

# PROSPECTUS

**BNY CHARITY AUTHORISED INVESTMENT FUND**

**THIS PROSPECTUS IS VALID AT 12 MAY 2025**



Manager  
*BNY Mellon Fund Managers Limited*  
*BNY Mellon Centre*  
*160 Queen Victoria Street*  
*London*  
*EC4V 4LA*

*Authorised and regulated by the Financial Conduct Authority (the FCA)*

Prepared in accordance with the requirements of the FCA Handbook of Rules and Guidance (the Regulations) and complies with those requirements of the Regulations which apply to the contents of a Prospectus for a charity authorised investment fund structured as a Non-UCITS Retail Scheme authorised unit trust

# Prospectus of BNY Charity Authorised Investment Fund

This document constitutes the prospectus (the Prospectus) of the authorised unit trust scheme known as the BNY Charity Authorised Investment Fund (the Trust). The Prospectus has been prepared in accordance with the terms of the Regulations and copies of this Prospectus have been sent to the FCA and the Trustee.

The Trust is marketed, and Units are only available, to Eligible Investors. An Eligible Investor is defined in the Trust Deed and in this Prospectus. Full details of the eligibility requirements are set out in the Trust Deed and this Prospectus. For the avoidance of doubt Nominees acting on behalf of Eligible Investors may hold Units.

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

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

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 The Trust is not bound by any out of date prospectus when it has issued a new prospectus and potential investors should check that they have the most recently published prospectus.

BNY Mellon Fund Managers Limited, the Manager of the Trust, is the person 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 in this Prospectus does not contain any untrue or misleading statement or omit any matters required by the Regulations.

The distribution of this document and the offering or sale of Units in certain jurisdictions may be restricted by law. No action has been taken by the Manager that would permit an offer of Units or possession or distribution of this document in any jurisdiction where action for that purpose is required, other than in the United Kingdom. This document does not constitute an offer of or an invitation to purchase or subscribe for any Units by anyone in any jurisdiction in which such offer or invitation is not authorised or to any person to whom it is unlawful to make such offer or invitation. Persons into whose possession this document comes are required by the Manager to inform themselves about and to observe any such restrictions. The document may be translated into languages other than English. In the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in any translation, the English text shall prevail.

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# Definitions

## “Accumulation Units”

a Unit, denominated in the Base Currency, in the property of a Sub-Fund in respect of which income (if any) is accumulated in the price of the Unit pursuant to the Regulations;

## “Administrator”

The Bank of New York Mellon (International) Limited, or such other entity as is appointed by the Manager to act as administrator and registrar of Unitholders to the Trust;

## “Administration Agreement”

the agreement between the Manager and the Administrator setting out the terms on which the Administrator will provide administration, registrar and related services for the benefit of the Trust;

## “Advisory Committee”

the advisory committee in respect of any Sub-Fund (as applicable) as provided for in the Trust Deed and as further described in this Prospectus;

## “Alternatives Directive”

the EU Alternative Investment Fund Managers Directive and associated EU and UK secondary legislation as it applies in the UK from time to time including as retained, amended, extended, re-enacted or otherwise given effect on or after 11 pm on 31 December 2020;

## “Alternative Investment Fund”

an alternative investment fund within the meaning of the Alternatives Directive;

## “Approved Bank”

in relation to a bank account opened by a Sub-Fund:

- (a) if the account is opened at a branch in the United Kingdom:
  - (i) the Bank of England;
  - or
  - (ii) the central bank of a member state of the OECD;
  - or
  - (iii) a bank;
  - or
  - (iv) a building society;
  - or
  - (v) a bank which is supervised by the central bank or other banking regulator of a member state of the OECD;
  - or
- (b) if the account is opened elsewhere:
  - (i) a bank in (a);
  - or

- (ii) a bank which is regulated in the Isle of Man or the Channel Islands;

or

- (c) a bank supervised by the South African Reserve Bank;

or

- (d) a credit institution established in an EEA State and duly authorised by the relevant home state regulator.

## “Base Currency”

the base currency of the Trust and each Sub-Fund is Pounds Sterling, the currency of the United Kingdom;

## “Benchmark”

indices used as benchmarks in financial instruments and financial contract to measure the performance of investment funds;

## “Benchmark Regulation”

Regulation (EU) 2016/1011 as it applies in the UK from time to time including as retained, amended, extended, re-enacted or otherwise given effect on or after 11 pm on 31 December 2020;

## “Business Day”

any day which is not a Saturday, a Sunday or a public holiday in England and Wales and on which banks are generally open for business in London;

## “Charitable Purposes”

as defined in the Charities Act;

## “Charity” or “Charities”

a charity as defined in the Charities Act or a charity for UK tax purposes as defined by Schedule 6 to the Finance Act 2010.

## “Charities Act”

the Charities Act 2011;

## “Charity Authorised Investment Fund”

a UK FCA authorised fund that has been registered with the Charity Commission as a charity;

## “Charity Commission”

The Charity Commission for England and Wales;

## “Exclusion Policy”

The policy which determines which issuers should be excluded from the investment universe as determined by each Sub-Fund;

## “Dealing Day”

9 am until 5 pm on each Business Day;

**“Depository Agreement”**

the agreement between the Trustee and the Manager setting out amongst other matters the terms on which the Trustee acts as a depository under the Alternatives Directive;

**“EEA State”**

A member state of the European Union and any other state which is within the European Economic Area;

**“Efficient Portfolio Management”**

certain investment techniques, including the use of derivatives, which are used for one or more of the following purposes: reduction of risk, reduction of cost or generation of additional capital or income at a level of risk which is consistent with the relevant Sub-Fund’s risk profile and the risk diversification rules appearing in the Regulations;

**“Eligible Institution”**

either a CRD credit institution authorised by the FCA (in the case of UK firms) or its home state regulator or a MiFID investment firm authorised by its home state regulator (in the case of EEA firms);

**“Eligible Investor”**

means a Charity which is eligible to invest in the Sub-Funds as permitted pursuant to clause 17 of the Trust Deed;

**“EU”**

the European Union;

**“EUWA”**

European Union (Withdrawal) Act 2018;

**“FATCA”**

the US Foreign Account Tax Compliance provisions enacted by the US Hiring Incentives to Restore Employment Act of 18 March 2010 (as amended, consolidated or supplemented from time to time);

**“FCA”**

the Financial Conduct Authority of 12 Endeavour Square, London, E20 1JN or any successor body which may assume its regulatory responsibilities from time to time;

**“Income Reserve Account”**

an income reserve account as provided for in the Trust Deed and as further described in this Prospectus in which income may be retained in accordance with COLL 14.4.1 R to 14.4.4 R;

**“Income Units”**

a Unit, denominated in the Base Currency, in the property of a Sub-Fund in respect of which income allocated to the Unit is distributed periodically to the Unitholders pursuant to the Regulations;

**“Initial Offer Period”**

the initial offer period set out in Appendix 1;

**“Investment Management Agreement”**

an agreement between the Manager and the Investment Manager, setting out the terms on which the investment management services will be provided to the Manager;

**“Investment Manager”**

the investment manager appointed by the Manager in respect of each Sub-Fund as set out in the section titled ‘Investment Manager’ of this Prospectus;

**“Loss”**

as defined in paragraph “The Trustee” of this Prospectus;

**“Manager”**

BNY Mellon Fund Managers Limited;

**“Net Asset Value” or “NAV”**

the net asset value of the Scheme Property of the Sub-Funds determined in accordance with the Trust Deed and paragraphs “Valuation of ” and “Calculation of the Net Asset Value” of this Prospectus;

**“Nominee”**

a person holding property for a Charity which is eligible to invest in the Sub-Funds pursuant to a Nominee Arrangement;

**“Nominee Arrangement”**

a binding legal agreement under which a person (the Nominee) holds property for a Charity which is eligible to invest in the Sub-Funds, in such a manner that the Nominee does not have and cannot acquire any beneficial interest in that property and the Nominee holds that property on behalf of the Charity.

**“Non-UCITS Retail Scheme”**

a scheme complying with the requirements of the Regulations for a non-UCITS retail scheme;

**“Register of Unitholders”**

the register of Unitholders of the Trust;

**“Regulations”**

the requirements of the FCA Handbook of Rules and Guidance which apply to the establishment, operation and promotion of the Trust including those requirements which apply to the contents of a Prospectus for a Non-UCITS Retail Scheme;

**“Scheme Property”**

the property of the Trust or a Sub-Fund, as the context requires, to be given to the Trustee for safe-keeping, as required by the Regulations;

**“securities financing transactions” or “SFTs”**

as defined in article 3 of the Securities Financing Transactions Regulation, i.e. any or all of the following:

- (a) a repurchase contract;
- (b) securities or commodities lending and securities or commodities borrowing;



- (c) a buy-sell back transaction or sell-buy back transaction;
- (d) a margin lending transaction.

**“Securities Financing Transactions Regulation” or “SFTR”**

Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 as it applies in the UK from time to time including as retained, amended, extended, re-enacted or otherwise given effect on or after 11pm on 31 December 2020;

**“Sub-Fund” or “Sub-Funds”**

a Sub-Fund of the Trust (being part of the Scheme Property of the Trust which is pooled separately) to which specific assets and liabilities of the Trust may be allocated and which is invested in accordance with the investment objective applicable to that Sub-Fund;

**“Switch”**

the switch of Units in one Sub-Fund for units in another Sub-Fund or units in any other UK domiciled fund managed by the Manager and “Switching” and “Switched” shall be construed accordingly;

**“Terms of Reference”**

the document provided by the Manager setting out the terms of reference in relation to the function and operation of the Advisory Committee for any Sub-Fund (if applicable) to which each member of the Advisory Committee must agree in order to be a member of the Advisory Committee;

**“total return swap” or “TRS”**

A derivative contract in which one counterparty transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference obligation to another counterparty;

**“Trust”**

BNY Charity Authorised Investment Fund, a UK authorised unit trust;

**“Trust Deed”**

the trust deed of the Trust as established on 13.01.2025, together with all supplemental trust deeds entered into from time to time;

**“Trustee”**

NatWest Trustee and Depositary Services Limited;

**“UCITS”**

"an undertaking for collective investment in transferable securities" (a) established in an EEA State, within the meaning of points a) and b) of Article 1(2) of the UCITS IV Directive; or (b) (from the date on which the EUWA come into effect) established in an EEA state or the UK, within the meaning of section 236A of the Financial Services and Markets Act 2000, as amended;

**“UCITS Directive”**

“Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS”

**“Unit” or “Units”**

a unit or units in the Sub-Funds;

**“Unit Class”**

a unit class within a Sub-Fund as described in Appendix 1 as amended from time to time;

**“Unitholder”**

a registered Unitholder in the Trust or a Sub-Fund, as the context requires; and

**“VAT”**

value added tax chargeable under the Value Added Tax Act 1994 and any similar replacement tax and any similar additional tax.

# The Trust

The BNY Charity Authorised Investment Fund is a Charity Authorised Investment Fund Non-UCITS Retail Scheme constituted as an umbrella authorised unit trust established under the Trust Deed and its effective date of authorisation by the FCA was 14 January 2025 (FCA product reference number [●]).

Please note that authorisation by the FCA in this context does not in any way indicate or suggest endorsement or approval of the Trust as an investment.

The Charity Commission issued an order in respect of the Trust pursuant to section 96 of the Charities Act on 27 January 2025 and with effect from the date of that order the Trust was established as a common investment fund for the purposes of the Charities Act and is registered with the Charity Commission with registered charity number 1211888.

The Manager and the Trustee are the charity trustees for the purposes of the Charities Act (“**Charity Trustees**”). For the avoidance of doubt the Depositary Agreement does not qualify, restrict or exclude the duties and liabilities of the Manager and Trustee respectively as charity trustees.

The Charity Trustees have agreed to a shared set of principles in respect of their decision-making, including the following:

i. In addition to any other legal and regulatory obligations they have, the Charity Trustees have a legal duty to act only in the best interests of the Trust, in furtherance of its charitable purposes.

ii. In the context of the role of a charity trustee, a conflict of interest is any situation in which the Charity Trustees’ interests could, or could be seen to, conflict with this duty.

iii. The Charity Trustees will identify, manage and record any conflict of interests in relation to the Trust in accordance with their respective conflict of interest policies, their respective obligations under the Trust Deed and any applicable laws and guidance, including the Charity Commission Guidance and the Regulations.

iv. The Charity Trustees acknowledge that nothing in the Prospectus will exclude or limit their duties or obligations as charity trustees or under any other applicable laws or guidance.

The duration of the Trust is unlimited.

Each Sub-Fund may have an Advisory Committee independent of the Manager and Trustee. The principal function of the Advisory Committee is to represent the interests of Unitholders in that Sub-Fund and to consult with and make representations to the Manager and to the Trustee in carrying out that function. The Advisory

Committee is a consultative body only with no executive powers and is not authorised to undertake regulated activities.

The Sub-Funds represent segregated portfolios of assets and, accordingly, the assets of a Sub-Fund belong exclusively to that Sub-Fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the Trust, or any other Sub-Fund, and shall not be available for any such purpose. Subject to the above, each Sub-Fund will be charged with the liabilities, expenses, costs and charges of the Trust attributable to that Sub-Fund. Any assets, liabilities, expenses, costs or charges not attributable to a particular Sub-Fund may be allocated by the Manager in a manner which it believes is fair to the Unitholders generally.

In order to be eligible to hold Units, a prospective investor must be an Eligible Investor or a Nominee acting on behalf of an Eligible Investor.

The Trust is established as a common investment fund for the purposes of the Charities Act and accordingly:

- (a) the Manager and the Trustee shall have no power for which provision may not lawfully be made by or in a common investment scheme as that term is defined in section 96 of the Charities Act; and
- (b) neither the Trust Deed nor this Prospectus may make provision for any matter to the extent that such matter may conflict with the provisions of section 98 of the Charities Act.

The Head Office of the Trust is at BNY Mellon Centre, 160 Queen Victoria Street, London EC4V 4LA, which is also the address of the place in the United Kingdom for service on the Trust of notices or other documents required or authorised to be served on it.

The base currency of the Trust and each Sub-Fund is Pounds Sterling.

All communications in relation to this Prospectus shall be in the languages referred to in the relevant Key Investor Information document.

Unitholders in a Sub-Fund are not liable for the debts of the Sub-Fund. Unitholders are not liable to make any further payment after they have paid the price on the purchase of Units. (subject to the provisions in this Prospectus on late settlement).

The Trust is authorised by the FCA as a Non-UCITS Retail Scheme under the Regulations. For the purposes of the Alternatives Directive, the Trust will constitute an Alternative Investment Fund.

# Investment Objectives and Policies

## INVESTMENT OBJECTIVES AND POLICIES

The assets of each Sub-Fund will be invested separately in accordance with the investment objectives and policies of the relevant Sub-Fund which are set out in Appendix 1 to this Prospectus .

## PERFORMANCE BENCHMARKS

The performance benchmark for each Sub-Fund is set out in Appendix 1.

## BENCHMARK REGULATION

Unless otherwise disclosed in this Prospectus, the indices or Benchmarks utilised by the Sub-Funds are, as at the date of this Prospectus, provided by an administrator that is listed on the register of Benchmarks and administrators maintained by the FCA, as required by the Benchmark Regulation.

The Manager has adopted a written plan setting out actions, which it will take with respect to the Sub-Fund in the event that an index or Benchmark materially changes or ceases to be provided (the “Contingency Plan”), as required by article 28(2) of the Benchmark Regulation. Unitholders may access the Contingency Plan, free of charge, upon request, from the Manager.

# Typical Investor Profile

The Sub-Funds will only be available to Eligible Investors.

The Sub-Funds may be suitable for Charities which view collective investment schemes as a convenient way of participating in investment markets while utilising criteria which are specific to each Sub-Fund and which are used to exclude certain investments. Investors must have experience with, or understand, products where capital is at risk.

Units of each Sub-Fund might be suitable for investors that are comfortable that the value of investments in the Sub-Funds can go down as well as up, that capital may be at risk and that performance varies over time and returns are not guaranteed.

Investors should be aware that there is no protection of capital and no guaranteed return and investors can lose the amount invested. Accordingly, Units of the Sub-Funds are not suitable for:

- any investor who does not have sufficient resources to bear any loss resulting from the investment;
- investors who are not prepared to take any risk with their money or put their capital at risk; and/or

- any investor looking for guaranteed income or a guaranteed total return.

## INVESTMENT AND BORROWING POWERS

The assets of each Sub-Fund will be invested with the aim of achieving the investment objective and in accordance with the policy of each Sub-Fund as described in Appendix.

They must also be invested so as to comply with this Prospectus, the Trust Deed and with the investment and borrowing powers and restrictions set out in the COLL Sourcebook as they apply to a Non-UCITS Retail Scheme. A summary of the investment and borrowing powers and restrictions applicable to all the Sub-Funds is set out in Appendix 2.

The Manager is subject to the provisions of the Securities Financing Transactions Regulation. The SFTR sets out certain disclosure requirements regarding the use of securities financing transactions and total return swaps, as described in Appendix 2 under the section headed “Investment and Financial Techniques”.

# Fair Treatment for Unitholders

The Manager has considered the requirement under the Alternatives Directive to ensure fair treatment for Unitholders.

It considers that fair treatment will be achieved as a result of:

- (a) the process by which the Manager has considered the interests of Unitholders through the design of the Sub-Funds and the appropriateness of the investment objectives and investment policies of the Sub-Funds for the investment needs and requirements of charities.
- (b) (at an operational level) the safeguards and investor protections built into the structure of a Non-UCITS Retail Scheme as an FCA authorised collective investment scheme. The Regulations provide a corporate governance framework for the Trust (including the holding of the assets of the Trust by the (independent) Trustee, the requirements to notify and on occasion obtain the consent of Unitholders to changes in the way in which the Trust operates), concentration and spread requirements for assets within the portfolios of the Sub-Funds, regular disclosure of information regarding the Sub-Funds,

their composition and investment performance, and detailed operating rules for dealing, pricing and valuation.

# Changes to the Trust, any Sub-Fund or Unit Class

Where any changes are proposed to be made to the Trust, a Sub-Fund or a Unit Class (including any increase in fees), the Manager will assess whether the change is fundamental, significant or notifiable in accordance with the Regulations. If the change is regarded as fundamental, approval will be required from the relevant Unitholders in accordance with the Regulations. If the

change is regarded as significant, 60 days' prior written notice will be given to the affected Unitholders. If the change is regarded as notifiable, Unitholders will receive suitable pre or post event notice of the change. Changes to a Sub-Fund's investment objective or policy will usually be significant or fundamental.

## Manager

### THE MANAGER AND ITS DUTIES AND RESPONSIBILITIES

The Manager of the Trust is BNY Mellon Fund Managers Limited which is a private company limited by shares incorporated in England and Wales under the Companies Act 1985. The Manager was incorporated on 11 March 1986 (Registered Company No 1998251), and is a wholly owned subsidiary of BNY Mellon Investment Management EMEA Limited (a private company limited by shares, incorporated in England and Wales), the ultimate parent company of the Manager is The Bank of New York Mellon Corporation, a corporation registered in the state of Delaware, USA.

<b>Registered Office and Head Office:</b>	<b>BNY Mellon Fund Managers Limited</b> <b>BNY Mellon Centre</b> 160 Queen Victoria Street, London, EC4V 4LA
<b>Share Capital:</b>	The share capital of the Manager is 1,625,000 ordinary shares of £1.00 each.

The Manager is responsible for managing and administering the Trust's affairs in compliance with the Regulations. The Manager may delegate its management and administration functions to third parties including associates as provided for in and subject to the controls and limitations provided for in the Regulations. The investment management of each Sub-Fund has been delegated to an Investment Manager and the administration has been delegated to The Bank of New York Mellon (International) Limited, each an associate of the Manager.

The Manager is also responsible for managing the Trust in accordance with the requirements of the Alternatives Directive. This is because in addition to being classified as a Non-UCITS Retail Scheme the Trust constitutes an Alternative Investment Fund. The Manager is the alternative investment fund manager of the Trust for the purposes of the Alternatives Directive.

### OTHER SCHEMES MANAGED BY THE MANAGER

As at the date of this Prospectus, the Manager acts as manager of the following authorised unit trusts:

BNY Mellon Charities Funds

Newton SRI Fund for Charities

The Manager is the authorised contractual scheme manager of the BNY Mellon Authorised Contractual Scheme.

In addition to the above-mentioned funds, the Manager is also the Authorised Corporate Director to the following investment companies with variable capital:

BNY Mellon Investment Funds

BNY Mellon Managed Funds I

### TERMS OF APPOINTMENT

The Manager acts as such by virtue of the Trust Deed.

The Manager is entitled to its pro rata fees and expenses to the date of termination of the Trust and any additional expenses necessarily incurred in settling or realising any outstanding obligations.

The Manager is under no obligation to account to the Trustee or the Unitholders for any profit it makes on the issue or re-issue of Units or cancellation of Units which it has redeemed. The fees to which the Manager is entitled are set out in paragraph "Charges Payable to the Manager" of this Prospectus.

The main business activities of the Manager are acting as the manager of Alternative Investment Funds and of UK UCITS (as defined in the Regulations).

The Manager makes provision in its capital resources for professional negligence and/or other liabilities arising from the management of investment funds.

# Directors

The directors of the Manager are Sarah Cox, Carole Judd, Marc Saluzzi, Caylie Stallard, Sandeep Sumal and Lucy Silva. None of the directors have any significant business activities which are not connected with the business of the Manager or its affiliates.

## The Trustee

NatWest Trustee and Depositary Services Limited is the Trustee of the Trust and the depositary of the Trust within the meaning of the Alternatives Directive. The Trustee is a private limited company incorporated in England. The Trustee is authorised and regulated by the FCA.

The Trustee is also a charity trustee in respect of the Trust for the purposes of the Charities Act.

<b>Registered and Head Office:</b>	250 Bishopsgate, London EC2M 4AA
<b>Address for Correspondence:</b>	<b>NatWest Trustee and Depositary Services Limited</b> House A, Floor 0 Gogarburn 175 Glasgow Road Edinburgh EH12 1HQ

### PRINCIPAL BUSINESS ACTIVITY

The principal business of the Trustee is the provision of trustee and depositary services.

### TERMS OF APPOINTMENT

The Manager and the Trustee have entered into a Depositary Agreement appointing the Trustee as the depositary of the Trust within the meaning of the Alternatives Directive (the "Depositary Agreement").

As a general rule, under the Depositary Agreement the Trust will indemnify the Trustee for losses incurred by the Trustee in the proper performance of its obligations and duties under the Depositary Agreement or as a result of its reliance on properly given instructions except in respect of its fraud, negligence or wilful default or its intentional or negligent failure to fulfil its obligations under the Depositary Agreement or applicable law and regulation.

Nothing in the Depositary Agreement shall act to prevent the Trustee from rendering similar services to others.

The fees to which the Trustee is entitled are set out in the section of this Prospectus titled "Trustee's Fee and Expenses".

#### Termination

The Depositary Agreement may be terminated on at least three months' written notice by the Trustee or the Manager or immediately in certain circumstances set out in the Depositary Agreement. Termination cannot take effect, nor may the Trustee retire voluntarily, until a successor depositary has been appointed.

### DUTIES OF THE TRUSTEE

- The responsibilities of the Trustee include:
- cash monitoring and verifying the Trust's cash flows;
- safekeeping of the assets of the Trust;
- ensuring that dealing in Units and valuation of Units is carried out in accordance with the Trust Deed and applicable national law including the Regulations;
- ensuring that in transactions involving the Trust, any consideration is remitted within the usual time limits;
- ensuring that the Trust's income is applied in accordance with the Trust Deed and applicable national law, including the Regulations;
- and
- carrying out instructions from the Manager unless they conflict with the Trust Deed and applicable national law, including the Regulations.

The powers, duties, rights and obligations of the Trustee and the Manager under the Depositary Agreement shall, to the extent of any conflict, be overridden by the Regulations and any other applicable laws and regulations.

### LIABILITY OF THE TRUSTEE

Pursuant to the Alternatives Directive, the Trustee is liable to the Trust for any loss of a financial instrument held in custody by the Trustee or a custodian suffered or incurred by the Trust ("Loss"). The Trustee is not liable for a Loss (i) which has arisen as a result of an external event beyond the reasonable control of the Trustee; or (ii) subject to certain conditions set out in the Depositary Agreement, if the relevant financial instrument is held by a custodian appointed in accordance with the Depositary Agreement and applicable laws, and (a) there is a transfer and discharge of liability in accordance with the Alternatives Directive, and/or (b) the Trustee had no other option but to delegate the custody to such custodian due to local law requirements. For any other loss under the Depositary Agreement not considered to be a Loss, to the extent permitted by applicable law the Trustee is not liable for any liabilities unless such liabilities are a direct result of the material breach, fraud, negligence, wilful misconduct, negligent or intentional failure on the part of the Trustee. Neither party is responsible to the other for indirect losses or force majeure events.



## DELEGATION

Under the Depositary Agreement, the Trustee has the power to delegate (and authorise its delegates to sub-delegate) all or any part of its duties as depositary in relation to safekeeping of the Scheme Property, upon prior notice to the Manager. The Trustee's liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping.

The Trustee has delegated its safe-keeping duties in respect of financial instruments in custody to The Bank of New York Mellon, London Branch. The use of particular sub-delegates will depend on the markets in which a Sub-Fund invests. A list of sub-delegates is included in Appendix 6 of this Prospectus, alternatively an updated list of sub-delegates is available upon request from the Manager.

## CONFLICTS

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

The Trustee and/or its delegates and sub-delegates may in the course of its or their business be involved in other financial and professional activities which may on

occasion have potential conflicts of interest with the Sub-Funds and/or other funds managed by the Manager or other funds for which the Trustee acts as the depositary, trustee or custodian. The Trustee will, however, have regard in such event to its obligations under the Depositary Agreement and the Regulations and, in particular, will use reasonable endeavours to ensure that the performance of its duties will not be impaired by any such involvement it may have and that any conflicts which may arise will be resolved fairly and in the best interests of Unitholders collectively so far as practicable, having regard to its obligations to other clients. The Trustee maintains a conflict-of-interest policy to address such conflicts.

Nevertheless, as the Trustee operates independently from the Trust, Unitholders, the Manager and its associated suppliers and the Custodian, the Trustee does not anticipate any conflicts of interest arising between it and any of the aforementioned parties.

Where a conflict or potential conflict of interest arises, the Trustee will have regard to its obligations to the Trust, applicable law and regulation, and its conflicts of interest policy.

# The Investment Manager

The Manager has delegated investment management of each Sub-Fund to an Investment Manager as follows:

### **Newton Catholic Values Fund for Charities**

The Manager has appointed Newton Investment Management Limited to provide non-exclusive portfolio management and related advisory services to the Manager in respect of the Newton Catholic Values Fund for Charities. Newton Investment Management Limited has the authority to make investment decisions on behalf of the Newton Catholic Values Fund for Charities and the Manager provided always that Newton Investment Management Limited complies with the investment objective and policy for the Newton Catholic Values Fund for Charities and operates within the Regulations as they apply to Non-UCITS Retail Schemes.

The Investment Management Agreement may be terminated with immediate effect by the Manager. No minimum period of notice is required. Newton Investment

Management Limited may terminate the Investment Management Agreement on not less than 90 days' written notice.

Under the Investment Management Agreement, Newton Investment Management Limited shall not be liable for the consequences of any investment decision made in good faith but agrees to indemnify the Manager in respect of the negligence, default or fraud of Newton Investment Management Limited or any of its associates.

The registered office of Newton Investment Management Limited is at BNY Mellon Centre, 160 Queen Victoria Street, London EC4V 4LA. The principal activity of Newton Investment Management Limited is acting as an investment manager. The ultimate parent company of Newton Investment Management Limited is The Bank of New York Mellon Corporation.

Newton Investment Management Limited is authorised and regulated by the FCA.

# The Auditor

The Auditor of the Trust is Ernst & Young LLP 1 More London Place, London, SE1 2AF.

# The Administrator

The Manager is responsible under the Regulations for administration of the Trust and for the maintenance of the Register of Unitholders for the Trust. The Manager has delegated the administration and registrar services to the Administrator, which may in turn delegate part of its role to an associate.

Subject to the overall supervision by the Manager, the Administrator will administer the Trust's affairs, maintain the Trust's accounting records, calculate the Net Asset Value of the Trust and the Net Asset Value per Unit of each Sub-Fund and serve as registrar in respect of the registered Units. The Register of Unitholders may be inspected by any Unitholder, or any Unitholder's duly authorised agent, free of charge during normal business hours at BNY Mellon Centre, 160 Queen Victoria Street, London, EC4V 4LA.

The Administration Agreement may be terminated by either party without cause upon 12 months' prior written notice to the other party.

The Manager will indemnify the Administrator against any liability, loss, damage and reasonable cost to the Administrator arising out of the provision of its services, except to the extent caused by the Administrator's negligence, wilful default, fraud or breach of the Administration Agreement.

The Administrator is a limited liability company incorporated in England and Wales on 9 August 1996 with its registered office at 160 Queen Victoria Street, London EC4V 4LA. The Administrator is engaged in the business of, inter alia, providing administration services to and in respect of collective investment undertakings and investment companies. The ultimate parent company of the Administrator is The Bank of New York Mellon Corporation.

The Administrator is authorised by the Prudential Regulation Authority and regulated by the FCA and the Prudential Regulation Authority.

## Advisory Committees

The Trust Deed provides for the establishment of an Advisory Committee in respect of any Sub-Fund in accordance with COLL 14.3.

An Advisory Committee may be established in relation to each Sub-Fund and, where it is, the members of each Advisory Committee shall be independent of the Manager and the Trustee. Any Advisory Committee is a consultative body only with no executive powers and is not authorised to undertake regulated activities. As such, members of any Advisory Committee are not charity trustees under the Charities Act and are not required to be FCA approved persons to perform the functions of Advisory Committee members.

The principal function of any Advisory Committee is to represent the interests of all Unitholders in the Sub-Fund (s) and to consult with and make representations to the Manager, the Investment Manager and to the Trustee in carrying out that function.

The Manager will provide the Terms of Reference to which each prospective member of each Advisory Committee will have to agree as part of their appointment to the respective Advisory Committee.

The members of each Advisory Committee must be independent of the Manager, the Investment Manager and the Trustee. Initial members of each Advisory Committee will be nominated by the Manager to form each Advisory Committee. Subsequent members may be nominated by the Manager and/or a Unitholder and appointed to each Advisory Committee by the Manager. Any member may resign from their appointment to an Advisory Committee having given prior written notice to the Chair of the Advisory Committee. In the case of a member representing a Unitholder, such member's membership of the Advisory Committee will automatically cease when the represented Unitholder ceases to hold Units in the relevant Sub-Fund and/or when the member ceases to be affiliated (through employment or otherwise) with the

relevant Unitholder. A member will automatically cease to be a member of the Advisory Committee if they are absent without good reason, such reason being notified to the Chair of the Advisory Committee, from three consecutive Advisory Committee meetings. A member may be removed by a majority decision of the other members of the Advisory Committee.

The minimum number of Advisory Committee members at any one time is three. The maximum number of Advisory Committee members at any one time is six. At the Manager's discretion, the maximum number of Members may be increased.

Each Advisory Committee shall hold at least one committee meeting per calendar year. The notice of each meeting shall specify the place, the day and hour of the meeting and contain reasonable particulars of the matters to be discussed at the meeting. The quorum of any meeting of an Advisory Committee duly convened will be three members present (in person or remotely through live communications such as telephone or video conference, by an alternate or by proxy) (unless at that time the Advisory Committee only has one member), and a representative of either the Manager or the Investment Manager (albeit representatives of the Manager or the Investment Manager will not be permitted to contribute to any decisions in respect of the representations to be put forward by the Advisory Committee to ensure independence of the Manager and the Trustee). If any meeting of the Advisory Committee is not quorate, the meeting will be adjourned until such time that a quorum is in attendance.

Each Advisory Committee may request the convening of a general meeting of Unitholders by notice which must state the objects of the meeting, be dated, be signed by or on behalf of the Advisory Committee and be sent to the Manager and the Trustee. On receipt of notice from or

on behalf of the Advisory Committee the Manager or the Trustee must convene a general meeting for a date not later than eight weeks after receipt of the requisition.

Each Advisory Committee shall consider and, as each Advisory Committee deems appropriate, make representations to the Manager and to the Trustee regarding the management and administration of the relevant Sub-Fund. Specifically, the Advisory Committee will be consulted on any changes to the fees and charges borne or to be borne by any class of units of the Sub-Fund. In the event of increases to remuneration payable to the Manager and Trustee specifically, the Advisory Committee will be consulted otherwise the Charity Commission's prior written approval will instead be obtained by the Manager and Trustee.

Each Advisory Committee may prepare each year an annual statement to be included in the Scheme's annual long report.

The members of each Advisory Committee shall be entitled to be paid out of the Scheme Property, any reasonable costs and expenses incurred by them in carrying out their functions subject to prior approval from the Manager.

The Manager shall at its own expense provide information to each Advisory Committee as further detailed below. The Manager shall provide information in reasonable detail which it reasonably considers relevant to the functions of each Advisory Committee, and where relevant, with reasonable advance notice to allow proper consideration by each Advisory Committee. As a minimum the Manager will at its own expense:

- (a) provide to each Advisory Committee details of any proposed increase in the fees and charges borne or to be borne by any Unit Class (including any changes

proposed to the fees and charges of the Trustee and Manager), at least 28 calendar days before any written notice of such matters are to be sent to Unitholders;

- (b) provide a report to each Advisory Committee twice a year on the management and administration of the relevant Sub-Fund and such other matters which the Manager deems will be of interest to each Advisory Committee; and
- (c) attend the meetings of each Advisory Committee at a time and place to be agreed.

The Manager and Trustee shall:

- (a) where considered appropriate by the Manager and Trustee, inform Unitholders in writing of the representations (if any) made to them by each Advisory Committee in respect of any proposed increase, or introduction, in respect of fees and charges of the Manager and/or the Trustee; and
- (b) ensure on the request of each Advisory Committee that the Trust's annual long report includes a statement prepared and approved by each Advisory Committee.

The membership of each Sub-Fund Advisory Committee may change from time to time and current members are listed below:

Newton Catholic Values Fund for Charities	To be established
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## Conflicts of Interest

The Manager and Trustee are both Charity Trustees for the purposes of section 177 Charities Act and in this capacity only they have agreed to the following shared set of principles in respect of their decision-making:

- (a) in addition to any other legal and regulatory obligations they have, the Charity Trustees have a legal duty to act in the best interests of the Trust, in furtherance of its Charitable Purposes.
- (b) The Charity Trustees will identify, manage and record any conflict of interests in relation to the Trust in accordance with their respective conflict of interest policies, their respective obligations under the Trust Deed and any applicable laws and guidance, including the Charity Commission Guidance (CC29) and the FCA Handbook.
- (c) The Charity Trustees acknowledge that nothing in this Prospectus will exclude or limit their duties or obligations as charity trustees or under any other applicable laws and guidance.

The Manager, the Trustee, the Administrator and the Investment Manager are or may be involved in other financial, investment and professional activities which may, on occasion, cause conflicts of interest with the

management of the Trust. In addition, the Trust may enter into transactions at arm's length with companies in the same group as the Manager.

The Manager, the Administrator, the Investment Manager and The Bank of New York Mellon, London Branch are companies within the same group.

The Trustee is a third party and is independent of the Investment Manager and the Manager.

The Trustee may, from time to time, act as trustee of other funds.

Each of the parties will, to the extent of their ability and in compliance with the Regulations, ensure that the performance of their respective duties will not be impaired by potential or actual conflicts of interest. Further details of the Manager's conflicts of interest policy are available on request.



# Characteristics of Units in the Trust

The nature of the right represented by Units is that of a beneficial interest under a trust. The rights and obligations of the Unitholders are set out in the Trust Deed, this Prospectus and the application form for Units.

## Classes of Units

The Unit Classes currently available in each Sub-Fund are set out in Appendix 1 together with details of the minimum initial investment and minimum on-going holding. Any minimum may be waived or reduced at the sole discretion of the Manager.

Each Sub-Fund issues both Accumulation Units and Income Units. Each type of Unit, accumulation or income, represents a beneficial interest in undivided shares in the property of the Sub-Fund. Each undivided Unit ranks *pari passu* with other undivided Units in the Sub-Fund. If a Unitholder holds Income Units it will receive net distributions in accordance with the distribution policy of the Sub-Fund as described in Appendix 1. If a Unitholder holds Accumulation Units there will be no payment of income. The income attributable to the Accumulation Units will remain as property of the Sub-Fund and the

number of undivided shares represented by each Accumulation Unit will be increased accordingly. The number of Accumulation Units remains the same.

The Trust Deed also permits further Unit Classes to be made available other than those currently available. Any Unit Classes may vary according to whether it accumulates or distributes income or attracts different fees and expenses and as a result of this, monies may be deducted from classes in different proportions. In these circumstances the proportionate interests of the Unit Classes within the Trust will be adjusted in accordance with the provisions in the Trust Deed relating to proportion accounts. The Trustee may create one or more Unit Classes as instructed from time to time by the Manager. The creation of additional Unit Classes will not result in any material prejudice to the interests of Unitholders in existing Unit Classes.

## Buying, Selling and Switching Units

The dealing office of the Manager is open from 9.00 am until 5.00 pm (UK time) on each Dealing Day to receive requests for the issue or redemption of Units, which will be effected at prices determined at the next valuation point following receipt of such request.

### BUYING UNITS

#### Eligible Investors

In order to be eligible to invest in a Sub-Fund, the investor or prospective investor must be an Eligible Investor. Investors will be required to provide the Manager with such information and documentation as the Manager may require to the Manager's satisfaction that the investor is an Eligible Investor.

If a Unitholder becomes aware that it is not an Eligible Investor, it must inform the Manager immediately. In these circumstances the Manager reserves the right to take action in accordance with the paragraph in this Prospectus titled 'Restrictions and Compulsory Transfer and Redemption' which may include redeeming or cancelling Units.

The Manager may periodically request Unitholders to provide up to date documentation confirming their status as an Eligible Investor. The cost of providing this documentation will be borne by the Unitholders.

For the avoidance of doubt Nominees acting on behalf of Eligible Investors may hold Units.

#### Procedure

Initial subscriptions for Units can only be made by sending a completed original signed application form, together with any additional documentation requested, to the address specified on the application form.

Subsequent subscriptions for Units can be made either by sending a completed original signed application form to the address specified on the application form, or by telephoning 0844 892 2715 / +44 (0) 20 3528 4070, or by faxing a completed signed application form to 0844 892 2716 / +44 (0) 131 305 3289. Application forms may be obtained by telephoning the same number.

The Manager has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for Units in whole or part, and in particular may reject any application from an applicant who cannot satisfy the Manager that it is a Charity. In this event the Manager will return any money sent, or the balance of such monies, at the risk of the applicant. In addition the Manager may reject any application previously accepted in circumstances where the applicant has paid by cheque and that cheque subsequently fails to be cleared.

For all Unit Classes, settlement proceeds must be received in cleared funds, in the currency of the relevant Unit Class, no later than three Business Days following receipt by the Manager of an application to purchase such Shares. If settlement is due on a non-Business Day

in the country of the currency of the relevant Unit, settlement must be paid on the following Business Day in the country of the currency of the relevant Unit.

The Manager, at its discretion, has the right to cancel a purchase deal if settlement is overdue and any loss arising on such cancellation will be the liability of the applicant. The Manager is not obliged to issue Units unless it has received cleared funds from an investor. The investor agrees to reimburse the Manager for any costs (including interest), losses, claims and expenses suffered or incurred by the Sub-Fund and/or the Manager as a result of the non-payment by the investor of the subscription monies by the day settlement is due, as described above. No interest will be paid on funds held prior to investment.

Subscriptions in writing are to be sent to BNY Mellon Fund Managers Limited, Client Service Centre, PO Box 366, Darlington, DL1 9RF.

Any subscription monies remaining after a whole number of Units has been issued will not be returned to the applicant. Instead, fractions of Units will be issued in such circumstances correct to three decimal places.

At the Manager's absolute discretion an application for Units may be submitted:

- 1 through a compatible automated interface or trading system deemed acceptable to the Administrator (together with all necessary anti-money laundering documentation and such other documentation as may be approved by the Manager in lieu of an initial application form). In respect of faxed applications, these may only be processed upon receipt of a faxed instruction provided that the original application form and all necessary anti-money laundering documentation have been received promptly via fax (or post). Please note that no redemption payment may be made from that holding until the original subscription application form (except where an application has been made through a compatible automated interface or trading system) and all anti-money laundering documentation have been received and all anti-money laundering procedures have been completed. Subsequent applications may be submitted in original form, by fax, by telephone (with a faxed confirmation), through a compatible automated interface or trading system deemed acceptable to the Administrator or via the Trust's website or such other means as the Manager in its sole discretion determines. In such cases the Administrator will confirm the application in writing to the Unitholder; or
- 2 as an attachment to such email address as may be provided by the Manager from time to time, except where an application has been made through a compatible automated interface or trading system, amendments to an investor's registration details and payment instructions will only be processed upon receipt of original documentation.

## EVIDENCE OF TITLE

A contract note giving details of the Units purchased and the price used will be issued by the end of the Business Day following the valuation point by reference to which the purchase price is determined, together with, where appropriate, a notice of the applicant's right to cancel. Where appropriate (typically where advice has been

received from a qualified financial adviser), a notice of the applicant's right to cancel will be issued with the contract note.

Certificates will not be issued in respect of Units. Ownership of Units will be evidenced by an entry on the Trust's Register of Unitholders except in the case of any default in payment or transfer to the Trust of cash or other property due and the Trustee and the Manager are not obliged to take notice of any trust or other interest affecting the title of any of the Units. Units are in registered form. There shall be entered on the Register the name and address of each Unitholder, the Unit Class, the number of Units (including fractions of a Unit) of each type held by each such Unitholder and the date on which the Unitholder was registered in the Register of Unitholders in respect of the Units standing in its name. Individual statements of a Unitholder's (or, when Units are jointly held, the first named Unitholder's) Units will also be issued at least once a year or at any time on request by the registered Unitholder. A statement shall not constitute a document of title to the units to which it refers.

A Unitholder may not effect transfer of title to Units on the authority of an electronic communication.

## MINIMUM SUBSCRIPTIONS AND HOLDINGS

The minimum initial and subsequent subscription levels, and minimum holdings, for each Sub-Fund are set out in Appendix 1. The Manager may at its discretion accept subscriptions lower than the minimum amount.

If a holding is below the minimum holding the Manager has the discretion to compulsorily redeem the entire holding as set out in the section of this Prospectus titled 'Restrictions and Compulsory Transfer and Redemption' below.

## SELLING UNITS

### Procedure

Every Unitholder has the right to require that the Trust redeem their Units on any Dealing Day unless the Manager has a reasonable ground to refuse the request in accordance with the Regulations. If the value of Units which a Unitholder wishes to redeem will mean that the Unitholder will hold Units with a value less than the required minimum holding for the Sub-Fund, the Unitholder may be required to redeem their entire holding. Requests to redeem Units may be made to the Manager by telephone on 0844 892 2715 / +44 (0)20 3528 4070, by fax on 0844 892 2716 / +44 (0) 131 305 3289 or in writing to BNY Mellon Fund Managers Limited, Client Service Centre, PO Box 366, Darlington, DL1 9RF.

In addition to the above Procedure at the Manager's absolute discretion a request to redeem Units may be submitted as an attachment to such email address as may from time to time be provided by the Manager except where the application was made through a compatible automated interface or trading system in which case an application to redeem Units must be made in the same manner. Amendments to an investor's registration details and payment instructions will only be processed upon receipt of original documentation which may be submitted via a compatible automated interface where this has been agreed with the Manager.

If the total value of redemptions on any Dealing Day exceeds 10% of the Net Asset Value of the Trust, the Manager may in its absolute discretion defer the redemption to the next Dealing Day.

Where the Trustee and Manager reasonably believe that a Unitholder no longer constitutes a Charity, the Manager shall be entitled to require the Unitholder to sell their Units at the next available Dealing Day following notification to the Unitholder.

### Documents the Seller will receive

A contract note giving details of the number and price of Units sold will be despatched to the selling Unitholder (the first named, in the case of joint Unitholders) or their duly authorised agents. In addition they will receive (if sufficient written instructions have not already been given) a form of renunciation for completion and execution by the Unitholder (and, in the case of a joint holding, by all the joint holders).

Payment by cheque or by electronic payment will be made in satisfaction of the redemption monies and will be issued within three Business Days of the later of:

- (a) receipt by the Manager of the form of renunciation (or other sufficient written instructions) duly signed by all the relevant Unitholders and completed as to the appropriate number of Units, together with any other appropriate evidence of title;
- or
- (b) the valuation point following receipt by the Administrator of the request to redeem.

## SWITCHING

A Unitholder may at any time (subject to there being more than one Sub-Fund available) request to Switch all or some of their units from one Sub-Fund to another Sub-Fund.

A Switching Unitholder must be eligible to hold the units into which the Switch is to be made.

Switching may be effected by contacting the Manager in the same way as selling Units (see the "Selling Units" section) and the Unitholder may be required to provide a written instruction (which, in the case of joint Unitholders must be signed by all the joint Unitholders).

If the requested Switch would result in the Unitholder holding a number of Units of a value which is less than the minimum holding required for the relevant Sub-Fund, the Manager may, if it thinks fit, Switch the whole of the unitholding or refuse to effect the requested Switch.

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

No Switch will be made during any period when dealing in either of the relevant Sub-Funds is suspended (see the "Suspension of Dealings in the Trust" section). The general provisions on redeeming units shall apply equally to a Switch.

The Manager may adjust the number of Units to be issued to reflect any charges or levies in respect of the issue, repurchase or cancellation of the units as may be permitted pursuant to the Regulations.

In accordance with current UK tax law, a Switch may be treated as a redemption and sale and will, for persons subject to UK taxation, be a disposal for the purposes of UK taxation on chargeable gains, although a Switch of Units in one class in a Sub-Fund for Units in another class in the same Sub-Fund will not normally be deemed to be a disposal for the purposes of UK taxation on chargeable, on the basis that the Units are of substantially the same value and the rights of the Unitholder are the same, except for Switches from an unhedged Unit Class to a hedged Unit Class (or vice versa).

A Unitholder who Switches Units will not be given a right by law to withdraw from or cancel the transaction.

## CONVERSION

### Conversion at the Discretion of the Manager

Where more than one Unit Class is in issue, the Manager may at its absolute discretion permit a Unitholder to convert all or some Units held from one class for units in another class, subject to minimum investment and eligibility requirements as described in this Prospectus.

Such conversions will usually be executed within three Dealing Days of receipt of a valid instruction. Requests to convert between Unit Classes are undertaken by reference to the respective Unit prices of each Class.

Where the Manager determines at its absolute discretion that Unit Class conversions are materially prejudicial to the Unitholders of a Unit Class, instructions to convert between Unit Classes will only be executed on the Dealing Day following the Trust's relevant income allocation date. In such circumstances, instructions to convert between Unit Classes must be received by the Manager no sooner than ten Business Days before the Trust's relevant income allocation date.

### Procedure and Charges for Conversion

Requests to convert between Unit Classes must be submitted in writing to BNY Mellon Fund Managers Limited, Client Service Centre, PO Box 366, Darlington, DL1 9RF. Requests may also be faxed to 0844 892 2716 or +44 (0) 131 305 3289. Unitholders may be required to complete a conversion request form (which, in the case of joint unitholders must be signed by all the joint holders). Conversion request forms may be obtained from the Administrator.

Where conversion requests involve multiple individual Unitholder accounts the Manager may at its discretion impose a requirement to process the request on a pre-agreed date and template. The Manager may agree to accept submission of such bulk requests by means other than in writing including electronically.

No conversion will be made during any period when the right of the Unitholders to require a redemption of Units is suspended.

The Manager may at its discretion impose a conversion fee on the conversion of Units. Further details about the fee will be disclosed by the Manager at the time of application.

## IN SPECIE INVESTMENT

The Trustee may arrange for the Trust to issue or redeem Units in exchange for assets other than money, but will only do so where it is satisfied that the Trust's acquisition or redemption of those assets in consideration for the Units allotted is not likely to result in any material prejudice to the interests of Unitholders.

In relation to the issue of Units, the Trustee will ensure that the beneficial interest in the assets is transferred to the Trust with effect from the issue of the Units.

The Trustee will not issue Units in a Sub-Fund in exchange for assets the holding of which would be inconsistent with the investment objective or investment policies of the Sub-Fund.

## IN SPECIE REDEMPTION

If a Unitholder requests the redemption or cancellation of Units the Manager may arrange that, in place of payment of the price of the Units in cash, the Trustee cancels the Units and transfers Scheme Property or, if required by the Unitholder, the net proceeds of sale of relevant Scheme Property, to the Unitholder.

Before the proceeds of the cancellation of Units become payable, the Manager must give written notice to the Unitholder, not later than the close of business on the second day following the day of receipt of the request,

that the Scheme Property or the proceeds of sale of Scheme Property will be transferred to that Unitholder. Where such a notice is served on a Unitholder, the Unitholder may serve a further notice on the Manager not later than the close of business the next Business Day following the day of receipt by the Unitholder of the first mentioned notice, requiring the Manager instead of arranging for a transfer of Scheme Property, to arrange for a sale of that property and the payment to the Unitholder of the net proceeds of that sale.

The Manager will select the Scheme Property to be transferred (or sold) in consultation with the Trustee. They must ensure that the selection is made with a view to achieving no more advantage or disadvantage to the Unitholder requesting cancellation/redemption than to the continuing Unitholders.

In the case of in specie redemptions, the Scheme Property to be transferred is subject to stamp duty reserve tax unless the Scheme Property is transferred pro-rata.

## TELEPHONE RECORDINGS

Please note that telephone calls may be recorded by the Manager and the Administrator, their delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes.

# Dealing Charges

## INITIAL CHARGE

The Manager may impose a charge on the sale of Units to investors which is based on the amount invested by the prospective investor. The initial charge is payable to the Manager. Full details of the current initial charge in respect of each Sub-Fund are set out in Appendix 1. The initial charge may be waived or reduced at the sole discretion of the Manager. The Manager may not increase the initial charge, unless, not less than 60 days before the introduction, it has given notice in writing to the then current Unitholders of that increase and has received and made available the Prospectus to reflect the introduction and the date of its commencement.

The Manager may not introduce a redemption charge on Units unless, not less than 60 days before the introduction, it has given notice in writing to the then current Unitholders of that introduction and has revised and made available the Prospectus to reflect the introduction and the date of its commencement. If charged, the redemption charge will be deducted from the price of the Units being redeemed and will be paid by the relevant Sub-Fund to the Manager.

In the event of a change to the rate or method of calculation of a redemption charge, details of the previous rate or method of calculation will be available from the Manager.

## REDEMPTION CHARGE

The Manager may make a charge on the redemption of Units. At present no redemption charge is levied.

# Other Dealing Information

## DILUTION ADJUSTMENT

The basis on which each Sub-Fund's investments are valued for the purposes of calculating the issue and redemption price of Units is summarised elsewhere in

this document. Each Sub-Fund's investments are valued on a mid-market basis in accordance with the Regulations.



However, the actual cost of purchasing or selling investments may deviate from the mid-market value used in calculating the Unit price, due to dealing costs such as broking charges, taxes and any spread between the buying and selling prices of the underlying investments.

These dealing costs can have an adverse effect on the value of the Sub-Fund, known as "dilution". It is not possible to predict whether dilution is likely to occur.

The Regulations allow the cost of dilution to be met directly from the Sub-Fund's assets or to be recovered from investors on the purchase or redemption of Units by means of a dilution adjustment to the dealing price, which is the policy which has been adopted by the Manager. Where a dilution adjustment is not applied there may be an adverse impact on the future growth of the Sub-Fund.

To mitigate the effects of dilution the Manager therefore has the discretion to make a dilution adjustment in the calculation of the dealing price and thereby adjust the dealing price to Units on any given day.

The need to make a dilution adjustment will depend on the volume of purchases or redemptions on any given day.

The Manager may make a discretionary dilution adjustment if in its opinion the existing (for net purchases) or remaining (for net redemptions) Unitholders might otherwise be adversely affected. The Manager

therefore reserves the right to impose a dilution adjustment in respect of a Sub-Fund in the following circumstances:

- (a) where a Sub-Fund is in continual decline (is suffering a net outflow of investment);
- (b) where a Sub-Fund is experiencing large levels of net subscriptions or net redemptions relative to its size; and
- (c) in any other circumstances where the Manager believes it will be in the interests of Unitholders to make a dilution adjustment.

This policy to swing the dealing price will be subject to regular review and may change.

The Manager's decision on whether or not to make a dilution adjustment and at what level this adjustment might be made in particular circumstances or generally, will not prevent it from making a different decision in similar circumstances in the future.

Estimates of the dilution adjustments based on assets held in a Sub-Fund and market conditions at the time of this Prospectus are not currently available as the Sub-Fund has recently launched. The number of occasions on which the dilution adjustment was applied in the previous 6 month period will be provided once such information is available.

## Calculation of Dilution Adjustment

As explained above, the Manager may make a dilution adjustment when calculating the price of a Unit. In deciding whether to make a dilution adjustment the Manager must use the following bases of valuations:

- (a) when by reference to any valuation point the aggregate value of the Units of all classes issued exceeds the aggregate value of Units of all classes cancelled (i.e., a Sub-Fund is experiencing a net inflow of investment) any adjustment must be upwards;  
and  
the dilution adjustment must not exceed the Manager's reasonable estimate of the difference between what the price would have been had the dilution adjustment not been taken into account and what the price would have been if the Scheme Property had been valued on the best available market offer basis plus dealing costs;  
or
- (b) when by reference to any valuation point the aggregate value of the Units cancelled exceeds the aggregate value of Units of all classes issued (i.e. a Sub-Fund is experiencing a net outflow of investment) any adjustment must be downwards;  
and  
the dilution adjustment must not exceed the Manager's reasonable estimate of the difference between what the price would have been had the dilution adjustment not been taken into account and

what the price would have been if the Scheme Property had been valued on the best available market bid basis less dealing costs.

# Anti-Money Laundering

As a result of legislation in force in the United Kingdom to prevent money laundering, persons conducting investment business are responsible for compliance with anti-money laundering regulations. In order to implement these procedures, the Manager may need to undertake an electronic identity verification process. Investors may be asked to provide proof of identity and/or additional

documentation when buying Units, initially or in respect of a subsequent subscription. Until satisfactory proof of identity and/or additional documentation is obtained, the Manager reserves the right to refuse or reverse the subscription (at the investor's risk) or withhold the payment of distributions or proceeds of redemptions.

# Restrictions and Compulsory Transfer and Redemption

The Manager may from time to time impose such restrictions as it may think necessary for the purpose of ensuring that no Units are acquired or held by any person in breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory. In this connection, the Manager may reject in its discretion any application for the purchase, sale or transfer of Units and be entitled to require a Unitholder to sell its Units at the next available Dealing Day following notification to the Unitholder.

The Manager has powers under section 24 of the Trust Deed to redeem, or cancel Units on breach of law, Regulations, or, eligibility criteria (including tax status).

If the Manager becomes aware or reasonably believes that Units are vested in a person who is not an Eligible Investor, the Manager reserves the right to redeem such Units immediately.

# Suspension of Dealings in the Trust

The Manager may, with the agreement of the Trustee, or must if the Trustee so requires, temporarily suspend the issue, cancellation, sale and redemption of Units, if the Manager or the Trustee is of the opinion that due to exceptional circumstances there is good and sufficient reason to do so having regard to the interests of Unitholders or potential Unitholders. The Manager must ensure that a notification of the suspension is made to Unitholders as soon as practicable after suspension commences.

The Manager and the Trustee must formally review the suspension at least every 28 days and inform the FCA of the result of this review with a view to ending the suspension as soon as practicable after the exceptional circumstances have ceased.

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

# Governing Law

All deals in Units are governed by English law. The English courts shall have exclusive jurisdiction to settle any disputes or claims which may arise out of, or in connection with, a Unitholder's participation in the Trust.

# Valuation of each Sub-Fund

The price of a Unit is calculated by reference to the Net Asset Value of each Sub-Fund. There is only a single price for any Unit as determined from time to time by reference to a particular valuation point. The Net Asset Value per Unit is currently calculated at 12 noon on each Dealing Day.

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

# Calculation of the Net Asset Value

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

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

1. Scheme Property which is not cash (or sums held in bank accounts) or a contingent liability transaction shall be valued as follows:
  - 1.1 units or shares in a collective investment scheme:
    - 1.1.1 if a single price for buying and selling units is quoted, at the most recent price;  
or
    - 1.1.2 if separate buying or selling prices are quoted, at the average of the two prices provided the buying price has been reduced by any initial charge included therein and the selling price has been increased by any exit or redemption charge attributable thereto;  
or
    - 1.1.3 if no price or no recent price exists, at a price which in the opinion of the Manager is fair and reasonable;
  - 1.2 any other transferable security:
    - 1.2.1 if a single price for buying and selling the security is quoted, at that price;  
or
    - 1.2.2 if separate buying and selling prices are quoted, the average of those two prices;  
or
    - 1.2.3 if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no price exists, at a value which in the opinion of the Manager reflects a fair and reasonable price for that investment;
  - 1.3 property other than that described in 1.1 and 1.2 above at a value which, in the opinion of the Manager, represents a fair and reasonable mid-market price.
2. Cash and amounts held in current and deposit accounts and in other time-related deposits shall be valued at their nominal values.
3. In determining the value of the Scheme Property, all instructions given to issue or cancel Units shall be assumed to have been carried out (and any cash paid or received) whether or not this is the case.
4. Subject to paragraphs 5 and 6 below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the Manager, their omission will not materially affect the final net asset amount.
5. All agreements are to be included under paragraph 4 which are, or ought reasonably to have been, known to the person valuing the property.
6. An estimated amount for anticipated tax liabilities at that point in time including (as applicable and without limitation) capital gains tax, income tax, corporation tax and VAT will be deducted.
7. An estimated amount for any liabilities payable out of the Scheme Property and any tax thereon treating periodic items as accruing from day to day will be deducted.
8. The principal amount of any outstanding borrowings whenever repayable and any accrued but unpaid interest on borrowings will be deducted.
9. An estimated amount for accrued claims for tax of whatever nature which may be recoverable will be added.
10. Any other credits or amounts due to be paid into the Scheme Property will be added.
11. A sum representing any interest or any income accrued due or deemed to have accrued but not received will be added.
12. Currency or values in currencies other than the base currency shall be converted at a rate of exchange that is not likely to result in any material prejudice to the interests of Unitholder or potential Unitholders.

## Unit Price

The price per Unit at which Units are issued is the sum of the Net Asset Value of a Unit and any initial charge. The price per Unit at which Units are redeemed is the Net Asset Value per Unit less any applicable redemption charge. In addition, there may, for both purchases and sales, be a dilution adjustment, as described in paragraph "Other Dealing Information" of this Prospectus.

Unitholders are not liable for the debts of a Sub-Fund. A Unitholder is not liable to make any further payment to the Trust after paying the purchase price of Units.

# Pricing Basis

Each Sub-Fund deals on a forward pricing basis. A forward price is the price calculated at the next valuation point after the sale or redemption is agreed.

# Publication of Prices

The most recent prices will be available at ([www.newton.co.uk](http://www.newton.co.uk)). Prices may also be published in other media as determined by the Manager from time to time.



# Risk Factors

Risk Factors Table:

	Objective/Performance Risk	Performance Aim Risk	Currency Risk	Counterparty Risk	Changes in Interest Rates & Inflation Risk	Charges to Capital Risk	Credit Ratings and Unrated Securities Risk	Credit Risk	CoCo's Risk (Contingent Convertible Bonds)	Derivatives Risk	Emerging Markets Risk	Faith Consistent Exclusions Risk	Geographic Concentration Risk	Investment in Asset backed securities Risk	Investment in Fixed Interest Securities Risk	Investment in Higher Yielding companies risk	Investment in Infrastructure Companies Risk	Investment in Mortgage backed securities Risk	Investment in Smaller Companies Risk	Investment in Sub-Investment Grade Bonds Risk	Investment in High Yield Bonds Risk	Liquidity Risk	Market Risk	Portfolio concentration Risk	Real Estate Investment Trust (REITs) Risk	Sustainable Funds Risk	Stock Connect Risk	Volcker Rule
Newton Catholic Values Fund for Charities	✓		✓	✓	✓	✓		✓		✓		✓			✓					✓			✓					

Potential investors should consider the following risk factors before investing in a Sub-Fund.

## OBJECTIVE / PERFORMANCE AIM RISK

An investment in a Sub-Fund will involve exposure to those risks normally associated with investment in stocks and shares. As such, the price of Units and the income from them can go down as well as up and a Unitholder may not get back the amount they have invested. There is no assurance that the investment objectives of a Sub-Fund will actually be achieved. The Manager does not guarantee any yield or return on capital for a Sub-Fund.

## CURRENCY RISK

Assets of a Sub-Fund may be denominated in a currency other than the Base Currency of the Sub-Fund and changes in the exchange rate between the Base Currency and the currency of the asset may lead to a depreciation of the value of the Sub-Fund's assets as expressed in the Base Currency. It may not be possible or practical to hedge against such exchange rate risk. The Investment Manager of a Sub-Fund may, but is not obliged to, mitigate this risk by using financial instruments.

A Sub-Fund may from time to time enter into currency exchange transactions either on a spot basis or by buying forward currency exchange contracts, including for purposes of hedging investment denominated in a foreign currency against either the Base Currency of the Sub-Fund ("Currency Hedging") or another currency ("Cross Currency Hedging"), with a view to managing currency exposures in an efficient manner in relation to its investment objective. Neither spot transactions nor forward currency exchange contracts prevent fluctuations in the prices of a Sub-Fund's investment or in foreign exchange rates, nor will they present loss if the prices of these investment or currency into which such investment are hedged should decline. Currencies into which investment may be hedged may be imperfectly correlated or uncorrelated with the Base Currency of a Sub-Fund. Performance of a Sub-Fund may be strongly influenced by movements in foreign exchange rates because

currency positions held by a Sub-Fund may not correspond with investments held or with the Base Currency of the Sub-Fund.

## CURRENCY EXCHANGE RATES

Depending on an investor's currency of reference, currency fluctuations may adversely affect the value of an investment.

## COUNTERPARTY RISK

Each of the Sub-Funds may be exposed to credit risk on the counterparties with which it trades in relation to options, total return swaps, futures and forward contracts and other derivative financial instruments that are not traded on an exchange. Counterparties are not afforded the same protections as may apply to those trading futures or options on an exchange, such as the performance guarantee of an exchange clearing house. Each Sub-Fund will be subject to the possibility of the insolvency, bankruptcy or default of a counterparty with which the Sub-Funds trade such instruments, which could result in substantial losses to the relevant Sub-Fund or Sub-Funds.

Each of the Sub-Funds may also be exposed to a credit risk on counterparties with whom it trades securities, and may also bear the risk of settlement default, in particular in relation to debt securities such as bonds, notes and similar debt obligations or instruments.

## CHARGES TO CAPITAL

The Manager's fee (as set out in the paragraph "Fees and Expenses" of this Prospectus) payable out of the Scheme Property may be charged to capital or income of each Sub-Fund as set out in Appendix 1.

Where charges are made to capital or are otherwise made to the income of the Sub-Funds, but insufficient income is available to meet those charges, all or part of the charges may also be taken from the capital of the Sub-Funds, which may erode capital.

## CONCENTRATION

The Sub-Funds will normally be invested in a diversified portfolio of securities however, there may be occasions when market conditions dictate that a Sub-Fund may invest in a relatively small number of securities subject to the concentration limits set out in the Regulations, which may result in portfolio concentration in sectors, countries, or other groupings. These potential concentrations mean that a loss arising in a single investment may cause a proportionately greater loss in a Sub-Fund than if a larger number of investments were made.

## CONTRACTS FOR DIFFERENCE AND EQUITY SWAPS

Certain Sub-Funds may invest in contracts for difference (CFDs) and total return equity swaps (equity swaps). The risks inherent in CFDs and equity swaps are dependent on the position that a Sub-Fund may take in the transaction: by utilising CFDs and equity swaps, a Sub-Fund may put itself in a "long" position on the underlying value, in which case the Sub-Fund will profit from any increase in the underlying stock, and suffer from any fall. The risks inherent in a "long" position are identical to the risks inherent in the purchase of the underlying stock. Conversely, a Sub-Fund may put itself in a "short" position on the underlying stock, in which case the Sub-Fund will profit from any decrease in the underlying stock, and suffer from any increase. The risks inherent in a "short" position are greater than those of a "long" position: while there is a ceiling to a maximum loss in a "long" position if the underlying stock is valued at zero, the maximum loss of a "short" position is that of the increase in the underlying stock, an increase that, in theory, is unlimited.

It should be noted that a "long" or "short" CFD or equity swap position is based on the relevant Investment Manager's opinion of the future direction of the underlying security. The position could have a negative impact on a Sub-Fund's performance. However, there is an additional risk related to the counterparty when CFDs and equity swaps are utilised: a Sub-Fund runs the risk that the counterparty will not be in a position to make a payment to which it has committed. The relevant Investment Manager will ensure that the counterparties involved in this type of transaction are carefully selected and that the counterparty risk is limited and strictly controlled.

## CYBER SECURITY RISK

The Trust, the Manager and their service providers (including the Investment Manager, the Administrator, the Trustee and its distributors) ("Affected Persons") may be susceptible to operational and information security and related risks of cyber security incidents. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber security attacks include, but are not limited to, gaining unauthorised access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cyber attacks also may be carried out in a manner that does not require gaining unauthorised access, such as causing denial-of-service

attacks on websites (i.e., efforts to make services unavailable to intended users). Cyber security incidents affecting the Affected Persons have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, including by interference with a fund's ability to calculate its NAV; impediments to trading for a Sub-Fund's portfolio; the inability of Unitholders to transact business with a Sub-Fund; violations of applicable privacy, data security or other laws; regulatory fines and penalties; reputational damage; reimbursement or other compensation or remediation costs; legal fees; or additional compliance costs. Similar adverse consequences could result from cyber security incidents affecting issuers of securities in which a Sub-Fund invests, counterparties with which a Sub-Fund engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions and other parties.

The Manager and Investment Manager have established and maintain information risk management systems and business continuity plans which are designed to reduce the risks associated with cyber security and that have regard to established security standards and good industry practice. However, there are inherent limitations in any cyber security risk management systems or business continuity plans, including the possibility that certain risks have not been identified because of the evolving nature of the cyber security threat landscape.

## DERIVATIVES

Derivatives may be employed in pursuit of a Sub-Funds' investment objectives as stated in Appendix 1 and for the purposes of Efficient Portfolio Management.

All Sub-Funds may use derivatives (including, without limitation, total return swaps or financial derivative instruments with the same characteristics) for EPM purposes. Please refer to Appendix 1 which details how they are used and Appendix 5 for a full list of eligible derivative markets.

The use of derivatives (whether for EPM or investment purposes) may expose a Sub-Fund to a high degree of risk. An investment in derivatives may create leverage and so may result in greater fluctuations in the Net Asset Value of a Sub-Fund. Leverage includes obtaining exposure to an investment without the need to buy the investment itself (and at a cost to the relevant Sub-Fund which is less than the price of buying the underlying investment). Leverage may increase the opportunity for gains but may magnify the effect of losses. As a result, losses may exceed the value of a Sub-Fund's investment in derivatives. The Investment Manager seeks to ensure that the use of derivatives does not materially alter the risk profile of the relevant Sub-Fund. The effect of the derivative strategies employed could be to amplify or dampen market movements, or to cause the Net Asset Value of a Sub-Fund to move in an opposite direction to that of the market. In some cases, the behaviour of derivatives could be counter-intuitive to that expected by investors who are accustomed to investment in traditional long only funds.

All Sub-Funds may make use of derivatives for EPM. These techniques aim to reduce risk and/or costs in the Sub-Funds, or to produce additional capital or income in the Sub-Funds. It is not intended that using derivatives

for EPM will increase the volatility or alter the overall risk profile of the Sub-Funds. In adverse situations, however, a Sub-Fund's use of derivatives for EPM may become ineffective and a Sub-Fund may suffer significant loss as a result. A Sub-Fund's ability to use EPM strategies may be limited by market conditions, regulatory limits and tax considerations.

Any income or capital generated by EPM techniques will be paid to the relevant Sub-Fund.

## DERIVATIVES TECHNIQUES

The FCA Regulations permit the Manager to use certain techniques when investing in derivatives in order to manage a Sub-Fund's exposure to particular counterparties, and in relation to the use of collateral to reduce overall exposure to OTC derivatives. For example, a Sub-Fund may take collateral from counterparties with whom they have an OTC derivative position and use that collateral to net off against the exposure they have to the counterparty under that OTC derivative position, for the purposes of complying with counterparty spread limits. The FCA Regulations also permit a Sub-Fund to use derivatives to effectively short sell (agree to deliver the relevant asset without holding it in the scheme) under certain conditions.

It is not intended that the use of derivatives will cause the Net Asset Value of the relevant Sub-Fund to have a high volatility or otherwise cause its existing risk profile to change materially. However, where derivatives are used there remains a possibility that the unit price of a Sub-Fund may be more volatile than would otherwise have been the case.

## EFFECT OF INITIAL CHARGE OR REDEMPTION CHARGE

As an initial charge is imposed on a purchase of Units a Unitholder who redeems their Units may not, even in the absence of a fall in value of the relevant investments, realise the amount originally invested.

In particular, where a redemption charge is payable, an investor should note that the percentage rate at which the redemption charge is calculated is based on the market value rather than the initial value of the Units. If the market value of Units has increased, the redemption charge will show a corresponding increase. Currently there is no redemption charge levied on Units in any of the Sub-Funds. Units should generally be regarded as long-term investments.

## FAITH CONSISTENT EXCLUSIONS RISK

In seeking to invest in a manner consistent with the disclosed faith consistent exclusions, certain Sub-Funds may forgo opportunities to buy certain securities or invest in sectors when it might otherwise be advantageous to do so from a financial return perspective. Seeking to invest in a manner consistent with the faith consistent exclusions may also cause the fund to underperform similar Sub-Funds that do not have these types of exclusion. Please refer to Appendix 1 which details the exclusions policy of each Sub-Fund.

### **inflation and interest rate risk**

The real value of any returns that an investor may receive from investment in certain Sub-Funds will be affected by interest rates and inflation over time.

## INVESTMENT IN ASSET BACKED SECURITIES

Asset backed securities are securities made up of pools of debt securities and securities with debt like characteristics. The collateral for these securities may include home loans, car and credit card payments, boat loans, computer leases, aeroplane leases and mobile home loans. Certain Sub-Funds may invest in these and other types of asset backed securities that may be developed in the future.

Asset backed securities may provide the relevant Sub-Fund with a less effective security interest in the related collateral than mortgage backed securities. Therefore, there is the possibility that the underlying collateral may not, in some cases, be available to support payments on these securities.

## INVESTMENT IN EXCHANGE TRADED FUNDS

Exchange traded funds represent a basket of securities that are traded on an exchange and may not necessarily trade at the net asset value of their underlying holdings. As a result, they may trade at a price that is above or below the value of the underlying portfolio.

## INVESTMENT IN FIXED INTEREST SECURITIES

Fixed interest securities are particularly affected by trends in interest rates and inflation. If interest rates increase, capital values may fall and vice versa. Inflation will erode the real value of capital. In addition, issuers may not be able to honour repayment on bond they issue.

Unlike the income from a single fixed interest security, the level of income from a fund is not fixed and may go up and down.

The value of a fixed interest security will fall in the event of a default or reduced credit rating of the issuer. Generally, the higher the rate of interest, the higher the perceived credit risk of the issuer.

## INVESTMENT IN MORTGAGE BACKED SECURITIES

Mortgage backed securities are a form of security made up of pools of commercial or residential mortgages. Mortgage backed securities are generally subject to credit risks associated with the performance of the underlying mortgaged properties and to prepayment risk. As interest rates fall the underlying mortgages are likely to be prepaid shortening the term of the security and therefore the relevant Sub-Fund may not recoup its initial investment. Where interest rates rise, prepayments may slow which may lengthen the term of the investment.

Lower rated mortgage backed securities in which certain Sub-Funds may invest are likely to be more volatile and less liquid, and more difficult to price accurately, than more traditional debt securities. These securities may be

particularly susceptible to economic downturns. It is likely that an economic recession could disrupt severely the market for such securities and may have an adverse impact on the value of such securities.

## INVESTMENT IN MAINLAND CHINA

Certain Sub-Funds may invest in mainland China to the extent permitted by their investment objective and investment policy. Investments in mainland China may be sensitive to changes in law and regulation together with political, social or economic policy which includes possible government intervention. In extreme circumstances, the Sub-Funds may incur losses due to limited investment capabilities, or may not be able to fully implement or pursue its investment objectives or strategy, due to local investment restrictions, illiquidity of the Chinese domestic securities market, and/or delay or disruption in execution and settlement of trades. Investing in mainland China is subject to the risk of investing in emerging markets and may expose investors to the following risks:

### Renminbi currency risk

The renminbi (“RMB”) is currently not freely convertible. Although offshore RMB (“CNH”) and onshore RMB (“CNY”) are the same currency, the value of CNH may differ, perhaps significantly, from the value of CNY due to a number of factors including without limitation foreign exchange control policies and repatriation restrictions applied by the Chinese government as well as other external factors and market forces. Any divergence between CNH and CNY may adversely impact investors and, as a result, Sub-Funds investing in mainland China may bear greater currency risk. It is possible that the availability of CNH to meet redemption payments immediately may be reduced and such payments may be delayed. Investors in a share classes denominated in RMB will be exposed to the CNH market. Any depreciation of RMB could adversely affect the value of an investor’s investment in the applicable Sub-Fund.

The CNH denominated bond market is a developing market that is still relatively small and more susceptible to volatility and illiquidity. It is subject to regulatory restrictions imposed by the Chinese government, which are subject to change. In extreme circumstances, Sub-Funds investing in CNH denominated bonds may incur losses due to limited investment capabilities, or may not be able to fully implement or pursue its investment objectives or strategy.

### Risks associated with the Stock Connect

Investments in China A-Shares through the Shanghai-Hong Kong Stock Connect and/or the Shenzhen-Hong Kong Stock Connect (together, the “Stock Connect”) are subject to any applicable regulatory limits. The Stock Connect is a securities trading and clearing linked programme developed with an aim to achieve mutual stock market access between mainland China and Hong Kong. This programme allows foreign investors to trade certain China A-Shares listed on the Shanghai Stock Exchange and/or the Shenzhen Stock Exchange, through their Hong Kong based brokers. The relevant rules and regulations on the Stock Connect are subject to change which may have potential retrospective effect. The Stock Connect is subject to quota limitations. Where a suspension in the trading through the programme is

effected, a Sub-Fund’s ability to invest in China A-shares or access the market in mainland China through the programme will be adversely affected. In such event, the Sub-Fund’s ability to achieve its investment objective could be negatively affected.

### Potential Limitations and Restrictions on Investment Opportunities and Activities of BNY and the Trust

The Bank of New York Mellon Corporation and its affiliates (“BNY”) operates a program reasonably designed to ensure compliance generally with economic and trade sanctions-related obligations applicable directly to its activities (although such obligations are not necessarily the same obligations that the Trust may be subject to). Such economic and trade sanctions may prohibit, among other things, transactions with and the provision of services to, directly or indirectly, certain countries, territories, entities and individuals. These economic and trade sanctions, and the application by BNY of its compliance program in respect thereof, may restrict or limit the Company’s investment activities.

### Risks Associated with China Interbank Bond Market (CIBM) and Bond Connect

#### Volatility and liquidity

Market volatility and potential lack of liquidity due to low trading volume of certain debt securities in the CIBM may result in prices of certain debt securities traded on such market fluctuating significantly. A Sub-Fund investing in such market is therefore subject to liquidity and volatility risks. The bid and offer spreads of the prices of such securities may be large, and a Sub-Fund may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments.

#### Counterparty and Third Party Risk

To the extent that a Sub-Fund transacts in the CIBM, the Sub-Fund may also be exposed to risks associated with settlement procedures and default of counterparties. The counterparty which has entered into a transaction with a Sub-Fund may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value.

For investments via the Bond Connect, the relevant filings, registration with the People’s Bank of China and account opening have to be carried out via an onshore settlement agent, offshore custody agent, registration agent or other third parties (as the case may be). As such, a Sub-Fund is subject to the risks of default or errors on the part of such third parties.

#### System Failure Risk

Trading through Bond Connect is performed through newly developed trading platforms and operational systems. There is no assurance that such systems will function properly or will continue to be adapted to changes and developments in the market. In the event that the relevant systems fails to function properly, trading through Bond Connect may be disrupted. A Sub-Fund’s ability to trade through Bond Connect (and hence to pursue its investment strategy) may therefore be adversely affected. In addition, where a Sub-Fund invests in the CIBM through Bond Connect, it may be subject to risks of delays inherent in the order placing and/or settlement systems.



## Regulatory Risk

Investing in the CIBM is also subject to regulatory risks. The relevant rules and regulations on investment in the CIBM are subject to change which may have potential retrospective effect and there can be no assurance that the Bond Connect will not be abolished. In the event that the relevant mainland Chinese authorities suspend account opening or trading on the CIBM, a Sub-Fund's ability to invest in the CIBM will be limited and, after exhausting other trading alternatives, a Sub-Fund may suffer substantial losses as a result. Reforms or changes in macro-economic policies, such as the monetary and tax policies might affect interest rates. Consequently, the price and the yield of the bonds held in a portfolio would/could also be affected.

## Tax within China risk

There are risks and uncertainties associated with the current Chinese tax laws, regulations and practice. The interpretation and applicability of existing Chinese tax laws may not be as consistent and transparent as those of more developed nations, and may vary from region to region. There is a possibility that the current tax laws, regulations, and practice in China may be changed with retrospective effect in the future. Any increased tax liabilities on a Sub-Fund as a result of such changes may adversely affect the Sub-Fund's value. Additionally, any provision for taxation made by the Manager may be excessive or inadequate to meet final tax liabilities on gains derived from the disposal of securities in mainland China. Depending on the timing of their subscriptions and/or redemptions, investors may be disadvantaged as a result of any shortfall of tax provision and will not have the right to claim any part of the overprovision (as the case may be).

## China credit rating risk

The credit appraisal system in mainland China and the rating methodologies used by local Chinese credit rating agencies may be different from those employed in other markets. Credit ratings given by these agencies may therefore not be directly comparable with those given by other international rating agencies.

## INVESTMENT IN OTHER COLLECTIVE INVESTMENT SCHEMES

To the extent a Sub-Fund invests in another collective investment scheme, a Sub-Fund will bear, along with the other investors, its portion of the expenses of the other collective investment scheme, including management, performance and/or other fees. These fees will be in addition to the management fees and other expenses which a Sub-Fund bears directly with its own operations.

## INVESTMENT IN SUB-INVESTMENT GRADE BONDS

Certain Sub-Funds (including without limitation, the Newton Catholic Values Fund for Charities) may invest in sub-investment grade bonds. These bonds have a lower credit rating than investment grade bonds, and so a higher risk of default, and carry a higher degree of risk both to the income and capital value of these Sub-Funds.

## LIQUIDITY RISK

A Sub-Fund may invest in illiquid securities, which means that there is a possibility that they cannot be readily converted into cash when required. The value of these securities is subject to greater fluctuation if they are not regularly traded. A Sub-Fund's investment in illiquid securities may reduce the returns of the Sub-Fund because it may be unable to sell the illiquid securities at an advantageous time or price. Investments in foreign securities, derivatives or securities with substantial market and/or credit risk tend to have the greatest exposure to liquidity risk. Illiquid securities may be highly volatile and difficult to value.

Upon request to the Manager a Unitholder can receive information relating to the quantitative limits and methods applying in the risk management of a Sub-Fund and information relating to any recent developments of the risk and yields of the main categories of investment in a Sub-Fund.

The Manager has various powers to control operational issues arising from liquidity concerns. These include the ability to:

- (i) defer redemptions should the total value of redemptions on a Dealing Day exceed 10% of the Net Asset Value of a Sub-Fund (see paragraph "Selling Units" of this Prospectus);
  - (ii) arrange in specie redemptions (see paragraph "In Specie Redemption" of this Prospectus);
  - (iii) impose a dilution adjustment (see paragraph "Other Dealing Information" of this Prospectus);
- and
- (iv) suspend dealings in the buying, selling and switching of Units, in the interests of Unitholders (see paragraph "Suspension of Dealings in the Trust" of this Prospectus)

in accordance with the Regulations.

Bearing in mind the nature of the investment objective and policies of a Sub-Fund as described in paragraph "Investment Objectives and " of this Prospectus, the Manager regards those powers as appropriate and proportionate and will exercise them (in consultation with the Trustee when required by the Regulations or this Prospectus) when believed to be in the best interests of Unitholders and/or where appropriate potential Unitholders.

## MARKET RISK

Some of the exchanges in which a Sub-Fund may invest may be less well-regulated than those in developed markets and may prove to be illiquid, insufficiently liquid or highly volatile from time to time. This may affect the price at which a Sub-Fund may liquidate positions to meet redemption requests or other funding requirements.

It may not be possible for a Sub-Fund to repatriate capital, dividends, interest and other income from certain countries, or it may require government consents to do so. A Sub-Fund could be adversely affected by the introduction of, or delays in, or refusal to grant any such consent for the repatriation of funds or by any official intervention affecting the process of settlement of transactions. Economic or political conditions could lead

to the revocation or variation of consent granted prior to investment being made in any particular country or to the imposition of new restrictions.

## POLITICAL AND / OR REGULATORY RISKS

The value of a Sub-Fund's assets may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investments may be made. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets.

## POTENTIAL RISKS DUE TO NATURAL DISASTERS AND WIDESPREAD DISEASES

Natural or environmental disasters, (such as earthquakes, fires, floods, hurricanes, tsunamis, and other severe weather-related phenomena) and widespread disease, (including pandemics and epidemics) may be highly disruptive to economies and markets, adversely impacting individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings and investor sentiment, which can have an adverse effect on the value of a Sub-Fund's investments and the ability to pay out dividends. Conditions that are prevalent in one country, market, or region are increasingly likely to adversely affect the markets, issuers, and/or foreign exchange rates in another country. Natural or environmental disasters could prevent a Sub-Fund from executing investment decisions in a timely manner and could negatively impact a Sub-Fund's ability to achieve its investment objective. This could have a significant adverse impact on the value and the risk profile of a Sub-Fund.

## POTENTIAL LIMITATIONS AND RESTRICTIONS ON INVESTMENT OPPORTUNITIES AND ACTIVITIES OF BNY AND THE SUB-FUNDS

BNY operates a program reasonably designed to ensure compliance generally with economic and trade sanctions-related obligations applicable directly to its activities (although such obligations are not necessarily the same obligations that a Sub-Fund may be subject to). Such economic and trade sanctions may prohibit, among other things, transactions with and the provision of services to, directly or indirectly, certain countries, territories, entities and individuals. These economic and trade sanctions, and the application by BNY of its compliance program in respect thereof, may restrict or limit a Sub-Fund's investment activities.

## RE-INVESTMENT OF COLLATERAL FROM OTC DERIVATIVES

Cash received as collateral from OTC derivatives transactions may be re-invested in shares or units issued by qualifying money market funds, including entities

managed or operated by (or, for an investment company with variable capital, whose authorised corporate director is) the Manager or an associate of the Manager. To the extent that re-investment of collateral takes place in an associated qualifying money market fund of the Manager or an associate of the Manager, all transactions will be at arm's length and will be executed as if effected in normal commercial terms. In particular, cash collateral re-invested in associated qualifying money market funds may be subject to a pro rata portion of that funds' management fees which would be in addition to the annual management fees charged by the sub-fund. However, no additional initial charge will be levied by the associated qualifying money market fund in this situation.

## REPURCHASE AND REVERSE REPURCHASE TRANSACTIONS RISK

If the counterparty to a repurchase agreement fails to fulfil its commitment to repurchase the security in accordance with the terms of the agreement, the relevant Sub-Fund may incur a loss to the extent that the proceeds realised on the sale of the securities are less than the repurchase price.

Reverse repurchase agreements involve the risk that the market value of the securities sold by a Sub-Fund may decline below the prices at which the Sub-Fund is obliged to repurchase such securities under the agreement.

## RISKS SPECIFIC TO INVESTING IN EMERGING MARKETS

Where a Sub-Fund invests in some overseas markets these investments may carry risks associated with failed or delayed settlement of market transactions and with the registration and custody of securities.

Investing in emerging markets may involve a higher than average degree of risk.

Charities should consider whether or not investment in these circumstances is either suitable for or should constitute a substantial part of a Charity's portfolio.

Companies in emerging markets may not be subject:

- (a) to accounting, auditing and financial reporting standards, practices and disclosure requirements comparable to those applicable to companies in major markets;
- (b) to the same level of government supervision and regulation of stock exchanges as countries with more advanced securities markets;

and may be affected by:

- (a) restrictions on foreign investment in emerging markets which may preclude investment in certain securities and, as a result, limit investment opportunities for a Sub-Fund. Substantial government involvement in, and influence on, the economy may affect the value of securities in certain emerging markets;
- (b) the reliability of trading and settlement systems in some emerging markets may not be equal to that available in more developed markets, which may result in delays in realising investments;

and/or

- (a) lack of liquidity and efficiency in certain of the stock markets or foreign exchange markets in certain emerging markets may mean that from time to time the Manager may experience more difficulty in purchasing or selling holdings of securities than it would in a more developed market.

Accordingly, certain emerging markets may not afford the same level of investor protection as would apply in more developed jurisdictions.

## SECURITIES LENDING ARRANGEMENTS RISK

As with any lending, there are risks of delay and recovery. Should the borrower of securities fail financially or default in any of its obligations under any securities lending transaction, the collateral provided in connection with such transaction will be called upon. The value of the collateral will be maintained to equal or exceed the value of the securities transferred. However, there is a risk that the value of the collateral may fall below the value of the securities transferred. The Newton Catholic Values Fund for Charities does not participate in the securities lending arrangement.

## SUSPENSION OF DEALINGS IN UNITS

Unitholders are reminded that in certain circumstances their right to redeem Units may be suspended (see paragraph "Suspension of Dealings in the Trust" of this Prospectus).

## SMALLER COMPANIES RISK

The Sub-Funds may invest in smaller companies. Smaller companies may be riskier and less liquid than larger companies. This means that their share prices may be more volatile.

## START-UP PERIODS FOR NEW SUB-FUNDS

New Sub-Funds may encounter start-up periods during which it will incur certain risks relating to the initial investment of newly contributed subscription monies.

Moreover, the start-up periods will also represent a special risk in that the level of diversification of one or more of a Sub-Fund's trading strategies may be lower than in a fully committed portfolio or group of portfolios. The Investment Manager may employ different procedures for moving to a fully committed portfolio. These procedures will be based in part on market judgment. No assurance can be given that these procedures will be successful.

## VOLCKER RULE

U.S. regulators have adopted the "Volcker Rule" which imposes a number of restrictions on financial organizations like BNY, but also provides various exemptions.

The Volcker Rule excludes "foreign public funds", such as the Trust, that meet certain criteria, including, in the case of the Sub-Funds, that ownership interests in a Sub-Fund be sold predominantly to persons other than BNY and its affiliates, directors and senior executive employees (the regulators expect at least 75% of each Sub-Fund to be held by non-U.S. persons who are neither affiliated with, nor directors or employees of, BNY). Therefore, to the extent BNY provides seed capital to a Sub-Fund, and/or investments are made by affiliates, directors or senior executive employees of BNY in a Sub-Fund, BNY will take steps to raise enough fund assets through investments by third parties and/or reduce its seed capital investments or those of its affiliates, directors or senior executive employees will constitute less than 25% of the Sub-Fund within, generally, three years of the establishment of a Sub-Fund.

If BNY is required to divest some or all of its seed capital investments in a Sub-Fund, it will involve sales of portfolio holdings to raise cash. Such sales entail the following risks: BNY may initially own a larger percentage of the Sub-Fund; and any mandatory reductions may increase Sub-Fund portfolio turnover rates with corresponding increased brokerage and transfer costs and expenses and tax consequences. Details of BNY's investment in a Sub-Fund, where applicable, are available upon request.

# Historical Performance Data

Historical performance data for the Sub-Funds is set out in Appendix 3. Historical performance data should not be seen as an indication of future results.

# Fees and Expenses

## GENERAL

Each Sub-Fund may pay out of the property of the Sub-Fund charges and expenses incurred by the Sub-Fund, which will include the following expenses :

- (a) the fees and expenses payable to the Manager, to the Administrator and to the Trustee ;
- (b) broker's commission, fiscal charges (including stamp duty, SDRT and any other transfer or financial transaction tax) and other disbursements which are necessarily incurred in effecting transactions for a Sub-Fund and normally shown in contract notes, confirmation notes and difference accounts as appropriate;
- (c) fees and expenses in respect of establishing and maintaining the register of Unitholders including costs associated with initial and ongoing due diligence and anti-money laundering reviews;
- (d) any costs incurred in or about the listing of Units on any stock exchange, and the issue, conversion and cancellation of Units;
- (e) any costs incurred in connection with the publication of prices of Units;
- (f) any costs incurred in producing and dispatching any payments made by a Sub-Fund, or the yearly and half-yearly reports of the Trust or a Sub-Fund and any other reports or information provided to Unitholders;
- (g) any costs incurred in creating, amending or updating documentation related to the Trust including the Trust Deed or the Prospectus and KIIDs;
- (h) the cost of printing, translating and distributing material for regulatory purposes and of any marketing activities undertaken by the Manager in respect of any Sub-Fund, as permitted by the Regulations;
- (i) any fees, expenses or disbursements of any legal or other professional adviser of the Trust or a Sub-Fund;
- (j) any fees, expenses or disbursements of any legal, tax or other professional adviser incurred in advising the directors of the Charity Trustees;
- (k) extraordinary fees and expenses such as those relating to potential or actual legal proceedings and tax reclaims;
- (l) any costs incurred in taking out and maintaining any insurance policy in relation to the Trust or a Sub-Fund or the Manager's Directors' insurance;
- (m) any costs incurred in respect of meetings of Unitholders convened for any purpose including those convened on a requisition by Unitholders not including the Manager or an associate of the Manager and otherwise communicating with Unitholders in accordance with the Regulations;
- (n) liabilities on unitisation, amalgamation or reconstruction including certain liabilities arising after transfer of property to the Trust in consideration for the issue of Units as more fully detailed in the Regulations;
- (o) any costs incurred in respect of meetings of directors of the Manager of the Trust;
- (p) any expense incurred in relation to company secretarial duties including the cost of maintenance of minute books and other documentation required to be maintained by the Trust;
- (q) interest on borrowings and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;
- (r) taxation and duties payable in respect of the property of or the issue or redemption of Units;
- (s) the audit fees of the Auditors (including VAT) and any expenses of the Auditors;
- (t) the fees of the FCA under the FCA's Fees Manual;
- (u) any value added or similar tax relating to any charge or expense
- (v) the periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which Shares are or may be marketed;
- (w) with the prior approval from the Manager, reasonable expenses incurred by the Advisory Committee members in carrying out their duties;
- (x) the Trustee's expenses, as detailed below;
  - (aa)(z) any payments otherwise due by virtue of the Regulations including costs incurred in connection with complying with updates to the Regulations. Such costs may include reporting and data costs; such other expenses as the Manager resolves are properly payable out of the Trust's property, subject to approval by both Charity Trustees;

And

(bb) costs associated with initial and ongoing due diligence and anti-money laundering reviews

VAT is payable on these charges where appropriate.

Expenses not directly attributable to a particular Sub-Fund will be allocated between the Sub-Funds. Expenses may be payable out of the capital property and/or income property of the relevant Sub-Fund(s) as set out in Appendix 1 at the discretion of the Manager, subject to any restrictions set out in the Trust Deed, and to the Regulations.

## CHARGES PAYABLE TO THE MANAGER

In payment for carrying out its duties and responsibilities the Manager is entitled to receive from the Sub-Funds an annual management charge.

The annual management charge is calculated and accrued daily. Each accrual is based on the Net Asset Value of the Sub-Funds applicable for the previous day plus/minus the current day's issues/cancellations and is payable monthly in arrears on the last Business Day of each month, except in the case of the last month of each of the interim and annual accounting periods when it is payable on the last calendar day of those months. Accrual periods run to the last Business Day of each month except in the case of the last month of each of the interim and annual accounting periods when it is the



last calendar day of those months. Payment is taken directly from the capital of the Sub-Funds. The current management charges are set out in Appendix 1.

The Manager is also entitled to reimbursement of all reasonable, properly vouched, out of pocket expenses incurred in the performance of its duties.

The Manager may not introduce a new category of remuneration for its services unless the introduction has been approved by an extraordinary resolution of Unitholders in the Sub-Funds.

The Manager may not increase the current rate or amount of its remuneration payable out of the Scheme Property or the preliminary charge unless, not less than 60 days before the introduction or increase, the Manager gives notice in writing of the introduction or increase and the date of its commencement to all Unitholders and has revised and made available the Prospectus to reflect the introduction of new rate and the date of its commencement.

## INVESTMENT MANAGER'S FEES

The Investment Manager's fees and expenses (plus any applicable VAT thereon) are paid by the Manager. The Investment Manager may use internal and external research to inform its decision-making. Payment for the external research used by the Investment Manager will be out of its own resources

## TRUSTEE'S FEE AND EXPENSES

The Trustee receives for its own account a periodic fee which will accrue monthly on the last Business Day in each calendar month in respect of that day and the period since the last Business Day in the preceding month and is payable within seven days after the last Business Day in each month. The fee is calculated by reference to the value of each Sub-Fund on the last Business Day of the preceding month. The fee is payable out of the Scheme Property. The rate of the periodic fee is agreed between the Manager and the Trustee. The current charge is currently calculated on a sliding scale as follows:

Sub-Fund Value	Fee (percentage of NAV)
On the first £40 million	0.025%
On the next £40 million	0.015%
On the next £420 million	0.0050%
On the remaining balance	0.0020%

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

In addition to the periodic fee referred above, the Trustee will also be paid transaction charges and custody charges. Transaction charges vary from country to country, dependent on the markets and the value of the stock involved and currently range from £8.50 to £74 per transaction and accrue at the time the transactions are effected and are payable as soon as is reasonably practicable, and in any event not later than the last Business Day of the month when such charges arose or as otherwise agreed between the Trustee and the Manager. Custody charges again vary from country to

country depending on the markets and the value of the stock involved and currently range from 0.002% per annum to 0.45% per annum and accrue, and are payable, as agreed from time to time by the Manager and the Trustee.

The Trustee will also be paid out of the Scheme Property, expenses properly incurred in the performance of, or arranging the performance of, functions conferred on it by the Regulations or by the general law including but not limited to:

- (a) the acquisition holding and disposal of property;
- (b) the collection and distribution to Unitholders of dividends, interest and any other income;
- (c) the maintenance of distribution accounts;
- (d) the conversion of foreign currency;
- (e) registration of assets in the name of the Trustee or its nominee or agents;
- (f) borrowings or other permitted transactions;
- (g) communications with any parties (including telex, facsimile, SWIFT and electronic mail);
- (h) taxation matters;
- (i) insurance matters;
- (j) costs relating to banking and banking transactions;
- (k) preparation of the Trustee's annual report;
- (l) taking professional advice;
- (m) conducting legal proceedings;
- (n) the convening and/or attendance at meetings of Unitholders;  
and
- (o) modification of the Trust Deed or Prospectus, and negotiation and/or modification of any agreement entered into between the Trustee and its delegates in relation to a Sub-Fund.

The Trustee shall be entitled to recover its fees, charges and expenses when the relevant transaction or other dealing is effected or relevant service is provided or as may otherwise be agreed between the Trustee and the Trust or the Manager.

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

Any VAT on any fees, charges or expenses payable to the Trustee will be added to such fees, charges or expenses.

## SUB-FUNDS TO PAY FEES AND EXPENSES

All the above fees, duties and charges (other than those borne by the Manager) will be charged to the Sub-Fund in respect of which they were incurred but where an expense is not considered to be attributable to any one Sub-Fund, the expense will normally be allocated to all Sub-Funds pro-rata to the value of the Net Assets of the Sub-Funds, although the Manager has discretion to allocate these fees and expenses in a manner which it considers fair.

# Unitholder Meetings and Voting Rights

Rules for the calling and conduct of meetings of Unitholders (whether at Trust or Sub-Fund level) and the voting rights of Unitholders at such meetings are governed by the Regulations and the Trust Deed. At a meeting of Unitholders a resolution put to the vote shall be decided on a show of hands unless a poll is demanded by the Chairperson, by the Trustee or by at least 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 its representative properly authorised in that regard, has one vote. On a poll the voting right for each unit must be the proportion of the voting rights attached to all of the units in issue that the value of the unit bears to the aggregate value of all the units in issue. A person entitled to more than one vote need not use all of their votes or cast all the votes they use in the same way.

A corporation being a Unitholder may authorise such a person as it thinks fit to act as its representative at any meeting of Unitholders and the person so authorised shall be entitled to exercise the same powers on behalf

of the corporation which they represent as the corporation could exercise if it were an individual Unitholder.

In the case of joint Unitholders any joint Unitholder may vote provided that if more than one votes the most senior Unitholder in the Register who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint Unitholders.

On a poll votes may be given either personally or by proxy.

The Manager and its associates may hold units in a Sub-Fund. The Manager is entitled to receive notice of and attend any meeting but it is not entitled to vote or be counted in the quorum and its units are not regarded as being in issue in relation to such meetings. An associate of the Manager may be counted in the quorum and if in receipt of voting instructions may vote in respect of units held on behalf of a person who, if himself the registered Unitholder, would be entitled to vote, and from whom the associate has received voting instructions.

## Class Meetings

The provisions of paragraph “Unitholder Meetings and Voting Rights” of this Prospectus shall, unless the context or the Regulations otherwise require, apply to Unit Class meetings as they apply to general meetings of Unitholders (whether at Trust or Sub-Fund level).

# Taxation

## GENERAL

The information given in this section is based on current UK tax legislation and His Majesty's Revenue & Customs ("HMRC") practice in force at the date of this Prospectus; changes can occur without warning. This summary is addressed to Charities who meet the requirements of an Eligible Investor and is not, therefore, relevant to other specific classes of investors to whom a different tax regime may apply.

**Please note that the tax treatment of investors depends on their individual circumstances and may be subject to change in the future.**

**The comments are not intended to provide specific tax advice and no action should be taken or omitted to be taken in reliance upon them. Investors are recommended to consult with their professional advisers or seek professional advice in respect of their individual legal and tax position.**

## TAXATION OF THE TRUST

The Manager intends to ensure that the Trust is recognised by HMRC as a Charity for UK tax purposes. Accordingly, and provided the Trust is recognised as a Charity for UK tax purposes, the Trust should not be subject to UK income tax or corporation tax on income and capital gains, provided such income and gains accrue to and are applied exclusively for Charitable Purposes, save for income relating to a property business or certain types of trading income.

As a Charity, the Trust is exempt from UK Stamp Duty provided the exemption is appropriately claimed from HMRC. However, an increasing number of jurisdictions are introducing transfer or financial transaction taxes.

## TAXATION OF UNITHOLDERS

### Income

It is anticipated that each Sub-Fund's net income after expenses and any tax provisions will be distributed to Unitholders by way of dividend distributions.

As previously stated, Unitholders, as Charities, will not be subject to UK income tax on such income provided that the income is applied exclusively for Charitable Purposes.

A distribution statement, in respect of the first distribution relating to Units which were issued in the same accounting period as that distribution, will indicate that an amount of the distribution represents income equalisation (as discussed further in paragraph "Income Equalisation" of this Prospectus). This amount is not taxable as income, as under current HM Revenue & Customs practice it is treated as a return of capital that therefore must be deducted from the acquisition cost of Income Units for the purposes of calculating any capital gains/loss on disposal of those Units.

### Capital Gains

Charities disposing of Units will not be liable to UK corporation tax on any capital gains realised provided that they accrue to and applied exclusively for Charitable Purposes.

### Stamp taxes

Unitholders, as Charities, should be exempt from UK Stamp Duty and Stamp Duty Reserve Tax provided the relevant exemptions are appropriately claimed from HMRC.

## FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA) AND OTHER REPORTING OBLIGATIONS

The Hiring Incentives to Restore Employment Act was signed into US law in March 2010. It includes provisions generally known as FATCA and regulations implementing these provisions were issued in January 2013. The intention of these is that details of US investors (which are defined in a similar but not the same way as US Persons) holding assets outside the US will be reported by financial institutions to the US Internal Revenue Service (IRS), as a safeguard against US tax evasion. To discourage non-US financial institutions from staying outside this regime, US securities held by any financial institution that does not register with the IRS and comply with the regime will be subject to a US withholding tax of 30% on gross sales proceeds and income. The regime is being phased in from 1 July 2014.

The UK has entered into an intergovernmental agreement (the IGA) with the US. Under the IGA, UK financial institutions are required to report information to HM Revenue & Customs (HMRC) and HMRC will then forward this information to the IRS. Foreign financial institutions (FFIs) which are resident in the UK will not be required to enter into an FFI agreement with the IRS or withhold on payments to non-participating FFIs, provided that they comply with the UK's regulations implementing the UK's IGA.

The Trust is registered as a 'Reporting UK Financial Institution', and intends to comply with the IGA. In order to comply with the IGA, the Trust must obtain information in respect of all Unitholders so as to be able to identify accounts held by US investors and report information to HMRC. The UK's IGA requires Unitholders to provide information to the Trust that they may not have previously provided. The Trust, the Manager and/or the Administrator may also request further information or clarification from Unitholders for the above purposes.

FATCA has been subject to changes and there may still be further changes to it. Unitholders who are concerned about FATCA should consult their own tax advisors as to its potential impact on them.

Unitholders should be aware that a number of other jurisdictions are introducing information reporting requirements similar to FATCA, with the result that the Trust may be required to request information from them and provide it to HMRC (or other relevant fiscal authorities).

## COMMON REPORTING STANDARDS

The Common Reporting Standard for Automatic Exchange of Financial Information (“CRS”) was developed by the Organisation for Economic Co-Operation and Development (“OECD”) to counter tax evasion by means of exchange of information. The United Kingdom and over 90 other jurisdictions have entered into multilateral arrangements modelled on CRS, which were applied in the United Kingdom from the 1 January 2016.

The United Kingdom is among a group of countries which have committed to the early adoption of CRS and the first data exchange took place in September 2017.

The Trust will be obliged to determine the tax resident status of all existing Unitholders in order to identify which Unitholders are reportable pursuant to CRS. All Unitholders subscribing to the Trust are required to certify their tax residency status in the application form.

The Trust will then be required to provide certain information to HMRC about Unitholders resident or established in the jurisdictions which are party to such arrangements. HMRC will then pass this information to the tax authorities of the relevant jurisdiction.

There is no requirement to withhold tax under CRS.

## MANDATORY DISCLOSURE RULES

Council Directive (EU) 2018/822 (“DAC 6”) as it applies in the EU Member States, imposes mandatory disclosure requirements on intermediaries and, in certain circumstances, taxpayers effective from 1 July 2020 (albeit with an extension to the reporting timetable of up to six months in some EU Member States as a consequence of COVID 19) in respect of reportable cross-border arrangements implemented on or after 25 June 2018. Subject to the implementation of DAC 6 in the relevant EU Member States, the Manager, the Investment Manager, investors in the Trust, or any person that has advised or assisted could be legally obliged to file information in relation to the Trust and its activities with

the competent authorities with a view to an automatic exchange of such information with other EU Member States. Following the UK’s exit from the EU on 31 December 2020 The International Tax Enforcement (Disclosable Arrangements) (Amendment) (No. 2) (EU Exit) Regulations 2020 were introduced, pursuant to which the UK disapplied the majority of the DAC 6 hallmarks, however, in certain circumstances DAC 6 disclosures still needed to be made to HMRC and information exchanged by or with it.

The United Kingdom revoked the DAC6 legislation that was previously in place in March 2023 and instead implemented the OECD’s Model Mandatory Disclosure Rules (“MDR”). These rules reflect CRS avoidance arrangements and the use of opaque offshore structures (effectively, the scope of DAC6 hallmarks D1 and D2) with much of HMRC’s DAC6 guidance continuing to have application under UK MDR.

## DISCLAIMER

The above statements are based on the Manager’s understanding of current tax law accompanying HMRC guidance at the date of this Prospectus. The future basis and rates of taxation may change without warning.

Although the Manager has endeavoured to provide accurate information on tax law and practice in the forgoing text, it cannot guarantee that such information is a correct interpretation of the legislation concerned.

## TAX INDEMNITY

If the Trustee, acting as such, or the Manager or the Fund becomes liable to pay any tax and the tax liability arises because a Unitholder is neither a Charity which qualified for UK charity tax reliefs nor holds Units for the benefit of such a Charity, then such Unitholder shall pay to the Trustee, the Manager or the Fund (as the case may be) on demand an amount equal to the tax liability together with any tax charged in respect of the payment, and any interest arising.

# Income Equalisation

Income equalisation may apply in relation to a Sub-Fund.

Part of the purchase price of a Unit reflects the relevant proportion of accrued income received or to be received by a Sub-Fund. This capital sum is returned to a Unitholder with the first allocation of income in respect of a Unit issued during an accounting period.

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

# Winding Up of the Trust

The Trust may only be wound up under the Regulations.

Where the Trust is to be wound up under the Regulations, such winding up may only be commenced following approval by the FCA. The Trust may not be wound up under the Regulations if there is a vacancy in the position of Manager at the relevant time.

**1. The Trust may be wound up under the Regulations if:**

- 1.1 an extraordinary resolution to that effect is passed by Unitholders;
- or

- 1.2 the period (if any) fixed for the duration of the Trust by the Trust Deed expires, or an event (if any) occurs on the occurrence of which the Trust Deed provides that the Trust is to be wound up (for example, if the Unit capital of the Trust is below its prescribed minimum) or the Net Asset value of the Trust is less than £1,000,000 or if a change in the laws or regulations of any country means that, in the Manager's opinion, it is desirable to terminate the Trust);
  - or
  - 1.3 on the date of effect stated in any agreement by the FCA to a request by the Manager for the revocation of the authorisation order in respect of the Trust;
- 2. On the occurrence of the Trust being wound up as set out above:**
- 2.1 The parts of the Regulations and the Trust Deed relating to Pricing and Dealing and Investment and Borrowing will cease to apply to the Trust;
  - 2.2 The Trust will cease to issue and cancel Units and the Manager shall cease to sell or redeem Units or arrange for the Trust to issue or cancel them for the Trust;
  - 2.3 No transfer of a Unit shall be registered and no other change to the Register shall be made without the sanction of the Manager;
  - 2.4 Where the Trust is being wound up, the Trust shall cease to carry on its business except in so far as it is beneficial for the winding up of the Trust;

- 2.5 The corporate status and powers of the Trust and, subject to the provisions of paragraphs 1.1 and 2.4 above, the powers of the Manager shall remain until the Trust is dissolved.

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

As soon as reasonably practicable after completion of the winding up of the Trust, the Manager shall notify the FCA.

Following the completion of the winding up of the Trust, the Manager must prepare a final account showing how the winding up took place and how the Scheme Property was distributed. The auditors of the Trust shall make a report in respect of the final account stating their opinion as to whether the final account has been properly prepared. This final account and the auditors' report must be sent to the FCA, to each Unitholder within two months of the termination of the winding up.

## Termination of a Sub-Fund

Termination of a Sub-Fund under the Regulations and subject to section 251 of Financial Services and Markets Act 2000 termination can only commence once the proposed alterations to the Trust Deed and Prospectus have been notified to the FCA in writing and permitted to take effect on termination. In accordance with the Regulations, as soon as practicable after termination has commenced, the Manager shall cause the property of a Sub-Fund to be realised and the liabilities of the Sub-Fund to be paid out of the proceeds of realisation. Where sufficient liquid proceeds are available (after making provision for the expenses of the termination and the discharge of the Sub-Fund's remaining liabilities), the Manager may (but is not obliged to) arrange for the Trustee to make one or more interim distributions to the Unitholders in proportion to their respective shares of such proceeds. On or before the final date on which the final accounts of the Sub-Fund are sent to Unitholders, the Manager shall arrange for the Trustee to make a final distribution to Unitholders. Unitholders should be aware that the process of termination may take some months depending on the nature of the assets and liabilities held within the Sub-Fund and that they may not receive a full distribution.



# General Information

## ACCOUNTING PERIODS

The annual accounting period for each Sub-Fund is set out in [Appendix 1] (or another day chosen by the Manager, if the Manager notifies the Trustee, being within seven days of that date). The half-yearly accounting period ends on the day six months before the accounting reference date or another day chosen by the Manager and notified to the Trustee, being within seven days of that date.

## INCOME ALLOCATIONS

Allocations of income are made in respect of the income available for allocation in each accounting period. Statements in respect of Income Units will show the number of Units held by the recipient in the Trust in respect of which the distribution is made.

Holders of Income Units are entitled to be paid the income attributed to such units on such dates as further detailed in Appendix 1. Income will be paid directly to the bank or building society account of such holders of Income Units or by such other method as determined by the Manager.

If a holder of Income Units does not provide bank or building society details, income will be automatically reinvested to purchase further Units.

A reinvestment facility is available.

If a distribution remains unclaimed for a period of six years after it has become due, it will be forfeited and will revert to the relevant Sub-Fund. The amount available for distribution in any accounting period is calculated by taking the aggregate of the income received or receivable for the account of the relevant Sub-Fund in respect of that period, and deducting the charges and expenses of the relevant Sub-Fund paid or payable out of income in respect of that accounting period. The Manager then makes such other adjustments as it considers appropriate (and after consulting the auditors as appropriate) in relation to taxation, income equalisation, income unlikely to be received within 12 months following the relevant income allocation date, income which should not be accounted for on an accrual basis because of lack of information as to how it accrues, transfers between the income and capital account and any other adjustments which the Manager considers appropriate after consulting the auditors.

## INCOME RESERVE ACCOUNT

The Manager and Trustee may establish an Income Reserve Account in respect of each Sub-Fund, details of which are contained in the Trust Deed.

For the sole purpose of avoiding fluctuations in the income available for distribution or allocation for the annual accounting period of a Sub-Fund, in accordance with the Trust Deed, the Manager may instruct the Trustee to transfer to an Income Reserve Account up to 15% of the income available for distribution or allocation on an annual income allocation date of a Sub-Fund. Any

interest or other amounts earned on the income in such Income Reserve Account must be treated as income due to the Trust.

Any income retained in the Income Reserve Account remains part of the income property of the relevant Sub-Fund but is not available for allocation or distribution.

The Manager may instruct the Trustee at any time to transfer income standing to the credit of the Income Reserve Account into the income account in which case any amount so transferred shall be treated as income available for allocation or distribution at the next annual income allocation date.

## TOTAL RETURN APPROACH

Where a Sub-Fund has a pre-determined target rate of return, the Manager and Trustee are entitled to operate such Sub-Fund on the basis of a total return approach to the allocation or distribution of income, solely for the purpose of meeting the pre-determined allocation/distribution target.

In operating the total return approach the Manager may, from time to time, instruct the Trustee to make transfers between the capital account and the income account of such Sub-Funds.

## ANNUAL REPORTS

The long form annual reports of the Trust will be published within four months of each annual accounting period and long form half-yearly reports will be published within two months of each interim accounting period and both will be made available to Unitholders on request.

## DOCUMENTS OF THE TRUST

The following documents may be inspected free of charge between 9.00 a.m. and 5.00 p.m. every business day at the offices of the Manager at BNY Mellon Centre, 160 Queen Victoria Street, London EC4V 4LA.

- (a) the most recent annual and half-yearly long form reports of the Trust;
- (b) the Trust Deed (and any amending trust deed);
- (c) and
- (d) the most recent Prospectus.

The Manager may make a charge at its discretion for copies of documents though will not make a charge for a copy of the most recent Prospectus.

## NOTICES

Notices and documents will be sent to the first named Unitholder's registered address.

## COMPLAINTS

Complaints concerning the operation or marketing of the Company may be referred to BNY Mellon Fund Managers Limited, Client Service Centre, PO Box 366, Darlington,

DL1 9RF or, if preferred, direct to the Financial Ombudsman Service, Exchange Tower, London, E14 9SR. Making a complaint will not prejudice any rights to commence legal proceedings.

## DATA PROTECTION

Unitholders and prospective investors should note that by completing and returning an application form they are providing information to the Trust and the Manager which may constitute personal data within the meaning of data protection laws. A summary of how the Manager, as the authorised fund manager of the Trust, will use, share and transfer investor personal data is included in a privacy notice set out in the application form. Further detailed information about how investor personal information is collected, used and shared, the lawful basis on which such information is used and an investor's associated legal rights is provided in The Bank of New York Mellon EMEA Privacy Statement, which has been issued by The Bank of New York Mellon Corporation in respect of its affiliates, including the Manager. The Privacy Statement is accessible at [www.bny.com/investments](http://www.bny.com/investments).

## CLASS ACTION LITIGATION

From time to time the Manager is asked to consider participation in litigation relevant to the Trust. Typically that litigation takes the form of proposed or actual class, group or collective litigation (referred to generally as class actions) where eligible investors are either invited to "opt-in" to litigation or "opt-out" (i.e., to choose not to participate). In respect of opt-out class actions, eligible investors automatically comprise the class and are eligible to participate in any successful judgment or settlement unless they actively elect to opt-out. In respect of opt-in class actions, eligible investors are required to actively opt-in to the class action in order to comprise the class and participate in any successful judgment or settlement. The Manager has delegated responsibility for considering participation in both opt-in and opt-out class action litigation to a Class Actions Committee (the "Committee") pursuant to the terms of a Class Actions Policy (the "Policy"). The Policy provides that the default position in respect of opt-out class actions is that the Trust will not opt-out of such class actions, save in the event that there are considered to be compelling reasons, determined in the Committee's sole discretion, for doing so. That is primarily because participation in opt-out class actions rarely gives rise to any risk or cost to the Trust. As regards opt-in class actions, however, participation in such litigation is rarely cost, risk and obligation free and, in fact, such costs, risks and obligations can be significant. On that basis, the Committee has agreed a two-step approach to opt-in class actions. Firstly, the Committee will measure the expected recovery from the class action in question against an agreed value threshold, such threshold to be monitored and adjusted from time to time. In any case where this value threshold is exceeded, the Committee will secondly commission a comprehensive assessment of the class action by external legal advisers. If, following such an assessment, the Committee is unable to identify a significant reason not to participate, the Committee's policy is to opt into the class action. The Committee consults with legal advisors, the Trustee, the Investment Manager and any other relevant service providers, as it considers appropriate, before any action is taken by the

Trust. The costs of doing so will ordinarily be for the account of the Trust. In the event that the Trust participates in a class action which is ultimately successful, any financial award received from that action shall be to the benefit of the Trust, as opposed to any particular class of investor. It is possible, therefore, that those investors who were invested in the Trust at the time that the underlying cause of action in the claim arose, or when the Trust incurred costs relating to participation in the class action, do not ultimately benefit from the award in the class action; for example, if they have redeemed prior to the date of receipt of the award.

# Newton Catholic Values Fund for Charities

LEI (Legal Entity Identifier)	2138006YEGXWN78UQR97
FCA Product Reference Number	1025414
Investment objective	<p>The Sub-Fund aims to achieve income and capital growth in excess of inflation (as measured by the Consumer Price Index) plus 4% per annum (after fees have been deducted) over the long term (rolling 5 year periods) while adhering to the Sub-Fund's Catholic faith consistent exclusions policy.</p> <p>There is no guarantee that the Sub-Fund will achieve its investment objective or that a positive return will be delivered over any time period and capital is at risk.</p>
Investment policy	<p>The Sub-Fund is actively managed and invests at least 70% of its assets in a portfolio of global equities (company shares), and fixed income securities (bonds) issued by companies and governments. Global equities include ordinary shares, preference shares and other equity related securities. The Sub-Fund may also invest in cash (including but not limited to commercial paper and certificates of deposit). Fixed income securities may include bonds rated below investment grade (BBB) by Standard &amp; Poor's (or equivalent recognised rating agency). In order to achieve its return target of CPI + 4% over rolling five-year periods, the Sub-Fund will typically have a higher exposure to equity securities than fixed income securities. In order to achieve its return target of CPI, a maximum of 30% can be held in liquidity and hedging instruments.</p> <p>The Sub-Fund does not have any restrictions on the amount that the Sub-Fund can allocate to any of the core asset classes mentioned above.</p> <p>The Sub-Fund may hold more than 35% in government and public securities.</p> <p>Exposure to the asset classes above will be achieved through investment in transferable securities, money market instruments, warrants, derivatives (including but not limited to currency-related derivatives) and collective investment schemes (including other investment funds managed by the Manager or its associates). The Sub-Fund may gain exposure to infrastructure, renewable energy, property or commodities sectors indirectly through exchange listed securities and/or collective investment schemes.</p> <p>All investments are screened against Catholic faith consistent exclusions set out in the exclusions policy section below (the "Exclusions Policy").</p> <p>The Sub-Fund may use derivative instruments and forward transactions for investment purposes or Efficient Portfolio Management. The use of derivatives for the purpose of investment may affect the risk profile of the Sub-Fund although this is not the Manager's intention. The use of derivatives for Efficient Portfolio Management is unlikely to affect the risk profile of the Sub-Fund.</p>
Exclusions Policy	<p>Where the Investment Manager deems that issuers derive revenues from the Catholic faith consistent excluded activities set out in the Exclusions Policy beyond the Investment Manager's predetermined thresholds, investments in such issuers will be excluded from the Sub-Fund's investment universe.</p> <p>The Catholic faith consistent exclusions are used to (i) systematically integrate Catholic Social Teaching into the investment process and (ii) avoid investing in issuers whose activities contradict the Catholic faith community's teachings, such as those reflected in the Mensuram Bonam and Laudato Si.</p> <p>The Exclusions Policy currently covers the following activities (although it may be amended from time to time):</p> <ul style="list-style-type: none"> <li>– Issuers involved in the violation of one or more of the principles of the United Nations Global Compact ("UNGC"), which include principles relating to human rights, labour, environment, and anti-corruption;</li> <li>– Issuers that have any involvement in: <ul style="list-style-type: none"> <li>– The production of abortifacients and provision of abortion-related services;</li> <li>– The manufacture of controversial weapons, including nuclear weapons;</li> <li>– The production of contraceptives;</li> <li>– Research on human embryonic or foetal stem cells;</li> <li>– The use of animals for research for cosmetic purposes;</li> <li>– Controversies related to the marketing of breast milk substitutes</li> </ul> </li> <li>– Issuers that generate more than 5% of revenues from: <ul style="list-style-type: none"> <li>– The production or distribution of adult entertainment;</li> <li>– Predatory lending</li> </ul> </li> <li>– Issuers that generate more than 10% of revenues from: <ul style="list-style-type: none"> <li>– Addictive substances and services, including: <ul style="list-style-type: none"> <li>– gambling; and</li> <li>– the production and distribution of tobacco</li> </ul> </li> <li>– The manufacture of conventional weapons and key parts or services for conventional weapons</li> <li>– The extraction of unconventional fossil fuels</li> <li>– The production of genetically modified organisms (GMOs)</li> </ul> </li> <li>– Sovereign issuers deemed to contravene the teachings of the Catholic faith community, as determined by the Investment Manager; and</li> <li>– Other activities not listed above that contravene the teachings of the Catholic faith community, as determined by the Investment Manager.</li> </ul> <p>In cases where, post investment, an investee issuer is deemed to have derived revenues beyond the agreed thresholds in activities set out in the Exclusions Policy, the Investment Manager will divest from that issuer within a predetermined timeframe.</p> <p>The Exclusions Policy is kept under constant review and is set by the Investment Manager.</p>



Investment Approach	<p>The Investment Manager identifies a universe of possible investments which it narrows down by taking the below steps.</p> <p>The first step is to apply the Exclusions Policy. This is done by screening the investment universe using information and data provided by third parties (which may include providers of research reports, their own screenings, ratings and/or analysis such as index providers and consultants). Please be aware that such information or data may be incomplete, inaccurate or inconsistent.</p> <p>The second step is to use detailed analysis based on a wide range of financial metrics and research to make active investment decisions. This includes consideration of ESG risks, opportunities and issues for the Sub-Fund. For the avoidance of doubt, the Investment Manager will make investment decisions for the Sub-Fund that are not based solely on ESG considerations.</p> <p>The two steps above seek to provide a diversified portfolio of actively selected faith screened securities.</p> <p>The Investment Manager may also engage with selected companies to better understand a company's approach to managing emerging ESG issues. The Investment Manager also makes use of a variety of third-party data and research providers that allow it to monitor changes in the ESG characteristics of a company. The Investment Manager also typically exercises voting rights at shareholder meetings of portfolio company holdings. This activity is undertaken in-house to ensure that the opinions expressed through the Investment Manager's voting record are in line with its investment and engagement priorities.</p>
Performance comparator	<p>The performance comparator for the Sub-Fund is inflation (as measured by the Consumer Price Index) plus 4% per annum (after fees have been deducted) over rolling five year periods. This performance comparator is considered appropriate as, whilst it does not take Catholic values criteria into account, it is representative of the target return of the Sub-Fund. There is no guarantee that this target return will be achieved over this specific period, or any other period, and capital is at risk.</p> <p>The secondary performance comparator for the Sub-Fund is the ARC Steady Growth peer group benchmark. This performance comparator is considered appropriate as, whilst it does not take Catholic values criteria into account, it is representative of the peer group and risk profile of the Sub-Fund.</p>
Minimum withdrawal	None, provided minimum holding remains
Switching charge	None
Total charge	Please see relevant annual report
Annual accounting date	30 June
Interim accounting date	31 December
Annual income allocation date	31 August
Interim income allocation dates	28 February, 31 May, 30 November
Invest in any Regulated Market in an EEA state	Yes
Investment in additional Eligible Markets	As listed in Appendix 4
Invest in derivatives	Yes as listed in Appendix 5
Income Equalisation	Yes
Launch Date	12 May 2025
Initial Offer Period	The Fund will have an initial offer period which will commence on the launch date, run for one day and the initial price of shares will be £1.00.
All fees and expenses to be charged to	100% of the Manager's fee may be charged to capital. This treatment may erode capital and constrain capital growth.
Risk management measure used	Commitment approach and Gross Method
Maximum Level of Leverage	<p>Gross: 2:1</p> <p>Commitment: 2:1</p> <p>For further information on leverage please see paragraph 19 of Appendix 2.</p>
Investor Profile	The Sub-Fund is intended for investment by Charity investors with the ability to bear losses up to the amount invested in the Sub-Fund. Charity investors' beliefs should be aligned with the Exclusions Policy.
Risk Factors	<ul style="list-style-type: none"> <li>- Objective/Performance Risk</li> <li>- Currency Risk</li> <li>- Counterparty Risk</li> <li>- Changes in Interest Rates &amp; Inflation Risk</li> <li>- Charges to Capital Risk</li> <li>- Credit Risk</li> <li>- Derivatives Risk</li> <li>- Faith Consistent Exclusions Risk</li> <li>- Investment in Fixed Interest Securities Risk</li> <li>- Investment in Sub-Investment Grade Bonds Risk</li> <li>- Market Risk</li> </ul> <p>See the section of this prospectus titled "Risk Factors" for further information on each risk identified as applicable to the Sub-Fund above.</p>

Unit Classes		Investment Minima (in currency of unit class)			Charges		
Unit	Ccy	Minimum Initial Investment	Minimum Subsequent Investment	Minimum Holding Investment	Maximum Initial Sales Charge (up to)	Annual Management Charge	Redemption
Sterling Income	GBP	5,000	2,500	5,000	0%	0.65%	0%
Sterling Accumulation	GBP	5,000	2,500	5,000	0%	0.65%	0%
X Income	GBP	As Agreed	As Agreed	As Agreed	0%	0% †	0%
X Accumulation	GBP	As Agreed	As Agreed	As Agreed	0%	0% †	0%

† An annual management charge is payable at a level separately agreed between the parties outside of the Sub-Fund.

### Share Class Eligibility

Share Class Type	Minimum Initial Investment	Investor Eligibility
Sterling	£5,000	Available to Charity investors who meet the minimum initial investment requirement.
X	As Agreed	Available to Charity investors who have a specific written agreement in place with the Manager or its authorised associates within The Bank of New York Mellon Corporation Group, and may be subject to minimum account maintenance or other qualifications established from time to time by the Manager or their associates.

# Appendix 2

## 1. Investment and borrowing powers of the Trust

- 1.1 The Scheme Property will be invested with the aim of achieving the investment objectives of each Sub-Fund set out in Appendix 1 but subject to any limits set out in each Sub-Fund's investment policy and the investment and borrowing powers set out in the Regulations applicable to Non-UCITS Retail Schemes which are summarised in this Appendix.
- 1.2 The Scheme Property must be invested to provide a prudent spread of risk. There are also strict limits on both spread and concentration of investments held by each Sub-Fund as outlined below.
- 1.3 The Manager uses a risk management process enabling it to monitor and measure periodically the risk of each Sub-Fund's portfolio and the contribution of the underlying investments to the overall risk profile of each Sub-Fund. The risk management process is reviewed by the Trustee. The Manager notifies the FCA in advance (and on material alteration to details provided) with details of the risk management process including:
  - 1.3.1 the types of investments to be used within each Sub-Fund together with the underlying risks and any relevant quantitative limits;
  - 1.3.2 the methods for estimating risks in the portfolio to ensure that these are adequately captured;  
and
  - 1.3.3 the risks relating to each Sub-Fund's other investments to ensure that these are adequately addressed.

## 2. Eligible Assets

- 2.1 Subject to the investment objective and policy of each Sub-Fund the Scheme Property may only (save where otherwise provided by the Regulations) consist of the following:
  - 2.1.1 transferable securities;
  - 2.1.2 money market instruments;
  - 2.1.3 units or shares in permitted collective investment schemes;
  - 2.1.4 permitted deposits;
  - 2.1.5 permitted derivatives and forward transactions as set out in [Appendix 5];
  - 2.1.6 permitted immovables (it is not intended that the Sub-Funds will invest directly in immovable or tangible movable property); and
  - 2.1.7 gold up to a limit of 10 per cent of the property of each Sub-Fund.
- 2.2 It is intended that each Sub-Fund will normally be fully invested, but Scheme Property may be held in the form of cash or near cash when the Trustee reasonably regards this as necessary in order to enable the redemption of units, efficient

management of each Sub-Fund or any purpose which may reasonably be regarded as ancillary to the investment objectives of each Sub-Fund.

## 3. Transferable Securities and Money Market Instruments

- 3.1 Except where the investment policy of a Sub-Fund is inconsistent with this, up to 100% in value of Scheme Property of a Sub-Fund may invest in transferable securities and approved money-market instruments provided they are:
  - 3.1.1 admitted to or dealt in on a regulated market;
  - 3.1.2 dealt in on a market in the UK or an EEA State which is regulated, operates regularly and is open to the public;
  - 3.1.3 admitted to or dealt in on a market which the Manager and the Trustee determine to be appropriate the market is included in the list of eligible markets in [Appendix 3] and the Trustee has taken reasonable care to determine that adequate custody arrangements can be provided for the investment dealt in on that market and all reasonable steps have been taken by the Manager in deciding whether that market is eligible;
  - 3.1.4 for an approved money-market instrument not admitted to or dealt in on an eligible market where the issue or the issuer is regulated for the purpose of protecting investors and savings and the instrument is issued or guaranteed in accordance with the Regulations; or
  - 3.1.5 recently issued transferable securities provided that the terms of issue include an undertaking that application will be made to be admitted to an eligible market and the admission is secured within a year of issue.
- 3.2 There is no limit on the value of the scheme property of each Sub-Fund which may consist of transferable securities and approved money-market instruments referred to above. However, up to 20% of the value of the scheme property of each Sub-Fund may consist of transferable securities and approved money-market instruments other than those referred to above.

## 4. Collective investment schemes

Except where the investment policy of a Sub-Fund is inconsistent with this, up to 100% in value of Scheme Property may be invested in collective investment schemes of a kind specified by the Regulations.

Each Sub-Fund must not invest in units in a collective investment scheme (a "second scheme") unless the second scheme meets each of the following requirements:

- (a) the second scheme is:
  - (i) a UK UCITS scheme or satisfies the conditions necessary for it to enjoy the rights conferred by the UCITS Regulations as implemented in the EEA;
  - (ii) a non-UCITS retail scheme;
  - (iii) a recognised scheme;
  - (iv) constituted outside the UK and the investment and borrowing powers of which are the same or more restrictive than those of a non-UCITS retail scheme; or
  - (v) is a scheme not falling within (i) to (iv) and in respect of which no more than 20% in value of the scheme property (including any transferable securities which are not Approved Securities) is invested;
- (b) the second scheme operates on the principle of the prudent spread of risk;
- (c) the second scheme is prohibited from having more than 15% in value of the property of that scheme consisting of units in collective investment schemes;
- (d) the participants in the second scheme must be entitled to have their units redeemed in accordance with the scheme at a price:
  - (i) related to the net value of the scheme property to which the units relate; and
  - (ii) determined in accordance with the scheme;
- (e) where the second scheme is an umbrella, the provisions in (b) to (d) and COLL 5.6.7 R (Spread: general) apply to each Sub-Fund as if it were a separate scheme.

Subject to the restrictions above, such collective investment schemes may include schemes which are managed or operated by (or in the case of an open-ended investment company, have as its authorised corporate director) the Manager or an associate (as defined in the Regulations) of the Manager; however, the Trust may not invest in itself.

Where a Sub-Fund invests in units in another collective investment scheme managed or operated by the Manager or by an associate of the Manager, the Regulations imposes a duty on the Manager to pay into the scheme property of the Sub-Fund before the close of business on the fourth Business Day next after the agreement to invest in or dispose of units:

- on investment either:
  - if the Manager pays more for the units issued to it than the then prevailing issue price, the full amount of the difference; or
  - if this is not known, the maximum permitted amount of any charge which may be made by the issuer on the issue of the units; and
- on disposal:
  - any amount charged by the issuer on redemption of units.

This duty does not apply to other charges and were a Sub-Fund to invest in a collective investment scheme managed or operated by the Manager or an associate of the Manager, the Manager or an associate of the Manager would benefit therefrom.

Any addition to or deduction from the consideration

paid on the acquisition or disposal of units or units in the second scheme which is, or is like, a dilution adjustment made in accordance with the Regulations is to be treated as part of the price of the units or units and not part of any charge.

## 5. Feeder schemes

- 5.1 A Sub-Fund may invest in units in a feeder UK UCITS, a feeder non-UCITS retail scheme, a scheme dedicated to units in a single property authorised investment fund or a scheme dedicated to units in a recognised scheme (each a "**Feeder Scheme**"), if the master fund of the Feeder Scheme complies with the relevant provisions in the Regulations on the ability for UK UCITS and non-UCITS retail schemes, as applicable, to invest in collective investment schemes, as if it were the "second scheme".
- 5.2 Not more than 35% of the scheme property of a Sub-Fund may consist of units of one or more Feeder Schemes.
- 5.3 A Sub-Fund may not invest directly in units of the master fund of any Feeder Scheme it is invested in.

## 6. Spread: general

- 6.1 Not more than 20% in value of the scheme property of a Sub-Fund is to consist of deposits with a single body.
- 6.2 Up to 10% in value of the scheme property of a Sub-Fund may consist of transferable securities or approved money-market instruments issued by any one issuer. This limit does not apply to certain government and public securities. This limit rises to 25% in value of the Scheme Property in respect of covered bonds. For these purposes certificates representing certain securities are treated as equivalent to the underlying security.
- 6.3 The exposure to any one counterparty in an OTC derivative transaction must not exceed 10% in value of the Scheme Property. For the purposes of calculating this limit, the rules and conditions set out in COLL 5.6.7 R (7) to (11) inclusive apply.
- 6.4 Each Sub-Fund's holdings in any combination of transferable securities, money market instruments or deposits issued by a single body must not exceed 20% of the Scheme Property overall.
- 6.5 Not more than 35% in value of the Scheme Property may consist of the units of any one collective investment scheme.

## 7. Spread: government and public securities

- 7.1 The following applies to government and public securities issued by:
  - 7.1.1 the UK or an EEA State;
  - 7.1.2 a local authority of the UK or an EEA State;
  - 7.1.3 a non-EEA State; or
  - 7.1.4 a public international body to which the UK one or more EEA States belong, ("**such securities**").

- 7.2 Where no more than 35% in value of the scheme property 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.
- 7.3 A Sub-Fund may invest more than 35% in value of its scheme property in such securities issued by any one body provided that:
- 7.3.1 before any such investment is made, the Manager has consulted with the depository and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objectives of the Sub-Fund;
- 7.3.2 no more than 30% in value of its scheme property consists of such securities of any one issue; and
- 7.3.3 the scheme property includes such securities issued by that or another issuer, of at least six different issues.
- 7.4 In relation to such securities:
- 7.4.1 issue, issuer and guarantor include guarantee, guaranteed and guarantor; and
- 7.4.2 an issue differs from another if there is a difference as to repayment date, rate of interest, guarantor or other material terms of the issue.
- 7.5 For Sub-Funds that may invest more than 35% of scheme property in government or public securities, the names of the individual states, local authorities or public international bodies issuing or guaranteeing the securities are set out below:
- Government of the United Kingdom (including the Scottish Administration, the Executive Committee of the Northern Ireland Assembly, the National Assembly of Wales), Australia, Austria, Belgium, Bulgaria, Canada, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, New Zealand, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland and United States (including Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), Government National Mortgage Association (GNMA), Student Loan Marketing Association (SLMA), Tennessee Valley Authority (TVA), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), Financing Corporation (FICO), Private Export Funding Corporation (PEFCO), Resolution Funding Corporation (RFCO)) or by one of the following international organisations: African Development Bank, Asian Development Bank, Council of Europe Development Bank, Deutsche Ausgleichsbank (DTA), Eurofima, European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB), Inter-American Development Bank (IADB), International Bank for Reconstruction & Development (IBRD), International Finance Corporation (IFC), Kreditanstalt für Wiederaufbau (KfW) and the Nordic Investment Bank (NIB).

## 8. Underwriting

Subject to the provisions of the Regulations, including as to covering the exposure, a Sub-Fund's powers to invest in transferable securities may be used for the purpose of entering into underwriting, sub-underwriting and placing agreements in respect of certain transferable securities.

## 9. Warrants

- 9.1 Warrants or other instruments entitling the holder to subscribe for units, debentures or government and public securities and any other transferable securities (not being nil or partly paid securities) which are akin thereto fall within any of a Sub-Fund's powers of investment only if, on the assumption that the right conferred by the warrant will be exercised (whether or not it is intended that it will be), it is reasonably foreseeable that the right to subscribe could be exercised without contravening the Regulation.
- 9.2 Up to 100% in value of the Scheme Property may consist of warrants (**which may at times make the portfolio composition highly volatile**).
- 9.3 Securities on which any sum is unpaid may be held provided that it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by each Sub-Fund at any time when the payment is required without contravening the Regulations.

## 10. Nil or partly paid securities

Transferable securities on which any sum is unpaid fall within any of a Sub-Fund's powers of investment only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Sub-Fund, at the time when payment is required, without contravening the Regulations.

## 11. Cash and near cash

- 11.1 The Manager may at its discretion and as considered appropriate retain liquid funds in each Sub-Fund at any time. This cash will be held in pursuit of the Sub-Fund's objectives or to facilitate the redemption of units, efficient management of the Sub-Fund in accordance with its objectives or any other purposes which may reasonably be regarded as ancillary to the objectives of the Sub-Fund.
- 11.2 Liquidity may be higher under certain circumstances such as where large market movements and/or an exceptional number of redemptions are anticipated or the Sub-Fund is in receipt of large cash sums upon the issue of units or realisation of investments.
- 11.3 Cash forming part of the scheme property of a Sub-Fund or standing to the credit of the distribution account may be placed in any current, deposit or loan account with the Trustee, the Manager or any associate of any of them provided it is an eligible institution or approved bank and the arrangements are at least as favourable to the Sub-Fund concerned as would be those of any comparable arrangements effected on normal commercial terms negotiated at arm's length between two independent parties.



## 12. Schemes replicating an Index

- 12.1 Each Sub-Fund may invest up to 20% in shares and debentures which are issued by the same body where the aim of the investment policy of that fund as stated in its most recently published prospectus is to replicate the performance or composition of an index which complies with the following:
- 12.1.1 it has a sufficiently diversified composition;
  - 12.1.2 it must be a representative benchmark for the market to which it refers; and
  - 12.1.3 it must be published in an appropriate manner.
- 12.2 The limit may be raised to 35% for a particular scheme, but only in respect of one body and where justified by exceptional market conditions.

## 13. Immovable

No Sub-Fund will have any interest in any immovable property or movable property, save for an indirect interest through investment in collective investment schemes, transferable securities or permitted derivatives.

## 14. Gold

Except where the investment policy of a Sub-Fund specifies otherwise, up to a limit of 10 per cent of the property of each Sub-Fund may be invested in gold.

## 15. Deposits

The property of each Sub-Fund may consist of deposits (as defined in COLL) but only if it:

- 15.1 is with an approved bank;
- 15.2 is repayable on demand or has the right to be withdrawn; and
- 15.3 matures in no more than 12 months.

## 16. Stock lending

The Sub-Funds have power to engage in stock lending in the manner permitted by, and subject to the requirements of the Regulations. The power may be exercised for the purpose of Efficient Portfolio Management. There is no limitation on the value of the scheme property of a Fund that may be the subject of permitted stock lending transactions. However, currently none of the Sub-Funds engage in stock lending.

## 17. Borrowing powers

- 17.1 Subject to the Regulations, a Fund may borrow to meet redemption and settlement mismatches, although it is not expected that significant use will be made of borrowing. Such borrowing may only be made from an eligible institution or approved bank, must be on a temporary basis only and must not be persistent; no period of borrowing may exceed three months without the prior consent of the Trustee (which may only give such consent on conditions as appear to the Trustee appropriate to ensure that the borrowing does not cease to be on a temporary basis). Borrowing must not, on any Business Day, exceed 10% of the value of the scheme property of a Fund. As well as applying to borrowing in a

conventional manner, the 10% limit applies to any other arrangement designed to achieve a temporary injection of money into the scheme property of the Fund, in the expectation that such will be repaid, for example by way of a combination of derivatives which produces an effect similar to borrowings.

- 17.2 The above provisions on borrowing do not apply to "back to back" borrowing for EPM purposes, being an arrangement under which an amount of currency is borrowed from an eligible institution and an amount in another currency at least equal to the amount of currency borrowed is kept on deposit with the lender (or his or her agent or nominee).
- 17.3 Borrowings may be made from the Trustee, the Manager or any associate of any of them provided it is an eligible institution or approved bank and the arrangements are at least as favourable to the Fund concerned as would be those of any comparable arrangements effected on normal commercial terms negotiated at arm's length between two independent parties.

## 18. Derivatives and forward contracts

Subject to the Regulations and the provisions below certain Sub-Funds may use derivatives or forward contracts. Transactions involving derivatives or forward contracts will be subject to the parameters set out below.

- 18.1 Pursuant to the Regulations, the Manager may enter into a transaction for a Sub-Fund which is:
- 18.1.1 a permitted transaction; and
  - 18.1.2 fully covered in accordance with the Regulations.
- 18.2 Permitted transactions are derivatives transactions (i.e. options, futures or contracts for difference) and forward transactions. A derivatives transaction must be:
- 18.2.1 In an approved derivative (i.e. one which is traded or dealt in on an eligible derivatives market (as set out in Appendix 5) and effected on or under the rules of an eligible derivatives market; or
  - 18.2.2 One which complies with the provisions in the Regulations regarding OTC derivatives which requires:
    - 18.2.2.1 that the counterparty to the transaction must be an eligible institution; or an approved bank; or a person whose permission (including any requirements or limitations), as published in the FCA register or whose home state authorisation, permits it to enter into the transaction as principal off exchange;
    - 18.2.2.2 that the transactions is on approved terms, the terms of the transaction are only approved if the Manager:
      - a) carries out, at least day, a reliable and verifiable valuation in respect of that transaction corresponding to its fair value

- (being the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction) and which does not rely only on market quotations by the counterparty; and
- b) can enter into one or more further transactions to sell, liquidate or close out that transaction at any time, at its fair value; and
- 18.2.2.3 that the transaction is capable of reliable valuation; a transaction in derivatives is capable of reliable valuation only if the Manager having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy:
- a) on the basis of an up-to-date market value which the Manager and the Trustee have agreed is reliable; or
- b) if the value referred to in (i) is not available, on the basis of a pricing model which the Manager and the Trustee have agreed uses an adequate recognised methodology; and
- 18.2.2.4 subject to verifiable valuation; a transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by:
- a) an appropriate third party which is independent from the counterparty of the derivative, at an adequate frequency and in such a way that the Manager is able to check it; or
- b) independent from the counterparty of the derivative, at an adequate frequency and in such a way that the Manager is able to check it; or
- 18.3 Eligible derivatives markets consist of any derivatives market which the Manager considers appropriate after consultation with the Trustee, subject to the Regulations. The eligible derivatives markets for the Sub-Funds are set out in Appendix 5.
- 18.4 A transaction in a derivative must not cause a Sub-Fund to diverge from its investment objectives stated in the Trust Deed and the most recently published version of this Prospectus.
- 18.5 A derivatives or forward transaction which would or could lead to delivery of property to the Trustee may be entered into only if such property can be held by a Sub-Fund and the Manager reasonably believes that delivery of the scheme property pursuant to the transaction will not lead to a breach of the Regulations.
- 18.6 No transaction may be entered into unless the maximum potential exposure created by the transaction, in terms of the principal or notional principal of the derivative is covered globally in accordance with the Regulations, by cash or near cash or other property (of the right kind) sufficient to match the exposure. A covered currency forward or a covered currency derivative may provide cover for a derivative, but, in general, a derivative or forward transaction is not available to provide cover for another derivative or forward transaction. Cash not yet received but due to be received within one month, cash obtained by borrowing, borrowings which the Manager reasonably regards an Eligible Institution to be committed to provide and "synthetic cash" are available for cover.
- 18.7 A Sub-Fund may not undertake transactions in commodity derivatives.
- 18.8 Derivatives and forward transactions may be used for various purposes including investment purposes, Efficient Portfolio Management (where the Manager considers it is economically appropriate) or hedging, as set out in Appendix 1.
- 18.9 The purpose of Efficient Portfolio Management is to achieve reduction of risk and/or reduction of cost and/or the generation of additional capital or income with a risk level which is consistent with the risk profile of the relevant Sub-Fund and the risk diversification rules in the Regulations. The purpose must relate to the Scheme Property of the relevant Sub-Fund, property (whether precisely identified or not) which is to be or is proposed to be acquired for the Sub-Fund and anticipated cash receipts of the Sub-Fund, if due to be received and likely to be so within one month.
- 18.10 To be economically appropriate to the Efficient Portfolio Management of a Sub-Fund, the Manager must reasonably believe that:
- 18.10.1 for transactions undertaken to reduce risk or cost (or both), the transaction (alone or in combination) will diminish a risk or cost of a kind or level which it is sensible to reduce; or
- 18.10.2 where, for example, the Manager wishes to achieve a switch in exposure, it may do so, rather than through sale and purchase of Scheme Property of the Sub-Fund, by use of derivatives (a technique commonly called "tactical asset allocation") if the transactions concerned reasonably appear to the Manager to be economically appropriate to the Efficient Portfolio Management of the Sub-Fund and to diminish a risk or cost of a kind or level which it is sensible to reduce. Where the transaction relates to the actual or potential acquisition of transferable securities, then the Manager must intend that the Sub-Fund should invest in transferable securities within a reasonable time; and it must thereafter ensure that,

unless the position has itself been closed out, that intention is realised within that reasonable time.

- 18.11 Each Sub-Fund may utilise both exchange-traded and OTC derivatives, including futures, forwards, swaps and contracts for difference, for the purpose of Efficient Portfolio Management or as part of their investment policies.
- 18.12 The exposure to any one counterparty in an OTC derivative transaction must not exceed 10% in value of the Scheme Property of a Sub-Fund. For the purpose of calculating the 10% limit, OTC derivative transactions with the same counterparty can be netted provided that certain conditions are met and the netting procedures are based on legally binding agreements. The exposure in respect of an OTC derivative may be reduced to the extent that collateral is held in respect of it if the collateral:
- 18.12.1 is marked-to-market on a daily basis and exceeds the value of the amount at risk;
  - 18.12.2 is exposed only to negligible risks (e.g. government bonds of first credit rating or cash) and is liquid;
  - 18.12.3 is held by a third party custodian not related to the provider or is legally secured from the consequences of a failure by a related party; and
  - 18.12.4 can be fully enforced by the Sub-Fund at any time.
- 18.13 Each Sub-Fund may use derivatives and forward contracts as long as the exposure to the Sub-Fund resulting from those transactions is suitably covered by its property. Exposure will include any initial outlay in respect of that transaction.
- 18.14 Transactions may only be entered into if the maximum potential exposure created by the transaction, in terms of the principal or notional principal of the derivative, does not exceed the NAV of the Scheme Property and their global exposure to the underlying assets does not exceed the investment limit laid down in the Regulations.
- 18.15 For some Sub-Funds, derivatives may also be held pursuant to the investment objective. In particular the Sub-Funds will use options to generate additional income. The options will be written on indices which represent the underlying assets of the Sub-Funds, and will be consistent with their respective investment objectives.
- 18.16 In summary, the use of derivatives for Efficient Portfolio Management is not likely to affect the volatility or risk profile of the Sub-Funds. The use of derivatives for the purposes of pursuing the investment objectives of the Sub-Funds may affect the volatility or risk profile of the Sub-Funds, although this is not the Manager's intention.**
- 18.17 Transactions may be effected in which the Manager has, either directly or indirectly, an interest that may potentially involve a conflict of its obligation to the Trust. Where a conflict cannot be avoided, the Manager will have regard to its fiduciary responsibility to act in the best interests of the Trust and its investors. The Manager will ensure that investors are treated fairly and that such transactions are effected on terms which are not less favourable to the Trust than if the potential conflict had not existed.
- 18.18 Operational costs and fees arising from Efficient Portfolio Management techniques and/or the use of derivatives are paid for by the relevant Sub-Fund. The identity of the entities to which operational costs and fees are paid will be disclosed in the annual report.
- 18.19 A Sub-Fund may receive cash, high quality government bonds and equities to the extent deemed necessary by the Manager in respect of OTC derivative transactions for a Sub-Fund, provided however that such collateral must comply with the requirements of the FCA.
- 18.20 A documented haircut policy is in place for the Trust detailing the policy in respect of each class of assets received and which takes into account the characteristics of the assets and the results of any stress tests conducted as required. Any re-investment of cash collateral shall be diversified in accordance with the requirements of the FCA. Re-invested cash collateral exposes the Trust to certain risks such as the risk of a failure or default of the issuer of the relevant security in which the cash collateral has been invested. Investors should consult the "Risk Factors" section below for information on counterparty risk and credit risk in this regard.

## 19. Leverage

- 19.1 This section explains in what circumstances and how the Manager may use leverage, the different leverage calculation methods and maximum level of leverage permitted.
- 19.2 Leverage when used in this prospectus means the following sources of leverage can be used when managing the Sub-Funds: cash borrowing, subject to the restrictions set out in paragraph 15 ("Borrowing") of this Appendix and the Regulations.
- 19.3 The use of leverage may significantly increase the investment/market and counterparty risk (the risk that a Sub-Fund could lose money if an entity with which it interacts becomes unwilling or unable to meet its obligations to the Sub-Fund) of the Sub-Fund through non-fully funded exposure to underlying markets or securities.
- 19.4 Global exposure within a Sub-Fund is a measure of the potential loss to the Sub-Fund from the use of derivative instruments.
- 19.5 Under the gross method, the global exposure of a Sub-Fund is calculated as follows:
- 19.5.1 include the sum of the absolute values of all assets held;
  - 19.5.2 exclude cash and cash equivalents which are highly liquid investments held in the base currency of the Sub-Fund, that are readily convertible to a known amount of cash, are subject to an insignificant risk of change in value and provide a return no greater than the rate of a three month high quality bond;

- 19.5.3 derivative instruments are converted into the equivalent position in their underlying assets;
  - 19.5.4 exclude cash borrowings that remain in cash or cash equivalents and where the amounts payable are known;
  - 19.5.5 include exposures resulting from the reinvestment of cash borrowings, expressed as the higher of the market value of the investment realised or the total amount of cash borrowed; and
  - 19.5.6 include positions within repurchase or reverse repurchase agreements and securities lending or borrowing or other similar arrangements.
- 19.6 Under the commitment method, the exposure of a Sub-Fund is calculated broadly in the same way as under the gross method; however, levels of exposure may take account of the effect of netting off instruments to reflect hedging or netting arrangements and differences may arise in the treatment of cash and cash equivalents.
- 19.7 The “Commitment approach” converts derivatives into the equivalent position in the underlying asset using the conversion methods set out in CESR Guidelines 10-788 and thereby measures the incremental exposure provided by derivatives, after all appropriate netting or hedging positions have been removed.
- 19.8 If a Sub-Fund uses the Commitment approach, transactions may only be entered into if the commitment exposure created by the transactions, in terms of the principal or notional principal of the derivative, does not exceed the NAV of the scheme property and their global exposure to the underlying assets does not exceed the investment limit laid down in the Regulations.
- 19.9 The maximum level of leverage which a Sub-Fund may employ, calculated in accordance with the gross and commitment methods, is stated in Appendix 1. These expected leverage figures are not a limit and may be exceeded in certain circumstances. For example the Fund may indicate high leverage levels when it has acquired a large number of derivatives which offset each other or when it is utilising derivatives which have large notional values but which make small risk contributions.
- 19.10 In addition, the total amount of leverage employed by each Sub-Fund will be disclosed in the Trust’s annual report.

## INVESTMENT AND FINANCIAL TECHNIQUES

Each Sub-Fund may invest in TRS or SFTs although the Sub-Funds do not currently do so.

# Appendix 3 – Historical Performance Data

## DETAILS OF PAST PERFORMANCE

As the Sub-Fund is newly launched there is not yet any historical performance data.

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



# Appendix 4

## ELIGIBLE SECURITIES MARKETS

Where consistent with its investment objective and policy, a Sub-Fund may deal in any securities, derivatives or money markets instruments on any market that is:

1. a regulated market (as defined for the purposes of COLL); or
2. a market in the United Kingdom or an EEA State which is regulated, operates regularly and is open to the public.

Where consistent with its investment objective and policy, a Sub-Fund may deal in any securities or money markets instruments on the following markets:

Australia	Australian Stock Exchange
Brazil	B3 S.A. – Brasil, Bolsa, Balcão
Canada	The OTC market in Canadian Government Securities conducted by primary dealers selected by the Bank of Canada Toronto Stock Exchange TSX Venture Exchange
Channel Islands	TISE, The International Stock Exchange
China	Shanghai Stock Exchange Shenzhen Stock Exchange Hong Kong Exchange (HKEX) - Stock Connect China Interbank Bond Market – Bond Connect
Hong Kong	Hong Kong Exchange Hong Kong Exchanges & Clearing Limited
India	BSE Limited National Stock Exchange of India Limited
Indonesia	Indonesia Stock Exchange, ISX (Bursa Efek Indonesia)
Israel	Tel-Aviv Stock Exchange
Japan	Tokyo Stock Exchange Osaka Stock Exchange Nagoya Stock Exchange Sapporo Securities Exchange JASDAQ
Kenya	Nairobi Securities Exchange
Korea (Republic of)	Korea Exchange (KRX)
Kuwait	Boursa Kuwait
Malaysia	Bursa Malaysia
Mexico	Bolsa Mexicana de Valores
New Zealand	New Zealand Stock Exchange
Oman	Muscat Securities Market (MSM)
Pakistan	Pakistan Stock Exchange Ltd
Philippines	Philippine Stock Exchange
Singapore	Singapore Exchange
South Africa	JSE Limited
Switzerland	SIX Swiss Exchange AG
Taiwan	Taiwan Stock Exchange
Thailand	The Stock Exchange of Thailand (SET)
Turkey	Borsa İstanbul

United Arab Emirates	Abu Dhabi Securities Exchange (ADX) Dubai Financial Market (DFM) Qatar Stock Exchange
United Kingdom	Alternative Investment Market Cboe Europe Equities Regulated Market - Integrated Book Segment Cboe Europe Equities Regulated Market - Off-Book Segment Cboe Europe Equities Regulated Market - Reference Price Book Segment Euronext London Regulated Market London Stock Exchange Regulated Market NEX Exchange Main Board (equity) NEX Exchange Main Board (non-equity) Wholesale non-investment product services market
USA	NASDAQ New York Stock Exchange LLC NYSE MKT LLC NASDAQ PHLX LLC Nasdaq BX, Inc NYSE Chicago, Inc. NYSE Arca, Inc. NYSE National, Inc. OTC Bulletin Board ICMA The OTC market in US government securities conducted by primary dealers selected by the Federal Reserve Bank of New York
Vietnam	Hanoi Stock Exchange Hochiminh Stock Exchange (HOSE)

# Appendix 5

## LIST OF ADDITIONAL ELIGIBLE DERIVATIVES MARKETS

Where consistent with its investment objective and policy, a Sub-Fund may deal in derivatives on the following markets:

Australia	Australian Stock Exchange (ASX)
Brazil	B3 S.A. – Brasil, Bolsa, Balcão
Canada	Montreal Exchange
France	Euronext
Germany	Eurex Deutschland
Hong Kong	Hong Kong Exchange
Japan	Osaka Securities Exchange (OSE) Tokyo Stock Exchange (TSE) Tokyo Financial Exchange Inc.
Korea (Republic of)	Korea Exchange (KRX)
South Africa	JSE Limited
Singapore	Singapore Exchange

Spain	MEFF Sociedad Holding (Mercado Espanol de Futuros Financieros)
Sweden	Nasdaq Stockholm AB
Switzerland	Eurex Global Derivatives AG
United Kingdom	ICE Futures Europe ICE Futures Europe – Equity Products Division ICE Futures Europe – Financial Products Division London Stock Exchange Regulated Market (derivatives)
USA	Chicago Board Options Exchange (CBOE) New York Mercantile Exchange (NYMEX) NASDAQ PHLX LLC CME Group Inc. New York Stock Exchange LLC New York Futures Exchange (NYFE) Chicago Mercantile Exchange ICE Futures US NYSE MKT LLC Chicago Board of Trade (CBOT) CBOE Futures Exchange (CFE)

# Appendix 6

## LIST OF SUB-DELEGATES APPOINTED IN RESPECT OF FINANCIAL INSTRUMENTS IN CUSTODY

Argentina	The Branch of Citibank, N.A. in the Republic of Argentina
Australia	Citigroup Pty Limited The Hongkong and Shanghai Banking Corporation Limited
Austria	UniCredit Bank Austria AG
Bahrain	HSBC Bank Middle East Limited
Bangladesh	The Hongkong and Shanghai Banking Corporation Limited
Belgium	Citibank Europe Plc The Bank of New York Mellon SA/NV
Bermuda	HSBC Bank Bermuda Limited
Botswana	Stanbic Bank Botswana Limited
Brazil	Citibank N.A. Brazil Banco Santander (Brasil) S.A.
Bulgaria	Citibank Europe plc, Bulgaria Branch
Canada	CIBC Mellon Trust Company (CIBC Mellon)
Cayman Islands	The Bank of New York Mellon
Channel Islands	The Bank of New York Mellon
Chile	Banco Stantander Chile
China	Bank of China Limited HSBC Bank (China) Company Limited

Colombia	Cititrust Colombia S.A. Sociedad Fiduciara
Costa Rica	Banco Nacional de Costa Rica
Croatia	Privredna Banka Zagreb d.d.
Cyprus	Citibank Europe plc, Greece Branch
Czech Republic	Citibank Europe plc, organizacni slozka
Denmark	Skandinaviska Enskilda Banken, AB (Publ) The Bank of New York Mellon SA/NV
Egypt	HSBC Bank Egypt S.A.E.
Estonia	SEB Pank AS The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main
Euromarket	Clearstream Banking S.A. Euroclear Bank SA/NV
Finland	Skandinaviska Enskilda Banken AB (Publ)
France	BNP Paribas SA
Germany	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main
Ghana	Stanbic Bank Ghana Limited
Greece	Citibank Europe plc, Greece Branch
Hong Kong	Citibank N.A. Hong Kong The Hong Kong and Shanghai Banking Corporation Limited
Hungary	Citibank Europe plc. Hungarian Branch Office

Iceland	Landsbankinn hf
India	Deutsche Bank AG
	The Hong Kong and Shanghai Banking Corporation Limited
	Standard Chartered Bank, India Branch
Indonesia	Deutsche Bank AG
	Standard Chartered Bank, Indonesia Branch
Ireland	The Bank of New York Mellon
Israel	Bank Hapoalim B.M.
Italy	The Bank of New York Mellon SA/NV
	Intesa Sanpaolo S.p.A.
Japan	Mizuho Bank Ltd.
	MUFG Bank, Ltd.
Jordan	Bank of Jordan PLC
Kazakhstan	Citibank Kazakhstan Joint-Stock Company
Kenya	Stanbic Bank Kenya Limited
Kuwait	HSBC Bank Middle East Limited, Kuwait
Latvia	AS SEB banka
	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main
Lithuania	AB SEB bankas
	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main
Luxembourg	Euroclear Bank SA/NV
Malawi	Standard Bank PLC
Malaysia	HSBC Bank Malaysia Berhad
	Standard Chartered Bank Malaysia Berhad
Malta	The Bank Of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main
Mauritius	The Hong Kong and Shanghai Banking Corporation Limited
Mexico	Banco Nacional de Mexico S.A., Integrante del Grupo Financiero Banamex
	Banco S3 CACEIS Mexico, S.A., Institucion de Banca Multiple
Morocco	Citibank Maghreb S.A.
Namibia	Standard Bank Namibia Limited
Netherlands	The Bank of New York Mellon SA/NV
New Zealand	The Hongkong and Shanghai Banking Corporation Limited
Nigeria	Stanbic IBTC Bank Plc.
Norway	Skandinaviska Enskilda Banken AB (Publ)
Oman	Standard Chartered Bank
Pakistan	Deutsche Bank AG
Panama	Citibank N.A., Panama Branch
Peru	Citibank del Peru S.A.
Philippines	Standard Chartered Bank Philippines Branch

Poland	Bank Polska Kasa Opieki S.A.
Portugal	Citibank Europe Plc
Qatar	Qatar National Bank
	The Hongkong and Shanghai Banking Corporation Limited
Romania	Citibank Europe plc Dublin, Romania Branch
Russia	AO Citibank
	PJSC ROSBANK
Saudi Arabia	HSBC Saudi Arabia
Serbia	UniCredit Bank Serbia JSC Belgrade
Singapore	DBS Bank Ltd
	Standard Chartered Bank (Singapore) Limited
Slovak Republic	Citibank Europe, pobočka zahraničnej banky
Slovenia	UniCredit Banka Slovenia d.d.
South Africa	Standard Chartered Bank, Johannesburg Branch
	The Standard Bank of South Africa Limited
South Korea	Deutsche Bank AG
	Standard Chartered Bank Korea Limited
	The Hong Kong and Shanghai Banking Corporation Limited
Spain	Banco Bilbao Vizcaya Argentaria, S.A.
	CACEIS Bank Spain, S.A.U.
Sri Lanka	The Hong Kong and Shanghai Banking Corporation Limited
Sweden	Skandinaviska Enskilda Banken AB, (Publ)
Switzerland	Credit Suisse (Switzerland) Ltd.
	UBS Switzerland AG
Taiwan	HSBC Bank (Taiwan) Limited
Tanzania	Stanbic Bank Tanzania Limited
Thailand	The Hongkong and Shanghai Banking Corporation Limited
Tunisia	Union Internationale de Banques
Turkey	Deutsche Bank A.S.
U.A.E.	HSBC Bank Middle East Limited (HBME)
U.K.	The Bank of New York Mellon
U.S.A.	The Bank of New York Mellon
U.S.A. Precious Metals	HSBC Bank, USA, N.A.
Uganda	Stanbic Bank Uganda Limited
Ukraine	JSC "Citibank", full name Joint Stock Company "Citibank"
Uruguay	Banco Itaъ Uruguay S.A.
Vietnam	HSBC Bank (Vietnam) Ltd
WAEMU (West African Economic and Monetary Union)	Société Gьnйrale Cфte d'Ivoire
Zambia	Stanbic Bank Zambia Limited

Zimbabwe	Stanbic Bank Zimbabwe Limited
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Note: Benin, Burkina-Faso, Guinea Bissau, Ivory Coast, Mali, Niger, Senegal and Togo are members of the West African Economic and Monetary Union (WAEMU).

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# Appendix 8 – Directory

## The Trust and Head Office

**BNY Charity Authorised Investment Fund**  
BNY Mellon Centre  
160 Queen Victoria Street  
London  
EC4V 4LA

## Manager

**BNY Mellon Fund Managers Limited**  
BNY Mellon Centre  
160 Queen Victoria Street  
London  
EC4V 4LA

## Investment Manager

**In respect of Newton Catholic Values Fund for Charities:**

**Newton Investment Management Limited**  
BNY Mellon Centre  
160 Queen Victoria Street  
London  
EC4V 4LA

## Administrator

### Registered Address:

**The Bank of New York Mellon (International) Limited**  
160 Queen Victoria Street,  
London EC4V 4LA

### Address for Correspondence:

**BNY Mellon Fund Managers Limited**  
Client Service Centre  
PO Box 366  
Darlington  
DL1 9RF

## Trustee

### Head Office:

**NatWest Trustee and Depositary Services Limited**  
250 Bishopsgate  
London  
EC2M 4AA

### Address for Correspondence:

**NatWest Trustee and Depositary Services Limited**  
House A  
Floor 0  
Gogarburn  
175 Glasgow Road  
Edinburgh  
EH12 1HQ

## Auditor

### Registered Address:

**Ernst & Young LLP**  
1 More London Place  
London  
SE1 2AF

### Address for Correspondence:

**Ernst & Young LLP**  
25 Churchill Place  
Canary Wharf  
London E14 5EY  
United Kingdom

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