions take place in the context of the financial performance of the wider HL Group and the broader economic environment, there is no simple link or correlation to the financial performance of HL Group generally, the Manager more specifically, or to the performance of the Trust or a Fund or Funds. The HL Group has a Remuneration Committee that sets and maintains remuneration policies and practices for HL Group directors and senior managers (i.e. "Code Staff"). Below the level covered by the Remuneration Committee, the Executive Committee is responsible for developing and implementing appropriate remuneration structures across the business, in order to achieve HL Group objectives. Further details are available at [www.hl.co.uk](http://www.hl.co.uk), a paper copy of which can be supplied free of charge on request.

## The Trustee and Depositary

\* The trustee and depositary of the Funds changed from Northern Trust Global Services SE, UK Branch on 1 September 2021.

The trustee of the Funds is Northern Trust Investor Services Limited, a UK limited liability company, incorporated on 29 April 2020 with company number 12578024. Its registered office and principal place of business is at 50 Bank Street, London E14 5NT. The Trustee is authorised and regulated by the Financial Conduct Authority.

The Trustee's ultimate holding company is The Northern Trust Corporation, a company which is incorporated in the State of Delaware, United States of America, with its headquarters at 50 South La Salle Street, Chicago, Illinois. The principal activity of the Trustee is trustee and depositary services.

The Trustee has been appointed as the depositary of the Trust in accordance with the Rules. The rights and duties of the Trustee (in its capacity as depositary) are governed by the Depositary Agreement (as described below) and the Rules. The Trustee is responsible for the safekeeping of all the scheme property of the Trust, which includes (i) holding in custody all financial instruments that can be registered in an account opened in the Trustee's books and all financial instruments that can be physically delivered to the Trustee; and (ii) for other assets, verifying the ownership of such assets and maintaining records accordingly. The Trustee also has a duty to take reasonable care to ensure that the Trust is managed in accordance with the Trust Deed and the provisions of COLL relating to the pricing of, and dealing in, units and relating to the income and the investment and borrowing powers of the Trust. The Trustee (in its capacity as depositary) is also responsible for monitoring the cash flows of the Funds, and must ensure that certain processes carried out by the Manager are performed in accordance with the Rules, this Prospectus and the Trust Deed.

### *Terms of Appointment*

The appointment of the Trustee as depositary of the Trust has been made under an agreement between the Manager and the Trustee (as amended and novated from time to time) (the "**Depositary Agreement**"). The Depositary Agreement is terminable on receipt of six months' written notice given by either party. The Trustee may not retire from its role as depositary voluntarily except on the appointment of a new depositary.

The Depositary Agreement contains provisions indemnifying the Trustee in its capacity as depositary and limiting the liability of the Trustee in its capacity as depositary in certain circumstances.

Subject to the Rules, the Trustee has full power under the Depositary Agreement to delegate (and to authorise its delegate to appoint sub-delegates) to third parties any part of its custody duties as depositary.

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

As at the date of this Prospectus, the Trustee has delegated custody services to The Northern Trust Company, London Branch. The Custodian has sub-delegated custody services to sub-custodians in certain markets in which the Trust may invest. A list of the sub-custodians is given in Schedule 5. Investors should note that the list of sub-custodians in the Prospectus is updated only at each Prospectus review.

The Trustee, in its capacity as depositary (and the Custodian, as its delegated custodian) will receive a fee from the scheme property of the Funds as detailed below under the heading "Trustee's Charges and Expenses".

Up to date information regarding the Trustee and its appointment as depositary, including: (i) the description of its duties and any conflicts of interest that may arise between the Trust, a Unitholder or the Manager and the Trustee; and (ii) the description of any safekeeping functions delegated by the Trustee, the description of any conflicts of

interest that may arise from such delegation, and (iii) the list showing the identity of each delegate and sub-delegate, will be made available to a Unitholder on request.

#### Administration Services

The Manager has appointed Northern Trust Global Services SE to provide certain fund administrative services, including fund accounting, valuation, calculation and transfer agency services. The Manager has also appointed Northern Trust Global Services SE to maintain each Fund's Register.

The Administrator and Registrar is authorised by the European Central Bank and subject to the prudential supervision of the European Central Bank and the Luxembourg Commission de Surveillance du Secteur Financier. Authorised by the Prudential Regulation Authority and with deemed variation of permission. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. The nature and extent of consumer protections may differ from those firms based in the UK. Details of the Temporary Permissions Regime, which allows EEA based firms to operate in the UK for a limited period while seeking full authorisation, are available on the Financial Conduct Authority's website.

#### The Auditor

The Auditor of the Trust is Ernst & Young LLP of 1 More London Place, London SE1 2AF. The Auditor is required to audit and express its opinion of the financial statements of each Fund in accordance with applicable laws and auditing standards.

## SECTION 3: CONSTITUTION AND STATUS OF THE TRUST

### Authorisation

The Trust is an authorised unit trust scheme established by the Trust Deed between the Trustee and the Manager dated 10 October 2016. It was granted authorisation by order of the FCA on 10 October 2016. Its Product Reference Number is 756898.

The Trust is categorised as a "UK UCITS" for the purposes of the Rules. This means that Units in a Fund are available for investment for all classes of investor in the UK. The base currency of the Trust is pounds sterling.

### Structure

The Trust is structured as an umbrella unit trust comprising a number of Funds, as set out below and in Schedule 1. Units in the following Funds are currently available:

Name	FCA product reference number	Authorisation Date
HL Select UK Growth Shares	760708	10 October 2016
HL Select UK Income Shares	771493	13 February 2017
HL Select Global Growth Shares	839039	1 April 2019

Different Funds may be established from time to time by the Manager with the approval of the FCA, the agreement of the Trustee, and in accordance with the Trust Deed. On the introduction of a new Fund, a revised Prospectus will be prepared setting out the relevant details of each Fund.

Each Fund has a specific portfolio to which that Fund's assets and liabilities are attributable. The Funds are treated as segregated portfolios of assets and accordingly the assets of a Fund belong exclusively to that Fund and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including the Trust and any other Fund and shall not be available for any such purpose.

Subject to the above, each Fund will be charged with the liabilities, expenses, costs and charges of the Trust attributable to that Fund. Any assets, liabilities, expenses, costs or charges not attributable to a particular Fund may be allocated by the Manager in a manner which it believes is fair to the Unitholders generally. This will normally be pro rata to the net asset value of the relevant Funds.

Whilst the Trust Deed provides for segregated liability between the Funds, the concept of segregated liability may not be recognised and given effect by a court in certain contexts including where the relevant contractual documents involving a Fund are not construed in a manner to provide for segregated liability. Where claims are brought by local creditors in foreign courts or under foreign law contracts, and the liability relates to one Fund which is unable to discharge that liability, it is not clear whether a foreign court would give effect to the segregated liability contained in the Trust Deed. Therefore, it is not possible to be certain that the assets of a Fund will always be completely insulated from the liabilities of another Fund of the Trust in every circumstance.

Unless otherwise specified in Schedule 1, the base currency of each Fund is pounds sterling. Key investor information documents in respect of the Funds, including historic performance data, are available from the Manager.

### Nature of the Units

For each Fund, Unitholders hold Units which reflect the value of the assets held by that Fund. The right represented by Units in a Fund is that of a beneficial interest under a trust. A Unitholder is not liable to make any further payment to the relevant Fund after they have paid the purchase price of the Unit. Unitholders will not be liable for the debts, if any, of the relevant Fund or the Trust. Each undivided Unit ranks *pari passu* with the other undivided Units in a Fund.



The Trust Deed permits the issue of a number of different classes and types of Units for each Fund, including both income Units and accumulation Units. An income Unit represents one undivided Unit in the Fund in respect of which income earned by that Unit (if any) is to be distributed to the Unitholder. An accumulation Unit is an undivided Unit in respect of which the income earned by that Unit (if any) is accumulated and reflected in its value.

Each class of Unit issued by a Fund may vary by factors such as whether it pays out or accumulates income, or attracts different fees, charges and expenses. As a result, money may be deducted from the classes in unequal proportions. In these circumstances the proportionate interests of a Fund's Unit classes will be adjusted in accordance with the Trust Deed.

**A summary of the Unit classes currently issued by each Fund, the relevant investment requirements and applicable charges for each class of Unit is set out in Schedule 1.**

The Trustee (at the instruction of the Manager) may from time to time create additional Unit classes in a Fund, provided this does not result in any material prejudice to existing Unitholders of that Fund, and subject to the Trust Deed. In these circumstances, a new Prospectus shall be issued, setting out the details of such new Unit class(es).

**Further information on the Funds' Unit dealing and pricing arrangements is set out in Sections 6 and 7.**

The Manager seeks at all times to ensure that Unitholders are treated fairly and has an obligation to act honestly, fairly, professionally, independently and in the interest of the Funds and their respective Unitholders. For each Fund, there is no preferential treatment afforded to any one individual or group of Unitholders above another in terms of buying and selling Units and holding Units within a Fund, although the Manager may use its discretion in such matters, in which case Unitholders will be given a description of the preferential treatment and what it involves.

The Manager has internal controls in place to prevent conflicts of interest and to prevent a material risk of damage to the interests of Unitholders. Further information about potential conflicts of interest is set out in Section 10.

#### The Register

For each Fund, title to Units is evidenced in the Register of Unitholders, and the Register shall be conclusive as to the persons respectively entitled to the Units entered in the Register as a matter of law. No certificates will be issued to Unitholders. No notice of any trust, express, implied or constructive, shall be entered on the Register in respect of any Unit and the Manager and Trustee shall not be bound by any such notice.

The Register is maintained by the Administrator and Registrar, and may be inspected by a Unitholder at the following address during normal business hours on a Business Day: 50 Bank Street, Canary Wharf, London E14 5NT.

#### Unitholder's relationship with a Fund and its service providers

All Unitholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the Trust Deed, copies of which are available on request from the Manager. The provisions of the Trust Deed are binding on the Manager, the Trustee and each Unitholder.

The subscription documents for a Fund (being this Prospectus, the Trust Deed and any application form submitted by or on behalf of a Unitholder) are governed by English law, and the Courts of England & Wales shall have exclusive jurisdiction in relation to claims made under or in respect of such subscription documents.

Each Fund is reliant on the performance of service providers, whose details are set out above. No Unitholder will have any direct contractual claim against any such service provider. This is without prejudice to any right a Unitholder may have to bring a claim against an FCA authorised service provider pursuant to Section 138D of the Financial Services and Markets Act 2000 or any tortious rights of action.

If a Unitholder has a complaint in respect of a Fund, such complaints may be made to the Manager at the following address: Fund Administration Manager, One College Square South, Anchor Road, Bristol BS1 5HL. If a Unitholder is not satisfied with the way the Manager handles a complaint, Unitholders who are "eligible complainants" may refer such complaints to the Financial Ombudsman Service: (i) by post at Exchange Tower, Harbour Exchange Square,

London E14 9SR; (ii) by telephone on 0800 023 4567 or 0300 123 9 123; or (iii) by email at: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk). Further information is available at: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk).

The Manager is a member of the Financial Services Compensation Scheme. Unitholders may therefore be entitled to compensation from the Scheme if the Manager cannot meet its obligations. This depends on the eligibility of the relevant investor and the circumstances of the claim. There are limits on the amount of compensation available (as at the date of this Prospectus, most types of investment business are covered up to 100% of the first £85,000). Further information about the Financial Services Compensation Scheme is available on request, or by contacting the FSCS at: 10<sup>th</sup> Floor Beaufort House, 15 St. Botolph Street, London EC3A 7QA, by visiting [www.fscs.org.uk](http://www.fscs.org.uk), or by telephone: 0800 678 1100.

#### Genuine Diversity of Ownership Condition

Units in a Fund shall be marketed and made available sufficiently widely to reach the intended categories of investors, and in a manner appropriate to attract those categories of investors.

## SECTION 4: INVESTMENT OBJECTIVES AND POLICIES

### Investment Objective and Policy

The investment objective and investment policy for each Fund is set out in Schedule 1.

### Changes to the investment objective and/or the investment policy

In the event the Manager proposes to amend the investment objective and/or investment policy of a Fund:

- it will obtain the Trustee's and the FCA's consent, in accordance with the Rules;
- depending on the materiality of the proposed changes, it will treat the change as a "fundamental change", a "significant change" or a "notifiable change" (see Section 10), and will either obtain Unitholders' consent or notify Unitholders (unless the Manager concludes that the change is insignificant), as is required in the circumstances under the applicable Rules.

### ISA Eligibility

It is intended that Units in a Fund are eligible investments for a Stocks and Shares Individual Savings Account (ISA).

### Investment and Borrowing Powers

The Trust, and accordingly each Fund, is a UK UCITS and is therefore subject to the limits and restrictions on investment for UK UCITS as prescribed by the Rules. Each Fund is also subject to any restrictions set out in the Trust Deed and this Prospectus. A summary of the applicable investment and borrowing powers is set out in Schedule 2.

## SECTION 5: CHARGES AND EXPENSES

### The Manager's Charges and Expenses

#### *Preliminary Charge*

The Manager is entitled, under the Trust Deed, to a preliminary charge (sometimes referred to as an "Initial Charge") which is included in the sale price of the Units. The Manager's current preliminary charges are set out in Schedule 1. The preliminary charge may be waived or reduced at the Manager's discretion. Accordingly, if you invest via a platform or other nominee, there may be a reduced preliminary charge.

#### **Fixed On-going Charge**

The Manager is also entitled under the Trust Deed to make a periodic annual management charge. The Manager will charge a fixed percentage rate per annum (the "**Fixed Management Charge**"). The Fixed Management Charge applicable to each Fund is set out in Schedule 1.

**The Fixed Management Charge will comprise of all ongoing charges and expenses of the Fund.** Any additional costs may be paid out of a Fund but will be reimbursed by the Manager. **The Fixed Management Charge does however exclude the costs of buying or selling the assets for the Fund**, including broker's commission, fiscal charges (including Stamp Duty) and other disbursements as listed under point (a) of 'Other Costs and Expenses' below.

The Fixed Management Charge is calculated and accrued daily. The daily accrual is based on the net asset value of the Fund in respect of each Unit class at the valuation point of the previous day. The fee is paid monthly in arrears out of the scheme property of each Fund.

#### **Redemption charge**

The Manager is entitled under the Trust Deed to apply a charge on the redemption of units in each Fund but at present does not intend to introduce such a charge. If a redemption charge was introduced at any stage it would only apply to Units issues after introduction of the charge.

#### **Fund accounting charges**

The Administrator and Registrar is remunerated for the provision of fund accounting services that is calculated and accrued daily based on the net asset value of each Fund. The charge is paid monthly in arrears out of the scheme property of the Fund. The per annum fund accounting charge is:

- 0.01% of the net asset value of a Fund up to £250 million\*;
- 0.0075% of the net asset value of a Fund between £250 million and £500 million;
- 0.005% of the net asset value of a Fund between £500 million and £750 million; and
- 0.002% of the net asset value of a Fund over £750 million.

\*subject to a minimum fund accounting charge of £25,000 per Fund per annum (waived for the first 12 months for new fund launches).

#### **Increases to Manager's charges and expenses**

The Manager is not permitted to: (i) levy a redemption charge; or (ii) increase the rates of its preliminary, fixed ongoing or administration charges unless 60 days' prior written notice of such change and the date of its commencement has been given to all Unitholders in the relevant Fund and this Prospectus has been revised to reflect the proposed changes.

### Trustee's Charges and expenses

#### *Periodic charge*

The Trustee's fee is a periodic charge based on the net asset value of each Fund, charged per Fund at the following rates:

- 0.01% of the net asset value of a Fund up to £100 million ;
- 0.0075% of the net asset value of a Fund between £100 million and £1 billion; and
- 0.005% on balances greater than £1 billion,

(plus VAT). The Trustee's periodic charge is accrued and calculated on a daily basis based on the net asset value of each Fund in respect of each Unit class at the valuation point of the previous day. The fee is paid monthly in arrears out of the scheme property of the Fund or by the Manager.

### *Custody and transaction charges*

The Trustee is also entitled to payment of custody and transaction charges in relation to the transaction handling and safekeeping of the Funds' scheme property as follows:

	Range
Transaction charges	£2 to £80 per transaction
Custody charges (UK equities)	0.002% per annum
Custody charges (International equities)	0.002% to 0.15% per annum

These charges vary from country to country depending on the markets and types of transaction involved. The transaction charges accrue at the time the transactions are carried out and are payable no later than the last Business Day of the month where the charge is incurred or as otherwise agreed between the Manager and the Trustee. Custody charges accrue on a daily basis and are paid monthly in arrears. The minimum custody and transactions charges in aggregate per annum, and in total across all schemes managed by the Manager, is £40,000.

### *Expenses*

Where relevant, the Trustee may make a charge for its services in relation to distributions from a Fund. The Trustee may purchase or sell or deal in the purchase or sale of scheme property, provided always that the services concerned and any such dealing are in accordance with the provisions of the Rules.

The Trustee is also entitled to reimbursement out of the scheme property of each Fund or by the Manager in respect of all liabilities, costs and expenses (together with any applicable VAT thereon) incurred in the proper performance of its duties (or exercising powers conferred upon it) under the Trust Deed, the Rules or by general law.

### *Increases to Trustee's charges and expenses*

The Trustee is permitted to increase its remuneration, subject to the Manager's agreement. If the change materially increases the payments out of a Fund, Unitholders will be given 60 days' prior written notice.

### Registration Fees and Charges

Charges in relation to the establishment and maintenance of the Register are charged directly to each Fund or the Manager and are paid monthly in arrears. The current charge is £12 per Unitholder per annum. There is also an administration fee of £3,000 per Fund.

In respect of transfer agency activities, a Unitholder transaction fee is charged of £10 or £12 per transaction in respect of manual transactions, and £4 per transaction in respect of automated transactions. These charges are paid monthly in arrears out of the relevant Fund or by the Manager.

Any increase in the Administrator and Registrar's fees may only take effect if 60 days' prior written notice has been given to all Unitholders and this Prospectus has been revised to reflect the change and date of commencement.

## Other Costs and Expenses

The following costs and expenses (being the amounts actually incurred at such time) together with any applicable VAT thereon may be payable by a Fund from its assets at the discretion of the Manager:

- (a) transaction costs such as broker's commission, fiscal charges (including Stamp Duty) and other disbursements which are:
  - (i) necessary to be incurred in effecting transactions for a Fund; and
  - (ii) normally shown in contract notes, confirmation notes and difference accounts as appropriate;
- (b) interest on borrowings permitted in respect of a Fund and charges incurred in effecting or terminating such borrowing or in negotiating or varying the terms of such borrowings;
- (c) taxation and duties payable in respect of the property of a Fund, the Trust Deed or the issue of Units;
- (d) any costs incurred in modifying the Trust Deed (including costs incurred in respect of meetings of holders convened for purposes which include the purpose of modifying the Trust Deed), where the modification is:
  - (i) necessary to implement, or necessary as a direct consequence of, any change in the law (including changes in the Rules); or
  - (ii) expedient having regard to any change in the law made by or under any fiscal enactment and which the Manager and the Trustee agree is in the interest of holders; or
  - (iii) to remove from the Trust Deed obsolete provisions;
- (e) any costs incurred in respect of meetings of Unitholders convened on a requisition by Unitholders not including the Manager or an associate of the Manager;
- (f) certain liabilities (as set out in the COLL Sourcebook) on unitisation, amalgamation or reconstruction of a Fund or the Trust;
- (g) the audit fee properly payable to the Auditor and any proper expenses of the Auditor;
- (h) any fee and any proper expenses of any professional advisers retained for or on behalf of the Trust or by the Manager in relation to a Fund;
- (i) payments, costs or any other administrative expenses in relation to the preparation or dissemination of a prospectus and the preparation of the key investor information document or equivalent documentation (in the case of the key investor information document or equivalent documentation, only the cost of preparation may be charged);
- (j) the periodic fees of the FCA under the Financial Services and Markets Act 2000 or the corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which Units in a Fund are or may be marketed;
- (k) any costs of printing and distributing annual, half yearly and quarterly reports and any other reports or information provided to Unitholders;

- (l) any costs of listing the price of Units in a Fund in publications and information services selected by the Manager;
- (m) any payment permitted by the Rules in connection with liabilities on a transfer of assets;
- (n) any costs of establishing and obtaining authorisation of a Fund;
- (o) any costs incurred producing and despatching any payment from a Fund;
- (p) any costs incurred in taking out and maintaining an insurance policy in relation to a Fund;
- (q) any costs or fees which arise in connection with pursuing or defending litigation on behalf of a Fund or the Trust;
- (r) any amount payable by a Fund or the Trust under any indemnity provisions provided for in the Trust Deed or any agreement to which a Fund or the Trust is party (subject to all applicable laws and regulations, including the Rules);
- (s) any costs incurred in connection with the establishment and maintenance of the Register and any plan sub-register;
- (t) out of pocket expenses incurred in providing administration services such as Fund set-up costs, telephone, fax, courier charges etc.

VAT on any fees, charges or expenses will be chargeable out of the property of a Fund or by the Manager where applicable.

The dealing charges of the Administrator and Registrar and any electronic straight through processing transaction network providers, will be paid for out of the scheme property of a Fund or by the Manager.

Certain direct and indirect operational costs and/or fees may arise from time to time as a result of efficient portfolio management techniques used for the benefit of the Funds. These costs and/or fees are regarded as transaction costs and therefore fall within the costs noted in paragraph (a) above.

#### Allocation of fees and expenses

All of the above fees, charges and expenses (where charged) will be charged as follows:

- Fees, charges and expenses which are attributable to a particular Unit class of a Fund will be charged to that Unit class.
- Fees, charges and expenses which are attributable to a particular Fund will be charged to that Fund. If there is more than one Unit class in issue in that Fund, the relevant fee, charge or expense will normally be allocated pro rata to the net asset value of the scheme property attributable to those Unit classes.
- Fees, charges and expenses not attributable to a particular Fund will usually be allocated between the Funds pro rata to the net asset value of each Fund.

The Manager has the discretion to allocate fees, charges and expenses in a different manner where it considers this to be reasonable and fair to Unitholders.

#### Charges to capital

Where the objective of a Fund is to treat the generation of income as a higher priority than capital growth, or the generation of income and capital growth have equal priority, all or part of the Manager's fees (and any other charges) may be charged against a Fund's capital instead of its income. This may result in capital erosion or constrain capital growth. Currently, the following Funds deduct charges (including the Manager's charge (or AMC) and the Trustee's remuneration) from capital: HL Select UK Income Shares.

This treatment should increase the amount of income available for distribution to Unitholders, but may constrain capital growth.

### **Ongoing Charges Figure ("OCF")**

The OCF is a standardised method for calculating and disclosing the charges of a unit/share class for an authorised fund, based on the previous year's expenses. The OCF:

- includes charges such as the relevant Fund's annual management charges, custody charges and administration fees;
- includes transaction costs incurred in investing in other collective investment schemes;
- otherwise excludes the costs to the authorised Fund of buying and selling investments.

Where there is not enough historic data available (or where historic data will not provide a reliable indication of future costs), an estimated OCF will be calculated based on the most reliable information available. The current OCFs for the Funds are set out in Schedule 1. Investors should note that the OCF of a Fund may vary from year to year.

### **Exemption from liability to account for profits**

The Manager is not liable to Unitholders for any profits or benefits it makes or receives that are derived from or in connection with: (i) dealings in Units; (ii) any transactions in Scheme Property; and (iii) the supply of services to the Trusts and the Funds.



## SECTION 6: DEALING

### Subscription and Redemption of Units

The Manager will accept orders for the purchase and sale of Units between the hours of 9.00 a.m. and 5.00pm of each Dealing Day, subject to the rules on pricing (see Section 7). Units in a Fund will be bought or sold at the price calculated by reference to the valuation point following receipt of the request by the Manager, as further explained below and in section 7. Instructions to purchase or redeem Units in a Fund may be given directly to the Manager or via a platform or other nominee, subject to minimum investment amounts.

Instructions to the Manager to purchase or redeem Units may either be in writing (addressed to Hargreaves Lansdown Fund Managers Limited, Sunderland, SR43 4AS), through a 'straight through process' (STP) provider, or at the Manager's discretion over the telephone by calling 0333 3000 360 (all telephone calls may be recorded). A contract note confirming the transaction will be issued no later than the end of the next Business Day following the relevant valuation point.

All requests for the purchase or redemption of Units on a Dealing Day must be received by the Manager before the cut-off point on a Dealing Day (1.30pm) in order to be dealt with at the valuation point (i.e. 10.30pm) on that Dealing Day. Deals received after the cut-off point of 1.30pm on a Dealing Day will be dealt with at the Valuation Point on the next following Dealing Day. If you invest via a platform or other nominee you will need to refer to their procedures and contact details for giving instructions. In particular you should note that they may set an earlier cut-off time (i.e. earlier than 1.30pm) for submitting instructions for inclusion at a particular day's valuation point.

For Unit purchases, investors will only have cancellation rights if an investment is made in a Fund as a result of having taken investment advice from an authorised financial adviser. If an investor exercises a right to cancel, the full amount initially invested may not be received if the price for the Units has fallen since the investment was made.

For each Fund the settlement period for both subscriptions and redemptions of Units is two Business Days from the relevant valuation point (T+2). The Manager reserves the right to cancel any application for Units where payment is not received in full by the expiry of two business days.

Units will be redeemed at not less than the price of the Unit as determined at the relevant valuation point following the time instructions are received, as calculated in accordance with the Rules. However, Units may also be redeemed through an authorised intermediary who may charge commission. Instructions for the redemption of Units may be given in writing or by telephone as per the above paragraph.

For each Fund payment of redemption proceeds will be made by the expiry of two Business Days of the Manager receiving properly completed documentation.

A contract note will be issued to confirm the transaction on the next Business Day following the relevant valuation point. Once a request to redeem Units has been given, it cannot subsequently be withdrawn.

The minimum investment and minimum holding thresholds for each Fund are set out in Schedule 1 (except where the Manager shall in its absolute discretion, permit to the contrary). Investors that invest via platforms or other nominee companies may be permitted to invest smaller minimum investments, including through a regular savings plan. Instructions for the sale of part only of a holding will be accepted provided that the value of the Units remaining will be at least the minimum holding amount specified in respect of that Fund in Schedule 1 (except where the Manager shall in its absolute discretion, permit to the contrary).

### *Client Money*

Money received by the Manager which is pending the purchase or follows the redemption of Units will be held in accordance with the FCA's rules in CASS on "**client money**", in a client money bank account held by the Manager with a third party bank, currently Lloyds Banking Group. No interest is payable to investors on money credited to the client money bank account.

Where the Manager holds client money for an investor which remains unclaimed for a period of six years, the Manager will make reasonable efforts to contact the investor in order to repay that client money. If the Manager is not able to contact such investor, the Manager may pay such unclaimed client money to a registered charity in accordance with the FCA's rules on client money, and the cash will no longer be treated as client money. If the amount due to an investor is greater than £25 (or £100 for an investor that is categorised as a professional client), such investor will subsequently be entitled to a sum equal to such amount, subject to the Manager's verification requirements.

If a bank holding client money fails, investors should note that their client money held by the Manager will be pooled with that held for other investors in the Funds. This means that investors will have a claim against the common pool of money, rather than a claim against a specific sum in a specific account. As a result, any shortfall in the client money bank accounts will be shared on a pro rata basis between all investors on whose behalf the Manager holds client money in the relevant account.

If any bank holding client money fails and the relevant money is not returned, affected investors may be eligible to claim compensation under the Financial Services Compensation Scheme ("FSCS"). The current compensation limit is £85,000 per eligible complainant, per bank, and the limit covers all money held with the bank, whether by the investor directly or through the Manager. Full details of the arrangements under the FSCS are available on its website: [www.fscs.org.uk](http://www.fscs.org.uk).

If the Manager itself were to fail, a pooling of all the client money held in the client money bank accounts of the Manager at the time of failing would take place, with an obligation to distribute it. The FCA's CASS 7A.2 rules set out how this pooling and distribution would operate, including how any client money received after the failure of the Manager should be treated. This money is not pooled with the money already held at the time of the pooling event but is instead placed in a client money bank account opened after the event and handled in accordance with CASS.

#### *Initial Offer Period and Fund Launch Dates*

The Manager may decide to implement an initial offer period in respect of a Fund. Where applicable, details of the commencement and close of any initial offer period, together with details of the initial offer price for Units in a Fund, will be set out in Schedule 1. During an initial offer period, applications for Units in a relevant Fund will be taken and monies received will be held in accordance with the terms of an investor's nominee or platform service, or as client money held by the Manager (as described above), pending the launch date of that Fund.

The Manager reserves the right to alter the offer period and launch date of a Fund where deemed in the interests of subscribers. For example, the initial offer period may come to an end if the Manager believes the price that would reflect the current value of the Fund would vary by more than 2% from the initial price.

#### 'In specie' subscriptions and redemptions

**General:** the Manager may, at its discretion, arrange for the Trustee to issue Units in exchange for assets other than cash. The Trustee may also, on the instruction of the Manager, pay out of a Fund assets other than cash as payment for the sale of Units. Such an in specie subscription or in specie redemption will only take place where the Trustee has taken reasonable care to determine that it is not likely to result in any material prejudice to the interests of Unitholders in the relevant Fund.

**Subscriptions (purchases):** where the Manager considers a cash subscription to be substantial in relation to the total size of a Fund it may require the investor to contribute in specie. The Manager may consider a deal in this context to be substantial if the relevant Units constitute 5 per cent (or a lesser or higher percentage if considered appropriate) of those in issue in the relevant Fund. The Manager will ensure that the beneficial interest in the assets is transferred to the Fund with effect from the issue of the Units. The Manager will not issue Units in any Fund in exchange for assets if the holding of which would be inconsistent with the investment objective or policy of that Fund.

**Redemptions (sale):** if a Unitholder wishes to sell units in any Fund representing 0.5 per cent or more of the value of

that Fund, the Manager may elect to make an in specie redemption. Unitholders may refuse the Manager's election to make an in specie redemption if the value of the redemption proceeds is 0.5 per cent or more but less than 5 per cent of the scheme property of the Fund. If a Unitholder wishes to sell units in any Fund representing 5 per cent or more of the value of that Fund the Manager may, in its sole discretion, elect not to give the Unitholder the proceeds of the sale of Units but instead transfer property (i.e. underlying securities) of the relevant Fund to the Unitholder by way of an in specie redemption.

Where the Manager elects to carry out an in specie redemption, it must notify the Unitholder of this in writing no later than the close of business on the second Business Day after the day on which it received selling instructions from the Unitholder.

Where there is an in specie redemption, the Trustee will, in accordance with the Rules, cancel the Units and transfer a proportionate share of the assets of the relevant Fund or such selection from the property of the Fund as the Trustee, after consultation with the Manager, decides is reasonable to the Unitholder, in either case having regard to the need to be fair both to the Unitholder making the in specie redemption and to continuing Unitholders.

Irrespective of the value of the Units, where a Unitholder wishes to redeem and the Manager has elected to provide an in specie transfer, the Unitholder is entitled to instruct the Manager not to transfer assets, but to sell those assets (other than those in cash in the relevant currency) and pay to the Unitholder the net proceeds of sale (and cash). However instruction must be given by the Unitholder in writing to the Manager by the close of business on the third Business Day after receipt of the Manager's notice of election to provide an in specie redemption. The value raised will not necessarily correspond with the applicable published Unit price.

The Manager may, in its sole discretion, agree to a request from a Unitholder for an in specie redemption where it receives such request in advance of the redemption request. Where the Manager does agree, the Trustee will transfer assets to the Unitholder of the relevant Fund in the manner set out above.

### Exchanging Units

Subject to the minimum investment thresholds and eligibility criteria for each Unit class in a Fund (see Schedule 1), a Unitholder may at any time:

- **Convert** all or some of their Units in one class in a Fund for Units of another class in the same Fund; and/or
- **Switch** all or some of their Units in a Fund for Units in another Fund of the Trust,

as outlined below.

***Conversion between classes of Unit in a Fund:*** a Unitholder may convert all or some of their Units in one Unit class in a Fund ("**original Units**") for Units of another class within that Fund ("**new Units**"). The number of new Units issued in respect of the conversion will be determined by the respective prices of Units at the valuation point applicable at the time the original Units are cancelled and the new Units are created.

In no circumstances will a Unitholder who converts Units in one Unit class into those in another Unit class be given a right by law to withdraw from or cancel the transaction.

There is no charge on the conversion of Units in one class in a Fund to Units of another class in the same Fund. Conversions between different Unit classes in the same Fund should not generally give rise to a disposal for UK capital gains tax purposes. However, Unitholders should seek their own professional tax advice in this regard.

***Switching between Units in different Funds:*** a Unitholder may at any time switch all or some of their Units of one class in a Fund ("**original Units**") for Units of another class in another Fund of the Trust ("**new Units**"). The number of new Units issued in respect of the switch will be determined by the respective prices of Units at the valuation point applicable at the time the original Units are cancelled and the new Units are created.

In no circumstances will a Unitholder who switches Units in one Fund for Units in another Fund be given a right by

law to withdraw from or cancel the transaction.

On a switching of Units between Funds, the Manager does not currently apply a separate switching charge. However, if a redemption charge is payable in respect of the original Units, this may become payable instead of, or as well as, the then prevailing initial charge for the new Units.

**Unitholders subject to UK tax should note that a switch of Units between Funds is normally treated as a redemption and sale, and therefore is treated as a disposal for the purposes of capital gains tax. A switch of Units between Funds may therefore give rise to a capital gains tax charge for UK resident Unitholders. Unitholders should seek their own professional tax advice in this regard.**

**General:** if a proposed conversion or switch (as applicable) would result in a Unitholder holding less than the minimum holding requirements in the class concerned, the Manager may convert the whole of the Unitholder's original Units to the new Units or decline to effect the conversion or switch (as applicable) of the original Units. No conversion or switch will be made during any period when the rights of Unitholders to deal in their Units has been suspended. The general provisions on procedures relating to the purchase and redemption of Units in a Fund will apply equally to a conversion or switch (see above under the heading "Purchase and Redemption of Units in the Funds").

Investors that invest via platforms or other nominee companies may be subject to policies and procedures set out by those relevant platforms and/or nominee companies in relation to conversion and switching of units.

#### Mandatory Redemption

The Manager may from time to time take such action, and impose such restrictions, as it thinks necessary for the purpose of ensuring that no Units are acquired or held by any person in circumstances ("**relevant circumstances**"): (i) which constitute a breach of the law or governmental regulation (or any interpretation of the law or regulation by a competent authority) of any country or territory; or (ii) which would (or could if other Units were acquired or held in like circumstances) result in the relevant Fund incurring any liability to taxation or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or regulations of any country or territory). In this connection, the Manager may reject, at its discretion, any subscription for, sale, conversion or transfer of Units.

If it comes to the Manager's attention that any affected Units have been acquired or are being held, whether beneficially or otherwise, in any of the relevant circumstances referred to above or if the Manager reasonably believes this to be the case, the Manager may give notice to the holder of the affected Units requiring that Unitholder to transfer the Units to a person qualified or entitled to own the Units in question or to give a request in writing for the redemption or cancellation of such Units. If any person to whom such notice is served does not, within thirty days after the date of such notice, transfer the affected Units to a person qualified or entitled to hold the same, or establish the satisfaction of the Manager (whose judgement shall be final and binding) that the holder and any person on whose behalf he holds the affected Units, he shall be deemed upon the expiration of that thirty day period to have given a request in writing for the redemption or cancellation of the affected Units.

#### Compliance with applicable laws, including anti-money laundering legislation

The Manager is subject to applicable laws and regulations relating to the prevention of crime, anti-money laundering and tax laws. This means that the Manager is obliged to verify the identity of Unitholders when dealing in Units, which the Manager will do so via electronic checks with credit reference agencies and of the electoral roll. If the Manager is unable to verify a Unitholder's identity electronically, it may ask for further documentary evidence to be provided. The Manager reserves the right to delay applications for Units or withhold redemption settlement proceeds until this evidence is provided. By applying for Units, Unitholders are giving the Manager permission to ask for (and store) this information and to conduct such electronic checks, for the purpose of verifying the Unitholder's identity.

The Manager reserves the right to adopt such additional practices and procedures from time to time as it deems reasonably necessary to avoid it committing an offence or regulatory breach under the applicable legislation and regulations concerning the prevention of crime, anti-money laundering and tax laws.

#### Market Timing

The Manager does not permit the Funds to be used for the purposes of market timing, being a trading strategy used with the intention of taking advantages of short term changes in prices. The Manager undertakes monitoring activities to ensure that market timing is not taking place in relation to any of the Funds.

#### Deferred Redemption

In times of high levels of redemption, the Manager may (with the prior agreement of the Trustee, or shall if the Trustee so requires) permit deferral of redemptions at a valuation point to the next valuation point where the total value of the redemptions requested together represent over 10% of the relevant Fund's net asset value. In these circumstances, following the provisions of the Rules in COLL 6.2.21R, redemption requests up to the 10% level will be met on a pro rata basis and all requests above that level will be deferred until the next valuation point. Such deferred redemptions shall be met in priority to that day's redemption requests.

#### Suspension of Dealings

The Manager may with the prior agreement of the Trustee, or must without delay if the Trustee so requires, temporarily suspend the issue, cancellation, sale and redemption of Units ("**dealing**") in any or all of the Funds, where due to exceptional circumstances it is in the interests of all Unitholders in the relevant Fund or Funds (as applicable). The Manager and the Trustee must ensure that the suspension is only allowed to continue for as long as is justified having regards to the interests of the Unitholders and that dealing resumes as soon as possible after the circumstances triggering the suspension have ceased. Upon suspension, the Manager or the Trustee must immediately inform the FCA, giving reasons for the suspension.

The Manager will inform Unitholders of the suspension as soon as practicable after the suspension commences, explaining the reasons for the suspension. The Manager will also publish sufficient details on its website to keep Unitholders appropriately informed about the suspension including (if known) its likely duration. The Manager and the Trustee will formally review the suspension at least every 28 days, keeping the FCA informed. During such period of suspension, the Manager may agree to deal in Units at a price calculated by reference to the first valuation point after the resumption of dealing in Units. The Manager will resume dealing in Units after giving the FCA notice in accordance with the COLL Sourcebook.

The Manager may suspend dealing with respect to a particular Unit class, without being applied to all other Unit classes in a Fund, if it is in the interests of all the Unitholders in that Fund.

## SECTION 7: VALUATIONS AND PRICING

### Valuation of Fund Property

Each Unit represents a proportional share of the overall property attributable to a Fund. Therefore, the value of a Unit is calculated, in broad outline, by calculating the net asset value of the scheme property attributable to a Fund, and dividing that value (or that part of that value attributed to Units of the class in question) by the number of Units (of the class in question) in issue.

Valuations for each Fund are normally carried out at the valuation point, being 10.30pm on each Dealing Day. The Manager may (with the agreement of the Trustee) declare additional valuation points. At a valuation point, the Manager will calculate the Unit prices, using the most recent prices of the underlying assets that it can reasonably obtain. The valuation of each Fund's scheme property and the pricing of Units is governed by the Rules and the Trust Deed. Information regarding the calculation of each Fund's net asset value is set out in Schedule 4 to this Prospectus.

Subject to the Rules, the Manager may use a fair value pricing policy in respect of a Fund's assets. Fair value pricing will only apply where the Manager has reasonable grounds to believe that no reliable price exists for one or more underlying securities at a valuation point or the most recent price available does not reflect the Manager's best estimate of the value of the asset at the valuation point. In these circumstances, the Manager may value an investment at a price which, in its opinion, reflects a fair and reasonable price for that investment. Circumstances which may give rise to a fair value price being used include: (i) instances where there is no recent trade in the security concerned; or (ii) the occurrence of a significant event since the most recent closure of the market where the price of the asset is taken.

Valuations will not be made during a period of suspension of dealings (see 'Suspension of Dealings' above). In the event that, for any reason, the Manager is unable to calculate the Unit price of any Fund at the normal valuation point, the prices will be based on the next available valuation thereafter.

### Unit prices

Units in each Fund are "single priced", meaning that (subject to any dilution adjustment and initial charge) the price of each Unit for both buying and selling purposes will be the same and determined by reference to the particular valuation point. The price of each Unit of any class will be calculated by reference to the proportion of the net asset value of the relevant Fund attributable to Units of that class by:

- taking the proportion of the net asset value of the relevant Fund attributable to the Units of the class concerned at the valuation point of that Fund;
- dividing the result by the number of Units of the relevant class in issue immediately before the valuation point concerned; and
- increasing or decreasing the result by any dilution adjustment determined by the Manager (as described below).

Information regarding the apportionment of the net asset value of a Fund between each of its Unit classes in issue is set out in Schedule 4.

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

### Publication of Prices

Prices of Units are made available at [www.hl.co.uk](http://www.hl.co.uk). The prices shown will be the prices calculated at the previous valuation point and therefore may not be the prices obtained when the Units are purchased or sold.

## The Manager's dilution policy

### *What is dilution?*

For single priced schemes, such as the Funds, the actual cost of purchasing or selling investments may be higher or lower than the mid-market value used in calculating the Unit price, for example, due to dealing charges or through dealing at prices other than the mid-market price. Under certain circumstances (particularly, large volumes of deals) this may have an adverse effect on the Unitholders' interests in a Fund and is known as "dilution", i.e. it can dilute the value of their investment. To help mitigate the effects of dilution, the Manager operates on a swinging single price basis, as described in more detail below.

### *The Manager's dilution policy*

As described above, the Manager has in place a swinging single pricing policy, which allows the Manager to "swing" (adjust) the Unit price of a Fund in order to mitigate the effects of dilution. Typically, if there are net inflows into a Fund, the dilution adjustment would usually swing the Fund to an offer basis, thereby increasing the Unit price. If there are net outflows, the dilution adjustment would usually swing the relevant Fund to a bid basis by decreasing the Unit price (as summarised in more detail below). The Manager receives no financial benefit from this dilution adjustment, and the swinging range (price adjustment) is monitored. On the occasions where the price is not swung, the relevant Fund will have to cover these costs directly, which could restrict capital growth.

### *Dilution adjustment and pricing*

Where applied, the amount of any swing is based on the estimated costs of dealing in the underlying investments of the relevant Fund, including any dealing spreads, taxes or broker commissions (for example). In particular, the Manager may swing the price (make a dilution adjustment) in the following circumstances:

- in the case of a "large deal" relative to the relevant Fund's size, where the potential cost to that Fund justifies the application of an adjustment;
- if the net effect of Unit issues and redemptions during the period between two valuation points represents a potential impact on ongoing Unitholders;
- where a Fund is in decline (i.e. is experiencing a net outflow of investment);
- where there are inflows into a Fund (i.e. is experiencing a net inflow of investment);
- in any other case where the Manager believes that adjusting the Unit price is required to safeguard the interests of Unitholders.

As the requirement to swing the price is directly related to the net issue and sale of Units in a Fund, it is not possible to accurately predict when or how often dilution will occur in the future.

In the usual course of business, the application of a dilution adjustment will be triggered automatically and on a consistent basis. Estimates of the dilution adjustments for each Fund are set out below, based on the assets held in each Fund and the market conditions at the date of this Prospectus:

Fund	Dilution adjustment estimate applicable to redemptions as at 2 January 2024	Dilution adjustment estimate applicable to purchases as at 2 January 2024
HL Select UK Growth Shares	-0.06%	0.55%
HL Select UK Income Shares	-0.06%	0.59%
HL Select Global Growth Shares	-0.08%	0.06%



## SECTION 8: TAXATION OF THE FUND

### General

The taxation of each Fund and Unitholders is subject to the law and practice of the UK and of the jurisdictions in which Unitholders are resident or subject to tax. This section summarises the tax position of the Funds and UK resident investors, however, it does not constitute legal or tax advice.

This summary is based on the law and tax practice in force as at the date of this Prospectus and is subject to change without notice. The following summary is not a guarantee to any investor of the tax position of investing in the Funds. Investors and potential investors should consult their own professional advisers on the tax implications of making an investment in, holding or disposing of Units in the Fund.

### Taxation of the Funds

#### *Income*

The Funds are generally exempt from tax on dividends from UK and non-UK companies. Dividends and similar income distributions from the UK authorised investment funds are exempt from corporation tax to the extent that the underlying income derives from the dividends. The Funds will be subject to corporation tax at a rate equal to the basic rate of income tax, currently 20% on most types of income, after deduction of allowable management expenses. Where the Funds have suffered foreign tax on taxable income received, this may generally be deducted from any UK tax due on that income (subject to any treaty arrangements).

#### **Chargeable Gains**

The Funds are exempt from UK tax on capital gains realised on disposal of investments including interest paying securities and derivatives, held within them. The Funds may be subject to UK tax on gain realised on the disposal of investments in overseas collective investment schemes which do not have distributing /reporting fund status, as applicable. Gains arising on any such disposal are deemed to be offshore income gains rather than capital gains.

### Taxation of the Unitholder

#### Income

The amounts shown in the Fund's distribution accounts as available for distribution may be designated by the Fund as either dividends or yearly interest dependent on the nature of the income arising to the Fund. It is expected that the Fund will show all such amounts as available for distribution as dividends, which are not foreign income dividends, in which case the following paragraph will apply.

Distributions of income paid to individual Unitholders will be treated in the same way as dividends from a UK resident company which are liable to UK Income Tax at the rate applicable for the individual Unitholders. There is a Dividend Allowance for all individual taxpayers who earn dividend income; the first £500 of the total dividend income earned by the taxpayer is tax-free regardless of what non-dividend income they have for the 2024-25 tax year and subsequent tax years. The Dividend Allowance will not reduce the total income of the taxpayer for tax purposes and dividends within the allowance will still count towards the taxpayer's basic or higher rate bands.

For Unitholders holding accumulation Units, the UK tax treatment will be the same as if they held income Units, albeit that they do not receive the income represented by the distribution at the time of that distribution and that income is instead re-invested. Such Unitholders will be treated for UK tax purposes as if they had received the re-invested income.

#### *Capital Gains*

A Unit is treated in the same way as a share in a company, so that chargeable gains on a disposal of a Unit by an individual Unitholder may be charged to capital gains tax based on the individual's marginal rate of income tax.



Capital Gains Tax is only paid on aggregate gains above the individual's annual tax-free allowance. This tax-free allowance (called the annual exempt amount) is £3,000 for the 2024-25 tax year and subsequent years. Scottish taxpayers should use the rest of UK tax bands and not the Scottish tax bands when determining the tax they will pay on any chargeable gains.

Conversions between different Unit classes in the same Fund should not generally give rise to a disposal for UK capital gains tax purposes. Unitholders should seek their own professional tax advice in this regard.

## Equalisation

The first income allocation received by an investor after buying Units may include an amount of income equalisation. This is effectively a repayment of the income equalisation paid by the investor as part of the purchase price. It is a return of capital and is not taxable as income. In the case of income Units, it should be deducted from the acquisition cost of the Units for capital gains tax purposes.

The preceding paragraphs, which are intended as a general guide only and do not constitute tax advice, are based on current United Kingdom tax legislation and what is understood to be the current practice of the United Kingdom HMRC as at the date of this prospectus. If a Unitholder is in any doubt as to their taxation position or if a Unitholder is subject to tax in any jurisdiction in addition to or other than the United Kingdom, they should consult an appropriate professional adviser immediately. It should be noted that the levels and bases of, and reliefs from, taxation can change.

## Automatic Exchange of Information

The UK is party to a number of international agreements designed to provide tax administrations with details of financial accounts and assets, owned by individuals and entities that are resident for tax purposes in their jurisdiction, but which are held by financial institutions in the other territory.

The UK Government has introduced legislation that imposes obligations on UK financial institutions such as the Manager to review and collect details of accounts held by persons that are tax resident elsewhere and report this to HMRC for onward transmission under the Automatic Exchange of Information in the treaties and conventions mentioned below:

- The United States Foreign Account Tax Compliance Act (FATCA)
- The Common Reporting Standard developed by the OECD (CRS)

Consequently, the Fund may be required to collect and/or report information about the Unitholders or the Manager may elect to do so if it determines this is in the interests of Unitholders generally. This may include information to verify the identity of Unitholders or their tax status. The Manager may pass this information to HMRC.

## *US Persons and The United States Foreign Account Tax Compliance Act ("FATCA")*

The Units of the Fund have not been and will not be registered under the Securities Act 1933 of the United States (as amended) ("the **1933 Act**"), the United States Investment Company Act of 1940 or the securities laws of any of the states of the United States. Units may not be offered, sold or delivered directly or indirectly in the United States or to the account or benefit of any U.S. Person (as defined below).

"**U.S. Person**" means any resident of the United States of America, its territories and possessions including the State and District of Columbia and all areas subject to its jurisdiction (including the Commonwealth of Puerto Rico), any corporation, trust, partnership or other entity created or organised in or under the laws of the United States of America, any state thereof or any estate or trust the income of which is subject to United States federal income tax,

regardless of source. The expression also includes any person falling within the definition of the term "U.S. Person" under Regulation S promulgated under the 1933 Act.

If a Fund becomes liable under FATCA or any legislation or regulation to account for tax in any jurisdiction in the event that a Unitholder or beneficial owner of a Unit were to or do receive a distribution, payment, redemption, in respect of their Units or to dispose (or be deemed to have disposed of their Units in any way (a "**chargeable event**"), the Manager on behalf of each Fund and its delegate shall be entitled to deduct from the payment arising on a chargeable event an amount equal to the appropriate tax, and/or where applicable, to redeem or cancel such number of Units held by the Unitholder or such beneficial owner as are required to meet the amount of tax. Neither the Fund, the Manager, the Trustee nor their respective delegates will be obliged to make any additional payments to the Unitholders, in respect of such withholding or deduction.

#### *The Common Reporting Standard developed by the OECD ("**CRS**")*

As at April 2021, over 100 jurisdictions, including the UK, had committed to start exchanging information using the CRS framework and the number of participating jurisdictions has continued to grow since then (for a list please see the link below). The regulations that require UK financial institutions to identify, maintain and report information for exchange with these jurisdictions, The International Tax Compliance Regulations 2015, came into force on 15 April 2015.

The current list of Participating Jurisdictions for automatic exchange under the CRS can be found at:

<http://www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/crs-by-jurisdiction/#d.en.345489>

## SECTION 9: REPORTING, DISTRIBUTION AND ACCOUNTING DATES

### *Accounting Periods and Income Allocation*

The annual accounting period of each Fund shall end on 30 September each year. The interim accounting period shall end on 31 March each year. The annual and interim income allocation dates for each Fund are set out in Schedule 1.

### Determination and Distribution of Income

The income available for distribution (in the case of income Units) or accumulation (in the case of accumulation Units) in relation to each Fund is determined in accordance with the Trust Deed and the Rules. Broadly, it comprises all sums deemed by a Fund, after consultation with the Auditor, to be in the nature of income received or receivable for the account of the relevant Fund and attributable to that Fund in respect of the accounting period concerned, after deducting net charges and expenses paid or payable out of such income and after making such adjustments as the Manager considers appropriate, after consulting the Auditor in accordance with the Rules, in relation to taxation and other matters.

In the case of accumulation Units, income is not distributed but is allocated to the Unit such that it becomes part of the capital property of that Unit. In the case of income Units, each holder of income Units is entitled, on the relevant income allocation date, to the net income attributable to the holding. All income distributions are made by BACS sent to the registered holder and made payable to the order of the holder of income Units.

All distributions unclaimed for a period of six years having become due for payment shall be forfeited and shall revert to the relevant Fund.

### *Equalisation*

Upon the first distribution following the purchase of a Unit in a Fund, the relevant Unitholder will receive as part of that distribution a capital sum representing that part of the purchase price of the Unit which was attributable to income accrued up to the time of purchase and is, accordingly, properly classifiable as a capital expense of the Unitholder at the time of purchase. The amount so paid, known as "income equalisation", will be an amount arrived at by taking the aggregate of the Manager's best estimate of the amounts of income included in the price Units of that class issued or sold in the annual or interim accounting period in question and dividing that aggregate by the number of those Units and applying the resultant average to each of the Units in question.

### Reports and Accounts

The Annual Report and Interim Report for the Trust are available on request or from [www.hl.co.uk](http://www.hl.co.uk). The Annual Report of the Trust will be available free of charge on or before 31 January each year. The Interim Report of the Trust will be available free of charge on or before 31 May each year.

## SECTION 10: GENERAL INFORMATION

### Meetings and Voting Rights

The provisions below, unless the context requires otherwise, apply to Unit class meetings and meetings of a Fund as they apply to general meetings of the Trust, but by reference to Units of the class or Fund concerned and the Unitholders and the value and prices of such Units.

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

Unitholders will receive at least 14 days' notice of any meeting of Unitholders and are entitled to be counted in the quorum and vote at any such meeting, either in person or by proxy.

At a meeting of Unitholders the quorum for the transaction of business is two Unitholders, present in person or by proxy. On a show of hands every Unitholder who (being an individual) is present in person or (being a corporation) is present by one of its officers as its proxy shall have one vote. On a poll every Unitholder who is present in person or by proxy will have one vote for every income Unit (if any are in issue) they hold and the same number of votes (including fractions of a vote) for every accumulation Unit they hold as the number of undivided Units (including fractions) in a Fund represented by one accumulation Unit. In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other holders and for this purpose seniority is determined by the order in which the names stand in the Register. On a poll, votes may be given either personally or by proxy. Although different rights do not attach to the different classes of units if the Trustee is of the view that any extraordinary resolution is one in relation to which there is or might be a conflict of interest between the holders of accumulation Units and Income Units (if any are in issue), separate meetings of those Unitholders shall be held.

In the context of voting, "Unitholders" means the persons who are entered in the Register as at time chosen by the Manager and stated in the relevant notice.

Annual general meetings are not held. Unitholders may request the convening of a general meeting by requisition pursuant to and in accordance with the Rules. Unitholders in general meeting may, amongst other things, pass a resolution to remove the Manager.

### Changes to a Fund

Subject to the Rules and (where required) the consent of the FCA and the Trustee, changes to a Fund may be made in accordance with the following methods of classification:

**Fundamental changes:** being a change or event which: (i) changes the purpose or nature of the scheme; (ii) may materially prejudice a Unitholder; (iii) alters the risk profile of the relevant Fund; or (iv) introduces any new type of payment out of the scheme property of the relevant **Fund**. The Manager will obtain the prior approval from Unitholders to any fundamental change by way of an extraordinary resolution of Unitholders at a meeting called in accordance with the provisions outlined above.

**Significant changes:** being a change of event which the Manager and the Trustee have determined is not a fundamental change, but is a change which: (i) affects a Unitholder's ability to exercise his rights in relation to his investment; (ii) would reasonably be expected to cause a Unitholder to reconsider his participation in the relevant Fund; (iii) results in any increased payments out of the Fund scheme property to the Manager or any of its associates; or (iv) materially increases any other types of payments out of the scheme property of the relevant Fund. The Manager will give Unitholders at least 60 calendar days' prior notice of any such change.

**Notifiable changes:** being a change of event which the Manager and the Trustee have determined is not a fundamental change or a significant change, but is a change which is reasonably likely to affect, or has affected, the operation of the relevant Fund. The Manager will provide Unitholders with such notice as is appropriate in the circumstances, for example by sending an immediate notification, including details of the change in its next annual report or publishing details of the change on the Manager's website. The Manager may also conclude that a change is insignificant and that no notice to investors is required.

#### Winding up of the Trust and Termination of Funds

The Trustee shall proceed to terminate each Fund and wind-up the Trust if the authorisation order of the Trust is revoked.

In addition, a Fund may be terminated or the Trust wound up (as the case may be) upon the happening of any of the events set out in the Rules which include, without limitation:

- (a) the passing of an extraordinary resolution winding up the Trust or terminating the Fund (provided the FCA's prior consent to the resolution has been obtained by the Manager or Trustee);
- (b) in response to a request to the FCA by the Manager or the Trustee for the revocation of the authorisation order, the FCA has agreed, inter alia, that, on the conclusion of the winding up of the Trust or the termination of a Fund (as applicable), the FCA will agree to that request; and
- (c) pursuant to a scheme of arrangement which is to result in the Trust or the relevant Fund being left with no property.

#### *Procedure*

The procedure for winding up the Trust or terminating a Fund is as follows:

- (a) upon the effective date of any approved scheme of arrangement pursuant to the Rules the Trustee will wind up the Trust or terminate the relevant Fund in accordance with the approved scheme arrangement;
- (b) in any other case, the Trustee will as soon as practicable after the Trust falls to be wound up or a Fund terminated, realise the property of the Trust or the Fund and, after paying out of it all liabilities properly so payable and retaining provision for the costs of the winding-up or termination, cancel all units in issue, distribute the proceeds to the holders and the Manager (upon production by them of evidence as to their entitlement) proportionately to their respective interests.

Any unclaimed net proceeds or other cash held by the Trustee after the expiry of twelve months from the date on which the same became payable will be paid by the Trustee into court subject to the Trustee having a right to receive out of it any expenses incurred by him in making and relating to that payment into court.

Where the Trustee and one or more Unitholders agree, the Trustee does not have to realise the property of a Fund proportionate to the entitlement of that or those Unitholders. Instead, the Trustee may distribute that part in the form of property. Before distributing that property, the Trustee will make such adjustments or retain such provision as appears to the Trustee to be appropriate ensuring that, a proportionate share of the liabilities and costs is borne by that or those holders.

When the winding up is complete, the Trustee shall notify the FCA in writing. At the same time the Manager or Trustee shall request that the FCA revokes the order of authorisation under section 256 of the Financial Services and Markets Act 2000 (as appropriate).

#### Other Schemes Managed by the Manager

In addition to the Trust, the Manager is also the authorised fund manager of the authorised collective investment schemes set out below. Prospectuses and Key Investor Information Documents are available for these schemes.

- HL Multi-Manager Balanced Managed Trust

- HL Multi-Manager Special Situations Trust
- HL UK Income
- HL Income
- HL Multi-Manager Strategic Bond Trust
- HL Multi-Manager Umbrella Trust
- HL ICVC 1

Sub-funds managed under the HL Multi-Manager Umbrella Trust include:

- HL Multi-Manager UK Growth
- HL Multi-Manager European
- HL Emerging Markets
- HL Cautious Managed
- HL High Income

Sub-funds managed under HL ICVC 1 include:

- HL Growth Fund
- HL US Fund
- HL Balanced Managed
- HL Moderately Adventurous Managed
- HL Adventurous Managed
- HL Global Corporate Bond Fund
- HL Multi-Index Cautious
- HL Multi-Index Moderately Adventurous

#### Information made available to Unitholders

The Trust Deed is kept together with the Annual Reports, the key investor information documents and this Prospectus at One College Square South, Anchor Road, Bristol BS1 5HL and these may be inspected on the premises during normal business hours on any Business Day.

Copies of the Prospectus and key investor information documents may be obtained from the Manager free of charge. Copies of the Trust Deed may be obtained from the Manager at a cost of £10 per document.

Upon the request of a Unitholder, the Manager shall provide certain information supplementary to this Prospectus in respect of the Funds which relate to: (a) the quantitative limits which apply in the risk management of the Funds; (b) the methods used in relation to (a); and (c) any recent development of the risk and yields of the main categories of investment which apply to each Fund.

#### Notices to Unitholders

All notices or documents required to be served on Unitholders shall be served either by post to the address of such Unitholders as evidenced on the Register or electronically.

A notice is duly served if it is delivered to the address of the first named Unitholder as appearing in the Register or is delivered by electronic means in accordance with the Rules.

#### Conflicts of Interest

#### *General*

In carrying out their respective functions for each Fund, the Manager and the Trustee must each act honestly, fairly, professionally and independently, and solely in the interests of the Fund and its Unitholders.

The FCA's rules contain provisions on conflicts of interest governing any transaction concerning the Funds which are carried out by or with any "affected person", which includes the Manager, an associate of the Manager, the Trustee or an associate of the Trustee. These rules enable an affected person to (in summary): (i) deal in assets for its own account notwithstanding that the same or similar assets may be held on behalf of the Fund; (ii) to purchase assets from, or vest assets in the Trustee for the account of the Fund, or enter into other transactions with the Trustee for the account of the Fund, or to otherwise have an interest in such transactions; (iii) to enter into securities finance services for the Fund; or (iv) to otherwise provide services in respect of the Fund. Any such transactions for the Fund are subject to the rules on best execution, independent valuation and "arm's length" requirements. An affected person carrying out such transactions is not liable to account to the Trustee, the Manager, any other affected person or to Unitholders or any of them for any benefits or profits made or derived.

### *The Manager*

In the course of carrying out its duties in respect of the Funds, conflicts of interest may arise between the Manager, its delegates, its other clients and/or the Funds that could be detrimental to Unitholders if not managed appropriately. For example, the Manager may provide similar services to other clients which could conflict with the services it provides to the Funds. The Manager is required to comply with certain FCA rules on the prevention, identification and management of conflicts of interest. The Manager has a conflicts of interest policy which sets out the Manager's procedures for the identification, management and (if necessary) disclosure of potential material conflicts of interest, together with a summary of its oversight process. Further details of the Manager's conflicts of interest policy are available to Unitholders on request.

The Manager has in place a policy and procedures to monitor the conflicts of interest that may arise in respect of the Manager's delegation of certain of its functions. To the extent any actual conflicts of interest are determined to have arisen, the Manager will manage such conflicts to minimise any impact on the performance of the Fund, and will also seek to prevent such conflicts from reoccurring.

The Manager will direct transactions on behalf of the relevant Fund to brokers, and will pay directly out of its own resources for "research", as defined by the FCA's rules, that the Manager receives in connection with the investment management of the Fund's assets. The Manager has in place a "best execution" policy which requires the Manager to act in the relevant Fund's best interests when taking investment decisions and placing dealing instructions with brokers on behalf of the Fund. For these purposes, all sufficient steps must be taken to obtain the best possible results for the Funds, taking into account factors including price, costs, speed, likelihood of execution and settlement, size and nature of the order. Information about the Manager's best execution policy is available to Unitholders on request.

Additionally, a Fund may invest into other HL Funds from time to time.

### *Trustee*

The Trustee may act as the depositary of other investment funds and as trustee or custodian of other collective investment schemes.

It is possible that the Trustee and/or its delegates and sub-delegates and their respective affiliates may in the course of its or their business be involved in other financial and professional activities which may on occasion have potential conflicts of interest with the Manager or the Funds and/or other funds managed by the Manager or other funds for which the Trustee acts as the depositary, trustee or custodian.

There may also be conflicts arising between the Trustee and the Trust, the Unitholders or the Manager. In addition, the Trustee also has a regulatory duty when providing the services to act solely in the interests of the Unitholders and the Trust (including its Funds). In order to comply with this requirement, the Trustee may in some instances be required to take actions in the interests of Unitholders and the Trust (including its Funds) where such action may not be in the interests of the Manager.

### *Affiliates*

From time to time conflicts may arise from the appointment by the Trustee of any of its delegates. For example, the Custodian may also perform certain investment operations and functions and derivatives collateral management functions delegated to it by the Manager.

The Trustee, and any other delegate, is required to manage any such conflict having regard to the Rules and its duties under the Depositary Agreement.

The Trustee will ensure that any such delegates or sub-delegates who are its affiliates are appointed on terms which are not materially less favourable to the Trust than if the conflict or potential conflict had not existed. The Custodian and any other delegate are required to manage any such conflict having regard to the Rules and its duties to the Trustee and the Manager.

### **Conflicting commercial interests**

The Trustee (and any of its affiliates) may effect, and make a profit from, transactions in which the Trustee (or its affiliates, or another client of the Depositary or its affiliates) has (directly or indirectly) a material interest or a relationship of any description and which involves or may involve a potential conflict with the Trustee's duty to the Trust.

This includes circumstances in which the Trustee or any of its affiliates or connected persons: acts as market maker in the investments of the Trust; provides broking services to the Trust and/or to other funds or companies; acts as financial adviser, banker, derivatives counterparty or otherwise provides services to the issuer of the investments of the Trust; acts in the same transaction as agent for more than one client; has a material interest in the issue of the investments of the Trust; or earns profits from or has a financial or business interest in any of these activities.

In connection with the above activities, the Trustee, its delegates and their respective affiliates:

- are entitled to receive and retain any compensation and profits, in any form, and are not bound to disclose to the Funds and/or the Manager the nature or amount of any such compensation or profits;
- will provide the same or similar services to other clients, including competitors to the Manager and/or the Funds;
- may be granted creditors rights in respect of the Manager and/or the Funds, which it may exercise.

Potential conflicts of interest may arise in respect of the Trustee's use of the Custodian and any sub-custodians, for example:

- sub-custodians have only indirect relationships with the Fund and look to the Custodian / Trustee as the relevant counterparty, which may create an incentive for the Custodian / Trustee to act in its own interests to the potential detriment of the Fund;
- sub-custodian selection may be influenced by factors such as cost (including lower fee rates, rebates or similar incentives) and the overall commercial relationship between the Custodian/Trustee and the sub-custodian, in which the Custodian/Trustee may act on the economic value of the broader relationship, in addition to other objective evaluation criteria;
- sub-custodians will act for other clients and in their own proprietary interest, which may conflict with the Funds' interests.

In carrying out its duties for the Funds (including in respect of its appointment and monitoring of delegates) the Trustee will have regard to its obligations under the Trust Deed, the Depositary Agreement and the Rules and, in particular, will use reasonable endeavours to ensure that the performance of its duties will not be impaired by any such involvement it may have and that any conflicts which may arise will be resolved fairly and in the best interests of Unitholders collectively so far as practicable, having regard to its obligations to other clients.

The Trustee also has a conflict of interest policy in place to identify, manage and monitor on an on-going basis any actual or potential conflict of interest. The Trustee has functionally and hierarchically separated the performance of its depositary function from its other potentially conflicting activities. The system of internal controls, the



different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest and the Trustee issues to be properly identified, managed and monitored.

In respect of its use of the Custodian (and any other sub-custodians), the Trustee: (i) has imposed contractual restrictions to address some of the potential conflicts of interests; and (ii) maintains oversight of sub-custodians to ensure a high level of service by such delegates.

### Data Protection

In respect of the personal data that you provide to the Manager (or to the Administrator and Registrar acting for and on behalf of the Manager) in connection with your investment, or proposed investment, in Units, the Manager is regarded as a "data controller" under UK data protection laws and is therefore subject to certain legal obligations on how your personal data is used, stored, processed and transferred. You may obtain further information about how the Manager may obtain, use, store and transfer your personal data by reviewing the HL Group's privacy policy at [www.hl.co.uk/privacy-policy](http://www.hl.co.uk/privacy-policy).

If you invest in Units via a platform or other intermediary service provider, that platform / service provider (and not the Manager) may be the data controller of your personal data. In these circumstances, you should review your platform / service provider's data protection policies to determine how they may use your personal data.

If you hold Units in a Fund directly, you should be aware that the Administrator and Registrar has implemented an operating model which incorporates a single data record for investors in various investment funds which are administered by the Administrator and / or its affiliates, and which facilitates streamlined anti-money laundering customer due diligence processes for those investors, including direct Unitholders, via an online portal (the "NT Portal"). In order to use the NT Portal, a permitted Unitholder must elect to subscribe to and complete an application form on the NT Portal – if you are a direct Unitholder and would like to use the NT Portal, please contact us for further information. Prospective users of the NT Portal should note that by completing the relevant application form(s) they are providing the Administrator with information which may constitute personal data. If you intend to use the NT Portal, please refer to the Administrator and Registrar's data protection notice available at <https://www.northerntrust.com/emea-privacy-notice> for details on how the information (including personal data) will be used and shared by the Administrator and Registrar and its affiliates.

The HL Group privacy policy and cookie policy will apply to you for so long as you hold Units. You can view the HL Group's privacy policy at [www.hl.co.uk/privacy-policy](http://www.hl.co.uk/privacy-policy) and the HL Group's cookie policy at [www.hl.co.uk/cookie-policy](http://www.hl.co.uk/cookie-policy).

If you use the HL Group's website ([www.hl.co.uk](http://www.hl.co.uk)), you accept the relevant terms of use. These terms can be found at [www.hl.co.uk/disclaimer](http://www.hl.co.uk/disclaimer).

In respect of the Trustee, Northern Trust's EMEA Data Privacy Notice sets out how the Trustee will process Unitholders' personal information as a data controller where these details are provided to it in connection with Unitholders' investment in the Trust.

Northern Trust's EMEA Data Privacy Notice may be updated from time to time and readers should confirm that they hold the latest version which can be accessed at [www.northerntrust.com/united-kingdom/privacy/emea-privacy-notice](http://www.northerntrust.com/united-kingdom/privacy/emea-privacy-notice).

Any Unitholder who provides the Manager and its agents with personal information about another individual (such as a joint investor), must show Northern Trust's EMEA Data Privacy Notice to those individuals.

### Strategy for the exercise of voting rights

The Manager has a strategy for determining when and how voting rights attached to the ownership of scheme property are exercised for the benefit of each Fund. A summary of this strategy is available on request (free of charge) from the Manager on: 0117 900 9000. Details of action taken in respect of the exercise of voting rights are available from the Manager upon request.

## SECTION 11: RISK FACTORS

**You should be aware of the risks involved in investing in a Fund.** A list of risk factors is provided below, although this list may not be exhaustive. Certain risk factors will apply to different Funds to different degrees depending for example on their investment objective and policy, and for a given Fund this degree could increase or reduce through time. There may also be new risks that arise in the future.

If you have any doubts over the suitability of a Fund for you, please contact a financial adviser for advice.

- The price of stock market investments can go down as well as up. This could happen to individual securities, or to a market (such as the UK equity market) as a whole.
- This means **the value of your investment in a Fund can go down as well as up, and you may get back less than you invest or expect.** Investing is a long-term decision and, in particular, is not suitable for money which may be needed at short notice.
- Prices can be influenced by many micro and macro factors such as national and international political and economic news and events, corporate earnings reports, demographic trends and catastrophic events, any of which may affect the value of your investment in a Fund.
- Economic factors might include data, policies or programs relating to interest rates, inflation, supply and demand, trade, fiscal, monetary, and employment, any of which may affect the value of your investment in a Fund.
- A Fund may have exposure to smaller companies, which are more volatile and sometimes more difficult to trade than larger companies, and which may result in above-average fluctuations in price.
- A Fund may have exposure to overseas holdings. Overseas investments can involve certain risks, including that the value of the assets of the Fund may be affected by uncertainties such as changes in government policies, taxation, fluctuations in foreign exchange rates, the imposition of currency repatriation restrictions, social and religious instability, political, economic or other developments in the law or regulations of the countries in which the Fund may invest, including changes in legislation relating to the level of foreign ownership in the countries in which the Fund may invest.
- A Fund may have exposure to emerging or less developed markets, where the legal, judicial and regulatory infrastructure is still developing. Investing in these markets involves increased risks and special considerations not typically associated with investment in major developed markets. For example:
  - some emerging markets may carry higher risks, such as liquidity risks, currency risks/ control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk, an increased risk that a proposed investment is found to be fraudulent and an increased likelihood of a high degree of volatility, for investors such as the Fund;
  - there may be less state regulation and supervision of these emerging markets, less reliable information available to brokers and investors than in relation to major western markets, and consequently less investor protection;
  - the accounting, auditing and financial reporting standards and requirements in emerging / developing markets are often less stringent and less consistent than those applicable in developed markets;
  - corporate legislation regarding the fiduciary responsibility of directors and officers, as well as protection of shareholders, is also often significantly less developed, and may impose inconsistent or even contradictory requirements on companies;
  - less information may be available to investors investing in securities of companies in emerging / developing markets, and the historic information which is available is not necessarily comparable with or of relevance to many developed countries.

- A Fund may have exposure to currencies other than Sterling, particularly where it has an overseas focus. Changes in currency exchange rates may cause the value of units in the relevant Fund to go up or down, independently of movements in the value of the underlying investments, which would affect the value of your investment in the Fund.
- A Fund may invest in initial public offerings, which frequently are smaller companies. Such securities have no trading history, and information about these companies may only be available for limited periods. The prices of securities involved in initial public offerings may be subject to greater price volatility than more established securities.
- Any income provided by your investment in a Fund will vary. **Expected or indicated income levels may not be achieved** – in particular yields are quoted for illustrative purposes only and are not guaranteed.
- The risk of concentration may arise when a Fund is predominantly invested in a single country and/or geographic area, or has limited industry diversification. A Fund may intentionally hold a small number of investments, which will also give rise to concentration risk. The price of such a Fund may be more volatile than that of more broadly diversified funds.
- A lack of liquidity in the assets in which a Fund invests (whether due to difficult market conditions or otherwise) may adversely affect the Fund's ability to dispose of such assets and/or the price at which such assets can be sold. The absence of reliable pricing information in an asset held by the Fund may make it difficult to assess the market value of such assets.
- Trading on a securities exchange (generally or in respect of a particular issuer) may be suspended or halted pursuant to the securities exchange's rules as a result of market conditions, technical malfunctions which prevent trades from being processed, issues relating to a particular issuer or otherwise. Any such halt or suspension or limitation would result in the Fund being unable to sell the securities traded on that securities exchange and, accordingly, expose the Fund to losses and delays in the ability to liquidate assets in the Fund. In extreme liquidity conditions, redemptions in a Fund might need to be deferred or suspended.
- A Fund generally deducts charges from the income produced from its investments. Your capital could also decrease if income withdrawals exceed the growth rate of a Fund. Please refer to Appendix 1 to check if this applies to a particular Fund.
- A Fund conducts transactions with various counterparties and there is a risk that a counterparty will not deliver an investment (for purchases by the Fund) or cash (for sales by the Fund) after the Fund has fulfilled its responsibilities. In the event of failure of the counterparty the Fund may only rank as an unsecured creditor in respect of sums due from the counterparty in question, meaning that the Fund may be unable to recover part or all of the assets exposed to that counterparty and any such recovery may be significantly delayed. Such delay or loss would be to the detriment of the value of the Fund.
- A Fund may use derivatives for efficient portfolio management purposes. There is a risk that any counterparty used does not fulfil its obligations. The use of derivatives will increase the exposure of the Fund.
- A Fund may use an overdraft facility. This will increase the exposure of the Fund.
- The Trust does not currently permit the undertaking of stock lending in a Fund. If this were to change in the future this Prospectus will be reviewed and updated.
- Past performance is not necessarily a guide to future performance.
- As with any investment, inflation will reduce the real value (i.e. purchasing power) of the capital, and of any income provided, over time.

- Tax considerations

Each Fund may be subject to withholding, capital gains or other taxes on income and/or gains arising from its investment portfolio, including without limitation taxes imposed by the jurisdiction in which the issuer of securities held by that Fund is incorporated, established or resident for tax purposes. Each Fund may also incur or bear transaction or other similar taxes in respect of the actual or notional amount of any acquisition, disposal or transaction relating to its investment portfolio, including without limitation taxes imposed by the jurisdiction in which the issuer of securities held by that Fund or the counterparty to a transaction involving that Fund is incorporated, established or resident for tax purposes. Where a Fund invests in securities or enters into transactions that are not subject to withholding, capital gains, transaction or other taxes at the time of acquisition, there can be no assurance that tax may not be withheld or imposed in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. That Fund may not be able to recover such tax and so any change could have an adverse effect on the net asset value of the Units.

Where a Fund chooses or is required to pay taxation liabilities and/or account for reserves in respect of taxes that are or may be payable in respect of current or prior periods by that Fund (whether in accordance with current or future accounting standards), this would have an adverse effect on the net asset value of the Units. This could cause benefits or detriments to certain Unitholders, depending on the timing of their entry to and exit from that Fund.

- The Trust is structured as an umbrella fund with segregated liability between its Funds. The assets of one Fund will not be available to meet the liabilities of another. However, the Trust (through its Manager) may operate or have assets held on its behalf or be subject to claims in the UK, or in other jurisdictions whose courts may not necessarily recognise such segregation of liability. Therefore it is not always possible to be certain that the assets of a Fund will always be completely isolated from the liabilities of another Fund of the Trust in every circumstance.

## Schedule 1

### Details of each of the Funds

#### HL Select UK Growth Shares

##### *Investment Objective*

The Fund aims to grow the value of your investment over any 5-year period.

##### *Investment Policy*

At least 70% of the Fund will invest in UK equities, which means shares of companies that:

- (1) Are domiciled, or
- (2) Are incorporated, or
- (3) Have significant operations or exposure to the UK.

The Fund may also invest up to 30% in:

- Shares of non-UK companies listed on a UK exchange;
- Shares of non-UK companies;
- Money market instruments (e.g., short term loans that pay interest);
- Deposits, and cash.

The Fund may use derivative instruments and foreign exchange forward transactions for the limited purposes of efficient portfolio management (EPM) including "hedging" techniques. EPM and the hedging techniques used, aim to reduce the risks or costs of managing the Fund.

Where the Fund invests in other collective investment schemes, those schemes may use derivative instruments for EPM or investment purposes.

The Fund will invest a minimum of 90% of its assets directly. It may also invest up to 10% via other regulated collective investment schemes. The collective investment schemes in which the fund may invest can take a variety of forms. They may be:

- Open or closed-ended
- Exchange traded (ETFs)
- Money market funds.

They may be managed by the Manager or other third-party managers, and will be established in Europe, the UK, Jersey, or Guernsey.

Passively managed collective investment schemes, which are designed to replicate the performance of an index, will only be used for liquidity management purposes.

The Fund is actively managed. This means that the Manager decides which investments to buy and sell, and when. Investments are selected based on individual company research.

The Manager's focus shall be on identifying well-financed companies with high quality business models, which the Manager believes will be capable of durable growth. The Manager will use a combination of approaches to deliver the Fund's objective. These include, but are not limited to, making high conviction (strong belief) investments at both a company and sector level, making investments based on their economic outlook or on themes they expect to influence markets.

The Fund will typically hold the shares of around 30-45 companies.

### *Benchmarks – measuring the Fund's performance*

The Fund does not target the performance of, and is not constrained by, a benchmark. The Fund does not use a benchmark for the purposes of the Benchmark Regulation. However, the Manager believes it is appropriate to compare the Fund's performance to the performance of the **FTSE All Share Index Total Return** and to the **Investment Association (IA) UK All Companies sector** average (both as a "comparator benchmarks").

The **FTSE All Share Index** represents 98-99% of the market capitalisation of listed shares in the UK and is considered to be the broadest price performance measure for the UK equity market. It is an aggregation of the FTSE 100, FTSE 250 and FTSE Small Cap Indices. Consequently, the Manager believes it is likely that the majority of the investments held by the Fund will be included in the FTSE All Share Index and therefore it is an appropriate comparator benchmark for the Fund. However, the manager is not bound or influenced by the Index when making their decisions, and can make investments that are not included in the Index.

The **IA UK All Companies sector** includes funds which invest at least 80% of their assets in UK equities which have a primary objective of achieving capital growth. The IA sector is considered an appropriate benchmark as the funds in the IA sector are run in a similar way to this Fund.

The Investment Association (the UK's trade body for the funds industry) has created IA sectors to help investors compare funds with broadly similar characteristics. These sectors divide funds into groups, with each sector having a different investment focus. This allows investors to make like-for-like comparisons between competitor funds, on factors such as fund charges and performance. In order to be included within an IA sector, a Fund must fulfil certain criteria.

Information on comparative performance of funds in this IA sector is available from various independent data providers including Morningstar and FE Trustnet.

You can find further information on the current Investment Association sectors at the following website: <https://www.theia.org/industry-data/fund-sectors>.

### *Borrowing*

A Fund has access to an overdraft facility maintained by the Manager which may be used for temporary, short-term liquidity purposes. A Fund may use this borrowing power to the extent permitted for a UK UCITS under the Rules, which is up to 10% of its Net Asset Value, as set out in Schedule 2. It is not intended that a Fund uses the overdraft facility for gearing purposes.

### *Stock Lending*

The Manager will not enter into stock lending arrangements.

### *Investment in Other Collective Investment Schemes*

The Fund may not invest more than 10% in value of the scheme property in other collective investment schemes.

### *Typical Investor*

HL Select UK Growth Shares is available to any investor, including retail, professional or institutional investors, who want an investment with an investment objective and policy as described in the Prospectus and KIID and who is aware of the risks associated with investing in the Fund detailed in the prospectus and KIID.

The Fund is appropriate for an investor with a basic, informed or advanced investment knowledge and experience. The Fund is compatible with an investor who does not require a capital guarantee.

Investors should consider the following before investing:

- Investors should be able to accept fluctuations in the value of their investment including the potential for capital loss or change in value of income.
- Investors should be able to make an investment decision considering the investment objective and policy in the context of their overall investment portfolio.
- Investors should use the Fund as part of a diversified portfolio of investments.
- Investors should plan to invest for at least 5 years and understand that if they sell before the recommended holding period the risk of capital loss increases.
- The Fund can be purchased with or without professional financial advice. If investors are uncertain, they should seek advice from a qualified professional.

### *Charges*

The Ongoing Charges Figure will be 0.60%. Further details on charges are set out in the 'Charges and Expenses' section of this Prospectus.

### *Unit Class Information*

Unit Class	Initial Charge	Fixed Management Charge	Minimum Initial Investment and Holding	Minimum Subsequent Investment	Minimum Redemption
Class A Accumulation Unit	3%*	0.60%	£150,000	£150,000	£10,000
Class A Income Unit	3%*	0.60%	£150,000	£150,000	£10,000

\* Initial Charge waived for investors accessing the Fund via the Hargreaves Lansdown Platform

### *Reports and Accounts*

Annual accounting reference date	30 September
Interim accounting date	31 March
Income allocation dates	30 November, 31 May
Date of publication of annual reports and accounts	31 January

### *Past Performance Information*

	% Growth	% Growth	% Growth	% Growth	% Growth
	30/09/2019 To 30/09/2020	30/09/2020 To 30/09/2021	30/09/2021 To 30/09/2022	30/09/2022 To 30/09/2023	30/09/2023 To 30/09/2024

HL Select UK Growth Shares (A Acc)	-0.7	20.1	-12.6	9.6	11.0
--	------	------	-------	-----	------

Source: Lipper. **Past performance is not an indication of future performance.**

### Fund related notes

Performance is shown net of charges (excluding preliminary (initial) charge) and net of tax. Class A Accumulation Units have been used as the representative Unit class. The data reflects that net income has been reinvested. On 23 October 2024 the Investment Objective and Policy of the Fund was amended to that now stated following prior notice being provided to Unitholders.



## HL Select UK Income Shares

### *Investment Objective*

The Fund aims to:

- 1) Pay an income of at least 90% of that of the FTSE All Share Index over any single year, and to generate at least 100% of the Index income over any 3-year period.
- 2) Generate a greater total return than the average performance of funds in the IA UK Equity Income sector. The fund aims to deliver on this aim over any 5-year period, measured after the deduction of the Fund's charges.

### *Investment Policy*

At least 70% of the Fund will invest in UK equities, which means shares of companies that:

- (1) Are domiciled, or
- (2) Are incorporated, or
- (3) Have significant operations or exposure to the UK.

The Fund may also invest up to 30% in:

- Shares of non-UK companies listed on a UK exchange;
- Shares of non-UK companies;
- Money market instruments (e.g., short term loans that pay interest);
- Deposits, and cash.

The Fund may use derivative instruments and foreign exchange forward transactions for the limited purposes of efficient portfolio management (EPM) including "hedging" techniques. EPM and the hedging techniques used, aim to reduce the risks or costs of managing the Fund.

Where the Fund invests in other collective investment schemes, those schemes may use derivative instruments for EPM or investment purposes.

The Fund will invest a minimum of 90% of its assets directly. It may also invest up to 10% via other regulated collective investment schemes.

The collective investment schemes in which the fund may invest can take a variety of forms. They may be:

- Open or closed-ended
- Exchange traded (ETFs)
- Money market funds.

They may be managed by the Manager or other third-party managers and will be established in Europe, the UK, Jersey, or Guernsey.

Passively managed collective investment schemes, which are designed to replicate the performance of an index, will only be used for liquidity management purposes.

The Fund is actively managed. This means that the Manager decides which investments to buy and sell, and when. Investments are selected based on individual company research.

The Fund invests in companies which the Manager believes exhibit above average income generation potential, and/or offer the potential for share price and/or dividend growth. The Manager will make high conviction (strong belief) investments at both a company and sector level based on their economic outlook or on themes they expect to influence markets.

The Fund will typically hold the shares of around 30-45 companies.

#### *Benchmarks – measuring the Fund's performance*

##### **Target Benchmark for Income: FTSE All Share Index**

The FTSE All Share Index is to become a target benchmark for the income aim of the Fund to reflect the income yield requirements of the Investment Association (IA) UK Equity Income sector which the Fund is managed to.

##### **Target Benchmark for Total Returns: Investment Association (IA) UK Equity Income sector**

The Fund has a target benchmark for performance of total returns for the Fund, which is to generate a greater total return than the average of funds in the IA UK Equity Income sector. The IA sector is considered an appropriate benchmark as the funds in the IA sector are run in a similar way to this Fund.

The **IA UK Equity Income sector** includes funds which invest at least 80% in UK equities and which intend to achieve a historic yield on the distributable income in excess of 100% of the FTSE All Share yield at the fund's year end on a 3 year rolling basis and 90% on an annual basis.

The Investment Association (the UK's trade body for the funds industry) has created IA sectors to help investors compare funds with broadly similar characteristics. These sectors divide funds into groups, with each sector having a different investment focus. This allows investors to make like-for-like comparisons between competitor funds, on factors such as fund charges and performance. In order to be included within an IA sector, a Fund must fulfil certain criteria.

Information on comparative performance of funds in this IA sector is available from various independent data providers including Morningstar and FE Trustnet.

You can find further information on the current Investment Association sectors at the following website: <https://www.theia.org/industry-data/fund-sectors>.

##### **Comparator Benchmark: FTSE All Share Index Total Return**

Although the Fund is targeting the benchmarks set out above for income and total returns, the Manager believes it is appropriate to compare the Fund's performance to the performance of the **FTSE All Share Index Total Return** (as a "comparator benchmark").

The Manager considers that the comparator will help provide context on the performance of the Fund against the Index as although there are holdings in the Index that the Fund will not be exposed to, as for example they may not pay a dividend or generate sufficient dividend payments such that the Fund can meet its income target, the Index does represent 98-99% of the market capitalisation of listed shares in the UK and is considered to be the broadest price performance measure for the UK equity market. It is an aggregation of the FTSE 100, FTSE 250 and FTSE Small Cap Indices. Consequently, the Manager believes it is likely that the majority of the investments held by the Fund will be included in the FTSE All Share Index and therefore it is an appropriate comparator benchmark for the Fund.

#### *Borrowing*

A Fund has access to an overdraft facility maintained by the Manager which may be used for temporary, short-term liquidity purposes. A Fund may use this borrowing power to the extent permitted for a UK UCITS under the Rules, which is up to 10% of its Net Asset Value, as set out in Schedule 2. It is not intended that a Fund uses the overdraft facility for gearing purposes.

#### *Stock Lending*

The Manager will not enter into stock lending arrangements.

#### *Investment in Other Collective Investment Schemes*

The Fund may not invest more than 10% in value of the scheme property in other collective investment schemes.

#### *Typical Investor*

HL Select UK Income Shares is available to any investor, including retail, professional or institutional investors, who want an investment with an investment objective and policy as described in the Prospectus and KIID and who is aware of the risks associated with investing in the Fund detailed in the prospectus and KIID.

The Fund is appropriate for an investor with a basic, informed or advanced investment knowledge and experience. The Fund is compatible with an investor who does not require a capital guarantee.

Investors should consider the following before investing:

- Investors should be able to accept fluctuations in the value of their investment including the potential for capital loss or change in value of income.
- Investors should be able to make an investment decision considering the investment objective and policy in the context of their overall investment portfolio.
- Investors should use the Fund as part of a diversified portfolio of investments.
- Investors should plan to invest for at least 5 years and understand that if they sell before the recommended holding period the risk of capital loss increases.
- The Fund can be purchased with or without professional financial advice. If investors are uncertain, they should seek advice from a qualified professional.
- Investors should be aware that charges are deducted from capital instead of income which should increase the amount of income available for distribution but may constrain capital growth.

#### *Charges*

The Ongoing Charges Figure will be 0.60%. Further details on charges are set out in the 'Charges and Expenses' section of this Prospectus.

#### *Unit Class Information*

Unit Class	Initial Charge*	Fixed Management Charge	Minimum Initial Investment and Holding	Minimum Subsequent Investment	Minimum Redemption
Class A Accumulation Unit	3%	0.60%	£150,000	£150,000	£10,000
Class A Income Unit	3%	0.60%	£150,000	£150,000	£10,000

\* Initial Charge waived for investors accessing the Fund via the Hargreaves Lansdown Platform

#### *Reports and Accounts*

Annual accounting reference date	30 September
----------------------------------	--------------

Interim accounting date	31 March
Date of publication of annual reports and accounts	31 January

### *Income*

Allocations and distributions of income will be made by the Manager on or before the last Business Day of each calendar month. The allocation and distribution dates for the Fund are as follows:

Allocation Date	Distribution Date for Income Units
31 October	30 November
30 November	31 December
31 December	31 January
31 January	28 February
28 February	31 March
31 March	30 April
30 April	31 May
31 May	30 June
30 June	31 July
31 July	31 August
31 August	30 September
30 September (Final)	31 October (Final)

The Manager may operate a policy of smoothing income distributions over the annual accounting period such that all distributable income due to be paid will have been paid by the annual distribution date (31<sup>st</sup> October) each year, subject to the provisions on the "Determination of distributable income" in Section 9 of this Prospectus.

### *Past Performance Information*

	% Growth 30/09/2019 To 30/09/2020	% Growth 30/09/2020 To 30/09/2021	% Growth 30/09/2021 To 30/09/2022	% Growth 30/09/2022 To 30/09/2023	% Growth 30/09/2023 To 30/09/2024
HL Select UK Income Shares A Acc	-11.4	26.3	-8.5	6.3	11.6

Source: Lipper. **Past performance is not an indication of future performance.**

### **Fund related notes**

Performance is shown net of charges (excluding preliminary (initial) charge) and net of tax. Class A Accumulation Units have been used as the representative Unit class. The data reflects that net income has been reinvested.

On 23 October 2024 the Investment Objective and Policy of the Fund was amended to that now stated following prior notice being provided to Unitholders.



## HL Select Global Growth Shares

### *Investment Objective*

The Fund invests in companies around the world with the aim of growing the value of your investment over any 5-year period.

### *Investment Policy*

At least 80% of the Fund will be invested in the shares of global companies. This includes companies listed in the UK, and developed overseas markets.

The Fund's investments are not confined to any single sector. The Fund does not target particular weightings for individual markets or sectors.

The Fund may also invest up to 20% in:

- Shares of companies from emerging markets;
- Money market instruments (e.g., short term loans that pay interest);
- Deposits, and cash.

The Fund may use derivative instruments and foreign exchange forward transactions for the limited purposes of efficient portfolio management (EPM) including "hedging" techniques. EPM and the hedging techniques used, aim to reduce the risks or costs of managing the Fund.

Where the Fund invests in other collective investment schemes, those schemes may use derivative instruments for EPM or investment purposes.

The Fund will invest a minimum of 90% of its assets directly. It may also invest up to 10% via other regulated collective investment schemes. The collective investment schemes in which the fund may invest can take a variety of forms. They may be:

- Open or closed-ended
- Exchange traded (ETFs)
- Money market funds.

They may be managed by the Manager or other third-party managers, and will be established in Europe, the UK, Jersey, or Guernsey.

The Fund may invest in passively managed collective investment schemes, which are designed to replicate the performance of an index. They will only be used for liquidity management purposes.

The Fund is actively managed. This means that the Manager decides which investments to buy and sell and when. Investments are selected based on individual company research.

The Manager's focus will be on identifying companies with the potential to deliver durable growth. These are likely to be well-financed companies with high quality business models. The Manager will use a combination of approaches to deliver the Fund's objective. These include, but are not limited to:

- making high conviction (strong belief) investments at both a company and sector level;
- making investments based on their economic outlook;
- Making investments based on themes they expect to influence markets.

The Fund will typically hold the shares of around 30-50 companies.

### *Benchmarks – measuring the Fund's performance*

The Fund does not target the performance of, and is not constrained by, a benchmark. The Fund does not use a benchmark for the purposes of the Benchmark Regulation. However, the Manager believes it is appropriate to compare the Fund's performance to the performance of the **MSCI World Net Return Index** and the **Investment Association (IA) Global sector** average (both as "comparator benchmarks").

The **MSCI World Net Return Index** contains 1,464 constituents from 23 Developed Market countries. The Index covers approximately 85% of the float-adjusted market capitalization of each country.

The Manager expects that the majority of the investments held by the Fund will be included in the Index and considers the benchmark to be suitable for investors to compare performance to.

However, the Manager is not bound by the Index when making decisions, and can make investments that are not included in the Index.

The **IA Global sector** includes funds which invest at least 80% of their assets globally in equities. Funds must be diversified by geographic region. The Manager considers the sector average to be an appropriate benchmark to compare performance to as the funds in the IA sector are run in a similar way to this Fund.

The Investment Association (the UK's trade body for the funds industry) has created IA sectors to help investors compare funds with broadly similar characteristics. These sectors divide funds into groups, with each sector having a different investment focus. This allows investors to make like-for-like comparisons between competitor funds, on factors such as fund charges and performance. In order to be included within an IA sector, a Fund must fulfil certain criteria.

Information on comparative performance of funds in this IA sector is available from various independent data providers including Morningstar and FE Trustnet.

You can find further information on the current Investment Association sectors at the following website: <https://www.theia.org/industry-data/fund-sectors>.

### *Borrowing*

The Fund has access to an overdraft facility maintained by the Manager which may be used for temporary, short-term liquidity purposes. A Fund may use this borrowing power to the extent permitted for a UK UCITS under the Rules, which is up to 10% of its Net Asset Value, as set out in Schedule 2. It is not intended that a Fund uses the overdraft facility for gearing purposes.

### *Stock Lending*

The Manager will not enter into stock lending arrangements.

### *Investment in Other Collective Investment Schemes*

The Fund may not invest more than 10% in value of the scheme property in other collective investment schemes.

### *Typical Investor*

HL Select Global Growth Shares is available to any investor, including retail, professional or institutional investors, who want an investment with an investment objective and policy as described in the Prospectus and KIID and who is aware of the risks associated with investing in the Fund detailed in the prospectus and KIID.

The Fund is appropriate for an investor with a basic, informed or advanced investment knowledge and experience. The Fund is compatible with an investor who does not require a capital guarantee.

Investors should consider the following before investing:

- Investors should be able to accept fluctuations in the value of their investment including the potential for capital loss or change in value of income.
- Investors should be able to make an investment decision considering the investment objective and policy in the context of their overall investment portfolio.
- Investors should use the Fund as part of a diversified portfolio of investments.
- Investors should plan to invest for at least 5 years and understand that if they sell before the recommended holding period the risk of capital loss increases.
- The Fund can be purchased with or without professional financial advice. If investors are uncertain, they should seek advice from a qualified professional.

### *Charges*

The Ongoing Charges Figure will be 0.60%. Further details on charges are set out in the 'Charges and Expenses' section of this Prospectus.

### *Unit Class Information*

Unit Class	Initial Charge*	Fixed Management Charge	Minimum Initial Investment and Holding	Minimum Subsequent Investment	Minimum Redemption
Class A Accumulation Unit	3%	0.60%	£150,000	£150,000	£10,000
Class A Income Unit	3%	0.60%	£150,000	£150,000	£10,000

\* Initial Charge waived for investors accessing the Fund via the Hargreaves Lansdown Platform

### *Reports and Accounts*

Annual accounting reference date	30 September
Interim accounting date	31 March
Income allocation dates	30 November, 31 May
Date of publication of annual reports and accounts	31 January

### *Past Performance Information*

	% Growth	% Growth	% Growth	% Growth	% Growth
	30/09/2019 To 30/09/2020	30/09/2019 To 30/09/2020	30/09/2021 To 30/09/2022	30/09/2022 To 30/09/2023	30/09/2023 To 30/09/2024



HL Select Global Growth A ACC	21.6	24.0	-16.8	10.65	15.8
-------------------------------------	------	------	-------	-------	------

Source: Lipper. **Past performance is not an indication of future performance.**

**Fund related notes**

Performance is shown net of charges (excluding preliminary (initial) charge) and net of tax. Class A Accumulation Units have been used as the representative Unit class. The data reflects that net income has been reinvested. On 23 October 2024 the Investment Objective and Policy of the Fund was amended to that now stated following prior notice being provided to Unitholders.

## Schedule 2: Investment Restrictions applicable to the Funds

Each Fund is subject to the limits and restrictions on investment for a UK UCITS as contained in Chapter 5 of the COLL Sourcebook, which are summarised below. Each Fund may be further constrained by its investment objective and policy (as set out in Schedule 1), the applicable investment limits and restrictions set out in the Trust Deed and as stated in this Prospectus.

The Manager shall ensure that, taking into account the investment objective and investment policy of the relevant Fund, the scheme property of each Fund will be invested with the aim of providing a prudent spread of risk.

The Manager uses a risk management process, as reviewed by the Trustee, enabling it to monitor and measure as frequently as appropriate the risk of the relevant Fund's portfolio and contribution of the underlying investments to the overall risk profile of that Fund. The details of the risk management process have been notified by the Manager to the FCA, and includes the following information:

- the types of investments to be used within a Fund together with their underlying risks and any relevant quantitative limits;
- the methods for estimating risks in the portfolio to ensure these are adequately captured; and
- the risks relating to a Fund's other investments.

The Manager must notify the FCA in advance of any material alteration to its risk management policy.

### Permitted Categories of Investment

With limited exceptions and subject to its investment objective and policy, a Fund must invest solely in any or all of permitted categories of the following:

- transferable securities;
- money market instruments;
- derivatives and forward transactions;
- deposits; and
- units/shares in other collective investment schemes.

### Transferable securities and approved money market instruments

Transferable securities and approved money market instruments held must be admitted to or dealt on an eligible market (an eligible market is, broadly, one which is regulated, operates regularly, is recognised, is open to the public, is adequately liquid and has adequate arrangements for unimpeded transmission of income and capital to or to the order of investors).

Not more than 10% in value of the investments of a Fund can consist of transferable securities which are not approved securities or of non-qualifying money market instruments (qualifying money market instruments are, broadly those dealt in on the money market, liquid and whose value can be accurately determined at any time).

### Spread limits

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

- Not more than 5% in value of a Fund's investments can consist of transferable securities or approved money market instruments issued by a single body (raised to 10% in respect of up to 40% in value of the Fund's investments).
- The exposure to any one counterparty in an OTC derivative transaction must not exceed 5% in value of a Fund's property (10% when the counterparty is an approved bank).
- Not more than 20% in value of a Fund's investments can consist of transferable securities and approved money market instruments issued by the same group.
- Not more than 20% in value of a Fund's property is to consist of the units of any one collective investment scheme.
- In applying the limit in the first three bullets above, not more than 20% in value of a Fund's investments can consist of any combination of two or more of the following:-
  - o transferable securities or approved money market instruments issued by; or
  - o deposits made with; or
  - o exposures from OTC derivatives transactions made with; a single body.
- The limits in this paragraph do not apply to government and public securities (see below).

#### Government and public securities

With regard to government and public securities:

- Where no more than 35% in value of a Fund's investments is invested in such securities issued by any one body, there is no limit on the amount which may be invested in such securities or in any one issue.
- A Fund may invest more than 35% in value of its investments in such securities issued by one issuer provided that:
  - o a prominent statement that the Fund may do so is included in this Prospectus (this would be included in Schedule 1);
  - o the Manager, after prior consultation with the Trustee considers that the issuer of such securities is one which is appropriate in accordance with the investment objectives of the Fund;
  - o no more than 30% in value of the investments of the Fund consist of such securities of any one issue;
  - o the investments of the Fund include such securities issued by that or another issuer of at least six different issues;
  - o such securities are issued or guaranteed by or on behalf of the Government of the United Kingdom, or Northern Ireland, the Scottish Administration, the Executive Committee of the Northern Ireland Assembly or the National Assembly of Wales, or by the Government of Australia, Austria, Belgium, Bulgaria, Canada, The Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Japan, Luxembourg, The Netherlands, New Zealand, Norway, Poland, Portugal, Romania, Spain, Sweden, Switzerland, Turkey or the United States of America, or by the European Central Bank, the International Bank for Reconstruction and Development, the European Bank for Reconstruction and Development or the European Investment Bank.

#### Collective investment schemes

A Fund may invest up to 10% of its value in units or shares of other collective investment schemes provided that any such collective investment scheme (the "**second scheme**") falls within one of the categories specified below.

The second scheme must:

- be a UK UCITS or satisfy the conditions necessary for it to enjoy the rights conferred by the UCITS Directive as implemented in the EEA; or
- be a recognised scheme under the provisions of section 272 of the Financial Services and Markets 2000 (*individually recognised overseas schemes*) that is authorised by the supervisory authorities of Guernsey, Jersey or the Isle of Man (provided that the requirements of COLL 5.2.13 AR are met); or
- be authorised as a non-UCITS retail scheme (provided that the requirements of COLL 5.2.13 AR (1), (3) and (4) are met); or
- be authorised in an EEA state (provided that the requirements of COLL 5.2.13 AR are met); or
- be authorised by the competent authority of an OECD member country (other than an EEA State) which has: (i) signed the IOSCO Multilateral Memorandum of Understanding; and (ii) approved the second scheme's management company, rules and depositary and custody arrangements, provided that the requirements of COLL 5.2.13 AR are met.

The second scheme must comply, where relevant, with certain restrictions set out in COLL including restrictions designed to avoid double charging. The second scheme must have terms which prohibit more than 10% in value of the scheme property consisting of units in collective investment schemes.

A Fund's investments may include units in second schemes managed or operated by the Manager or an associate of the Manager. No charge will be made for the issue or redemption of those units.

### Warrants

With regard to warrants a Fund may invest in warrants only (on assumptions stated in COLL) if it is reasonably foreseeable that the right conferred by the proposed warrant could be exercised by the Fund without contravening COLL. Investment in warrants will not exceed 5% in value of the property of the Fund.

### Nil/partly paid

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

### Derivatives

- A transaction in derivatives or a forward transaction cannot be effected for a Fund unless:
  - it is a permitted derivatives and forward transaction (broadly a derivative must be effected on or under the rules of any eligible derivatives market and have underlying consisting of any or all of the following; transferable securities, approved money market instruments, permitted deposits, permitted derivatives, permitted collective investment schemes, financial indices, interest rates, foreign exchange rates, currencies); and
  - it is covered as required by COLL.
- The exposure to the underlying assets must not exceed the limits in COLL for the class of underlying asset concerned.
- The Manager may hedge transactions by back to back foreign currency borrowings against sterling. The Manager does not envisage entering into hedging transactions to a major extent.

### Significant influence

- The Manager must not acquire or cause to be acquired for a Fund, transferable securities issued by a body corporate and carrying rights to vote (whether or not on substantially all matters) at a general meeting of that body corporate if:
  - immediately before the acquisition, the aggregate of any such securities held for the Fund taken together with any such securities already held for other authorised unit trusts of which it is also the

- Manager, gives the Manager power significantly to influence the conduct of business of that body corporate; or
- o the acquisition gives the Manager that power.

### Concentration limits

A Fund must comply with the concentration limits set out below (unless, at the time of acquisition, the net amount in issue of the relevant investment cannot be calculated).

A Fund:

- must not acquire transferable securities (other than debt securities) which do not carry a right to vote on any matter at a general meeting of the body corporate that issued them; and represent more than 10% of those securities issued by that body corporate;
- must not acquire more than 10% of the debt securities issued by any single body;
- must not acquire more than 25% of the units in a collective investment scheme;
- must not acquire more than 10% of the money market instruments issued by any single body.

### Underwriting

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

### Cash and near cash

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

- redemption of units;
- efficient management of a Fund in accordance with its investment objectives; or
- other purposes reasonably regarded as ancillary to the investment objectives of a Fund.

### Borrowing and lending powers

- The Trustee may on the instructions of the Manager and subject to the provisions of COLL, borrow money for the use of a Fund on terms that the borrowing is to be repayable out of the property of that Fund.
- Borrowing must be on a temporary basis and not persistent and against these criteria the Manager must have regard to:
  - o the duration of any period of borrowing, and
  - o the number of occasions on which resort is had to borrowing in any period.
- No period of borrowing should exceed three months without the prior consent of the Trustee which may only be given on such conditions as appear appropriate to the Trustee to ensure that borrowing does not cease to be on a temporary basis only.
- The Manager must ensure that a Fund's borrowing does not, on any business day, exceed 10% of the value of that Fund's property.

### Daily Calculation of global exposure

- The Manager must calculate the global exposure of each Fund on at least a daily basis.

- For the purposes of this paragraph, exposure must be calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

#### Calculation of global exposure

- The Manager must calculate the global exposure of each Fund either as:
  - the incremental exposure and leverage generated through the use of derivatives and forward transactions, which may not exceed 100% of the net value of the Scheme Property of the Fund, by way of the commitment approach; or
  - the market risk of the Scheme Property of the Fund, by way of the value at risk approach.
- The Manager must ensure that the method selected above is appropriate, taking into account:
  - the investment strategy pursued by the Fund;
  - the types and complexities of the derivatives and forward transactions used; and
  - the proportion of the Scheme Property comprising derivatives and forward transactions.
- Where the Fund employs techniques and instruments including repo contracts or stock lending transactions in accordance with the COLL Sourcebook in order to generate additional leverage or exposure to market risk, the Manager must take those transactions into consideration when calculating global exposure.
- Value at risk means a measure of the maximum expected loss at a given confidence level over the specific time period.

#### Commitment approach

- Where the Manager uses the commitment approach for the calculation of global exposure, it must:
  - ensure that it applies this approach to all derivative and forward transactions, whether used as part of the Fund's general investment policy, for the purposes of risk reduction or for the purposes of efficient portfolio management in accordance with the COLL Sourcebook; and
  - convert each derivative or forward transaction into the market value of an equivalent position in the underlying asset of that derivative or forward (standard commitment approach).
- The Manager may apply other calculation methods which are equivalent to the standard commitment approach.
- For the commitment approach, the Manager may take account of netting and hedging arrangements when calculating global exposure of the Fund, where these arrangements do not disregard obvious and material risks and result in a clear reduction in risk exposure.
- Where the use of derivatives or forward transactions does not generate incremental exposure for the Fund, the underlying exposure need not be included in the commitment calculation.
- Where the commitment approach is used, temporary borrowing arrangements need not form part of the global exposure calculation.

### Schedule 3: Eligible Markets

In accordance with the Rules, a Fund may generally only invest or deal in transferable securities or approved money market instruments where they are admitted to or dealt in on an Eligible Market. Eligible Markets include all those markets established in the UK and any EEA State (including, as at the date of this Prospectus, Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, and Sweden) that are listed on the register maintained by the European Securities and Markets Authority (ESMA), as updated from time to time. This register is available at: [https://registers.esma.europa.eu/publication/searchRegister?core=esma\\_registers\\_upreg](https://registers.esma.europa.eu/publication/searchRegister?core=esma_registers_upreg).

In addition, a Fund may invest in the following Eligible Markets:

Canada	Toronto Stock Exchange
United States of America	New York Stock Exchange
	National Association of Securities Dealers Automated Quotation System (NASDAQ)
	American Stock Exchange

In addition, HL Select Global Growth Shares may invest in the following Eligible Markets:

Australia	ASX Group
Brazil	BM&F BOVESPA SA
China	Shanghai Stock Exchange
	Shenzhen Stock Exchange
Hong Kong	HKex
India	BSE
	National Stock Exchange
Indonesia	Indonesia Stock Exchange
Israel	Tel Aviv Stock Exchange
Japan	Japan Exchange Group
	Nagoya Stock Exchange
	Sapporo Securities Exchange
Malaysia	Bursa Malaysia Berhad
New Zealand	New Zealand Exchange Ltd
Philippines	Philippine Stock Exchange
Saudi Arabia	Tadawul Stock Exchange
Singapore	Singapore Exchange Ltd SGX
South Africa	JSE Limited
South Korea	Korea Exchange Incorporated
Switzerland	SIX Swiss Exchange
Taiwan	Taiwan Stock Exchange Corporation
Thailand	The Stock Exchange of Thailand
Turkey	Borsa Istanbul
Vietnam	HoChiMinh Stock Exchange

Other Eligible Markets may be added subject to appropriate due diligence by the Manager and in consultation with the Trustee in accordance with the Rules. This Schedule will be revised to list any such Eligible Market.

## Schedule 4

### Valuation of the property of the Funds

The net asset value of the scheme property of a Fund shall be the value of its assets less the value of its liabilities, and shall be determined in accordance with the following provisions:

- 1 All the scheme property of the relevant Fund (including receivables) as at the valuation point is to be included in the valuation, subject to the following provisions.
- 2 Property which is not cash (or other assets set out in paragraph (3) below) or a contingent liability transaction shall be valued as follows and the prices used shall be the most recent prices which it is practicable to obtain:
  - 2.1 Units/shares in a collective investment scheme:
    - (a) if a single price for buying and selling units/shares is quoted, that price;
    - (b) if separate buying and selling prices are quoted, at the average of the two prices provided that the buying price has been reduced by any initial charge included therein and the selling price has been increased by any exit charges attributable thereto; or
    - (c) if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or exists, at a value which in the opinion of the Manager is fair and reasonable;
  - 2.2 exchange-traded derivative contracts:
    - (a) if a single price for buying and selling the exchange-traded derivative contract is quoted, at that price;
    - (b) if separate buying and selling prices are quoted, at the average of the two prices;
  - 2.3 over-the-counter derivative contracts shall be valued in accordance with the method of valuation agreed between the Manager and the Trustee;
  - 2.4 any other transferable security:
    - (a) if a single price for buying and selling the security is quoted, at that price;
    - (b) if separate buying and selling prices are quoted, at the average of the two prices;
    - (c) if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or exists, at a value which in the opinion of the Manager is fair and reasonable;
  - 2.5 property other than that described in paragraphs 2.1 to 2.4 above, at a value which in the opinion of the Manager represents a fair and reasonable mid-market price.
- 3 Cash and amounts held in current and deposit accounts (and in other time-related deposits) shall be valued at their nominal values.
- 4 Property which is a contingent liability transaction shall be treated on the following basis:
  - 4.1 if a written option (and the premium for writing the option has become part of the scheme property), the amount of the net valuation of premium receivable shall be deducted. If the property is an off exchange derivative, the method of valuation shall be as agreed between the Manager and the Trustee;
  - 4.2 if an off exchange future, the net value of closing-out (in accordance with a valuation method agreed by the Manager and the Trustee) shall be included;



- 4.3 if any other form of contingent liability transaction, the net value of margin on closing-out (in accordance with a valuation method agreed by the Manager and the Trustee) shall be included.
- 5 In determining the value of the scheme property of the Fund, all instructions given to issue or cancel units shall be assumed to have been taken, regardless of whether or not this is the case.
- 6 Subject to paragraphs (7) and (8) below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted will be treated as having been completed and all necessary consequential actions having been taken. Such unconditional agreements need not be taken into account if they are made shortly before the valuation takes place and, in the opinion of the Manager, their omission will not materially affect the final net asset amount.
- 7 Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph (6).
- 8 All agreements are to be included under paragraph (6) which are, or ought reasonably to have been known, to the person valuing the property.
- 9 An estimated amount will be deducted for anticipated tax liabilities at the point in time including (as applicable and without limitation): capital gains tax, income tax, corporation tax and advance corporation tax, value added tax, stamp duty and stamp duty reserve tax.
- 10 The following will also be deducted:
- (a) an estimated amount for any liabilities payable out of the property attributable to the Fund and any tax on it (treating any periodic items as accruing from day to day);
  - (b) the principal amount of any outstanding borrowings whenever payable;
  - (c) any accrued but unpaid interest on borrowings.
- 11 An estimated amount will be added for accrued claims for repayment of taxation levied:
- (a) on capital (including capital gains); or
  - (b) on income.
- 12 The following will also be added:
- (a) any other credit due to be paid into the scheme property of the Fund;
  - (b) any SDRT provision anticipated to be received.
- 13 Currencies or values in currencies other than the base currency shall be converted at the relevant valuation point at a rate of exchange that is not likely to result in any material prejudice to the interests of Unitholders or potential Unitholders.

#### Proportion Accounts

If more than one class of Unit are in issue in a Fund, the proportionate interests of each class in the assets and income of the Fund shall be ascertained as set out in the Trust Deed, the relevant provisions being set out as follows:

A notional account will be maintained for each Unit class. Each account will be referred to as a "**Proportion Account**". The word "proportion" in the following paragraphs means the proportion which the balance on a Proportion Account at the relevant time bears to the balance on all the Proportion Accounts of a Fund at that time. The proportionate interest of a class of Unit in the assets and income of a Fund is its "**proportion**".

These will be credited to a Proportion Account:

- the subscription money (excluding any initial charges) for the issue of Units of the relevant class;
- that class's proportion of the amount by which the net asset value of the Fund exceeds the total subscription money for all Units in the Fund;
- that class's proportion of the Fund's income received and receivable; and
- any notional tax benefit.

These will be debited to a Proportion Account:

- the redemption payment for the cancellation of Units of the relevant class;
- the Unit class's proportion of the amount by which the net asset value of the Fund falls short of the total subscription money for all Units in the Fund;
- all distributions of income (including equalisation, if any) made to Unitholders of that class;
- all costs, charges and expenses incurred solely in respect of that class;
- that Unit class's share of the costs, charges and expenses incurred in respect of that class and one or more other classes in the Fund, but not in respect of the Fund as a whole;
- that class's share of the costs, charges and expenses incurred in respect of or attributable to the Fund as a whole; and
- any notional tax liability.

Any tax liability in respect of the relevant Fund, and any tax benefit received or receivable in respect of that Fund, will be allocated between classes in order to achieve, so far as possible, the same result as not materially to prejudice any class. The allocation will be carried out by the Manager after consultation with the Auditors.

The Proportion Accounts are notional accounts maintained for the purpose of calculating proportions. They do not represent debts from the Fund to Unitholders or the other way round. Each credit and debit to a Proportion Account shall be allocated to that account on the basis of that Unit class's proportion immediately before the allocation. All such adjustments shall be made as are necessary to ensure that on no occasion on which the proportions are ascertained is any amount counted more than once. When Units are issued thereafter each such Unit shall represent the same proportionate interest in the property of the Fund as each other Unit of the same category and class then in issue in respect of that Fund.

Each Fund shall allocate the amount available for income allocation (calculated in accordance with the COLL Sourcebook) between the Units in issue relating to the Fund according to the respective proportionate interests in the property of the Fund represented by the Units in issue at the valuation point in question.

## Schedule 5

### Sub-custodians

Country	Sub-Custodian	Country	Sub-Custodian
Argentina	Citibank, N.A.	Luxembourg	Euroclear Bank S.A./N.V.
Australia	HSBC Bank Australia Limited	Malaysia	HSBC Bank Malaysia Berhad
Austria	UniCredit Bank Austria A.G	Mauritius	The Hongkong and Shanghai Banking Corporation Limited
Bangladesh	Standard Chartered Bank	Mexico	Banco Nacional de Mexico, S.A.
Belgium	Deutsche Bank AG	Morocco	Societe Generale Marocaine de Banques
Bermuda	HSBC Bank Bermuda Limited	Namibia	Standard Bank Namibia Ltd
Bosnia and Herzegovina - Federation of B & H	Raiffeisen Bank Bosnia DD BiH	Netherlands	Deutsche Bank AG
Bosnia and Herzegovina - Republic of Srpska	Raiffeisen Bank Bosnia DD BiH	New Zealand	The Hongkong and Shanghai Banking Corporation Limited
Botswana	Standard Chartered Bank Botswana Limited	Nigeria	Stanbic IBTC Bank Plc
Brazil	Citibank Distribuidora de Titulos e Valores Mobiliarios S.A.	Norway	Nordea Bank Abp
Bulgaria	Citibank Europe plc	Oman	HSBC Bank Oman S.A.O.G
Canada	The Northern Trust Company, Canada	Pakistan	Citibank, N.A.
Canada*	Royal Bank of Canada	Panama	Citibank, N.A.
Chile	Banco de Chile	Peru	Citibank del Peru S.A.
China B	HSBC Bank (China) Company Limited	Philippines	The Hongkong and Shanghai Banking Corporation Limited
Clearstream	Clearstream Banking S.A.	Poland	Bank Polska Kasa Opieki SA
Colombia	Cititrust Colombia S.A. Sociedad Fiduciaria	Portugal	BNP Paribas Securities Services

Costa Rica	Banco Nacional de Costa Rica	<b>Qatar</b>	HSBC Bank Middle East Limited
Croatia	Zagrebacka Banka d.d.	<b>Romania</b>	Citibank Europe plc
Cyprus	Citibank Europe PLC	<b>Russia</b>	AO Citibank
Czech Republic	UniCredit Bank Czech Republic and Slovenia, a.s.	<b>Saudi Arabia</b>	The Northern Trust Company of Saudi Arabia
Denmark	Nordea Bank Abp	<b>Senegal</b>	Standard Chartered Bank Cote d'Ivoire SA
Egypt	Citibank, N.A.	<b>Serbia</b>	UniCredit Bank Serbia JSC
Estonia	Swedbank AS	<b>Singapore</b>	DBS Bank Ltd
Eswatini	Standard Bank Eswatini Ltd.	<b>Slovakia</b>	Citibank Europe plc
Finland	Nordea Bank Abp	<b>Slovenia</b>	UniCredit Banka Slovenija d.d.
France	The Northern Trust Company	<b>South Africa</b>	The Standard Bank of South Africa Limited
Germany	Deutsche Bank AG	<b>South Korea</b>	The Hongkong and Shanghai Banking Corporation Limited
Ghana	Standard Chartered Bank Ghana Limited	<b>Spain</b>	Deutsche Bank SAE
Greece	Citibank Europe PLC	<b>Sri Lanka</b>	Standard Chartered Bank
Hong Kong	The Hongkong and Shanghai Banking Corporation Limited	<b>Sweden</b>	Svenska Handelsbanken AB (publ)
Hong Kong (Stock Connect Shanghai/Shenzhen)	The Hongkong and Shanghai Banking Corporation Limited	<b>Switzerland</b>	Credit Suisse (Switzerland) Ltd
Hungary	UniCredit Bank Hungary Zrt	<b>Taiwan</b>	Bank of Taiwan
		<b>Taiwan</b>	HSBC Bank (Taiwan) Limited
Iceland	Landsbankinn hf	<b>Tanzania</b>	Standard Chartered Bank Tanzania Limited
India	Citibank, N.A.	<b>Thailand</b>	Citibank, N.A.
Indonesia	Standard Chartered Bank	<b>Tunisia</b>	Union Internationale de Banques

Ireland	Euroclear UK and Ireland Limited (Northern Trust self-custody)	Turkey	Deutsche Bank AG and Deutsche Bank AS
Israel	Bank Leumi Le-Israel B.M.	Uganda	Standard Chartered Bank Uganda Limited
Italy	Citibank Europe plc	United Arab Emirates - ADX	HSBC Bank Middle East Limited
Japan	The Hongkong and Shanghai Banking Corporation Limited	United Arab Emirates - DFM	HSBC Bank Middle East Limited
Jordan	Standard Chartered Bank	United Arab Emirates - NASDAQ Dubai	HSBC Bank Middle East Limited
Kazakhstan	Citibank Kazakhstan JSC	United Kingdom	Euroclear UK and Ireland Limited (Northern Trust self custody)
Kenya	Standard Chartered Bank Kenya Limited	United States	The Northern Trust Company
Kuwait	HSBC Bank Middle East Limited	Uruguay	Banco Itau Uruguay S.A.
Latvia	Swedbank AS	Vietnam	HSBC Bank (Vietnam) Ltd
Lithuania	AB SEB Bankas	Zambia	Standard Chartered Bank Zambia plc

\* The Royal Bank of Canada serves as Northern Trust's sub-custodian for securities not eligible for settlement in Canada's local central securities depository