

# Brooks Macdonald International Investment Funds Limited

Prospectus

June 2024



BROOKS MACDONALD

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## Glossary

**1933 Act** The US Securities Act of 1933.

**the Administrator** JTC Fund Solutions (Jersey) Limited, a company incorporated in Jersey and more particularly described on page 14.

**AIF** An alternative investment fund.

**AIF Codes** The Codes of Practice for Alternative Investment Funds and AIF Services Business issued by the Commission.

**AIFMD** Alternative Investment Fund Managers Directive 2011/61/EU, European legislation.

**Applicant(s)** The person(s) applying for Shares.

**Articles** The articles of association of the Company.

**Class or Share Class** Each separate class of Participating shares to which shareholders subscribe.

**the Commission** The Jersey Financial Services Commission, responsible for the regulation, supervision and development of the financial services industry in the Island of Jersey.

**Companies Law** The Companies (Jersey) Law 1991, as amended.

**the Company** Brooks Macdonald International Investment Funds Limited, a company incorporated in Jersey and more particularly described on page 5.

**Company Secretary** JTC Fund Solutions (Jersey) Limited, a company incorporated in Jersey to provide company secretarial services.

**the Custodian** Apex Financial Services (Corporate) Limited, a company incorporated in Jersey.

**Custodian Agreement** The agreement entered into between the Company, the Manager and the Custodian in respect of custody arrangements.

**Date of this Prospectus** June 2024.

**Dealing Day** Any business day in Jersey other than Saturdays, Sundays, Bank Holidays and the last business day before Christmas.

**the Directors** The directors of the Company.

**EEA** European Economic Area.

**Functionary** A party, such as a manager or custodian of a recognized fund under the Collective Investment Funds (Jersey) Law 1988, as amended.

**Fund or Funds** The different sub-funds into which Shares are divided.

**HMRC** His Majesty's Revenue and Customs in the UK.

**Income Tax Law** Income Tax (Jersey) Law 1961.

**Investment Manager** Brooks Macdonald Asset Management (International) Limited, a company incorporated in Jersey.

**Large Deal** A redemption of more than 5% of the value of a Fund.

**Management Agreement** The agreement between the Company, the Custodian and the Manager in respect of managing the business of the Company and acting as Registrar.

**The Manager** Brooks Macdonald International Fund Managers Limited, a company incorporated in Jersey and more particularly described on page 14.

**Minimum Holding** The minimum value of Shares to be held by a shareholder in any one Fund, except as permitted otherwise by this Prospectus.

**NAV** The net asset value calculated as total assets less total liabilities.

**Non-EU AIF** An alternative investment fund which is domiciled outside of the European Union.

**Non-EU AIFM** A manager of an alternative investment fund whose registered office is outside of the European Union.

**the Order** The Collective Investment Funds (Recognized Funds) (Rules)(Jersey) Order 2003.

**Reciprocal Enforcement Court** A superior court in England and Wales, Scotland, Northern Ireland, the Isle of Man or Guernsey.

**Registrar** JTC Fund Solutions (Jersey) Limited, a company incorporated in Jersey and more particularly described on page 15. The Administrator has been appointed by the Manager to perform the function of Registrar for the Company.

**Reporting Fund** Means an offshore fund that has applied for and obtained reporting fund status from HMRC.

**SFDR - Regulation (EU) 2019/2088** of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.

**Shares** Participating redeemable preference shares of 1 penny each in the Company.

**Sub-Custodian** State Street Bank and Trust Company, London Branch, a company with which the Custodian has entered into a sub-custodian agreement.

**Tax Identification Number** or **TIN** A combination of letters or numbers assigned to an individual by a country or its tax authorities. This may be a number that is specifically referred to as a TIN while other countries may use other numbers such as National Insurance Number or Social Security Number.

**Taxonomy Regulation:** Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment.

**TISE** The International Stock Exchange, a company incorporated in Guernsey.

**Transferee** A company or other Fund to which the whole or part of the business or property of the Company is transferred or sold.

**UK** Means the United Kingdom of Great Britain and Northern Ireland.

**Valuation Point** The time at which Shares are valued, generally at 10am on each Dealing Day.

## Important Information

**This document is the Prospectus of Brooks Macdonald International Investment Funds Limited valid as at June 2024 prepared in accordance with the Collective Investment Funds (Recognized Funds) (Rules) (Jersey) Order 2003 of the Island of Jersey for the sale of participating redeemable preference shares of 1p each in the Company.**

**Please refer to the Glossary on page 1 for defined terms used in this Prospectus.**

The Company is a recognized fund as defined in the Collective Investment Funds (Jersey) Law, 1988, as amended, and permits have been granted by the Commission under this law to the Company, the Manager, the Administrator, the Investment Manager and the Custodian. The Commission is protected by this law against liability arising from the discharge of its functions under this law.

This Prospectus has been prepared in accordance with the disclosure requirements of Articles 23(1), 23(4) and 23(5) of the AIFMD and Section 3 of the AIF Codes.

The consent of the Commission under the Control of Borrowing (Jersey) Order 1958, as amended, has been obtained for the issue of Shares. The Commission is protected by the Control of Borrowing (Jersey) Law 1947, as amended, against liability arising from the discharge of its functions under this law.

The Shares are listed on TISE and the Malta Stock Exchange.

This Prospectus includes particulars given in compliance with the Listing Rules of TISE for the purpose of giving information with regard to the Company. The Directors and the Manager, whose names appear on page 4 accept full responsibility for the information contained in this Prospectus and confirm, having made all reasonable enquiries, that the facts are true and accurate in all material respects and that to the best of their knowledge and belief there are no other facts the omission of which would make any statement contained within this Prospectus misleading.

Neither the admission of the Shares to TISE nor the approval of the Prospectus pursuant to the listing requirements of TISE shall constitute a warranty (i.e. a guarantee or statement of fact) or representation by TISE as to the competence of the service providers to or any other party connected with the Company, the adequacy and accuracy of information contained in the Prospectus or the suitability of the Company for investment or for any other purpose.

**The information contained in this Prospectus is not an invitation to buy or an offer to sell securities or accept deposits or to provide any other products or services in any jurisdiction to any person to whom it is unlawful to make an invitation or offer. This Prospectus does not provide any investment advice. The Manager is unable to provide any advice in connection with investment in the Company.**

Legislation or regulations in an investor's home jurisdiction may prohibit them from entering into a transaction or from receiving advice about this product. The Manager reserves the right to make final determination on whether an investor is eligible for any products or services.

Residents or nationals of certain jurisdictions may be subject to exchange controls and should seek independent advice before entering into any transactions.

Attention is drawn to the compulsory redemption provisions under the heading "Qualified Shareholders" on page 21.

Before purchasing Shares, investors should inform themselves as to (i) the legal requirements within the countries of their nationality, residence or domicile for such acquisition; (ii) any foreign exchange control requirement which they might encounter on acquisition or sale of Shares; and (iii) the income tax and other tax consequences which might be relevant to the acquisition, holding or disposal of Shares.

The Shares have not been registered under the 1933 Act and, except in a transaction which does not violate the 1933 Act, cannot be directly or indirectly offered or sold to, or for the benefit of, a US person. To the extent that a US person becomes a shareholder, the Company will redeem any Shares held by that US person in accordance with the Articles. The Company has not been registered under the US Investment Company Act of 1940 in reliance upon the exemption afforded by Section 3 (c) (1) thereunder.

For these purposes a US person is as defined in Regulation S under the 1933 Act, namely: a resident of the United States, a partnership organised or existing in any state, territory or possession of the United States, a corporation organised under the laws of the United States or of any state, territory or possession thereof or areas subject to its jurisdiction, or any estate or trust other than an estate or trust income of which arises from sources outside the United States (which is not effectively connected with the conduct of a trade or business within the United States) and is not included in gross income for the purposes of computing United States federal income taxation. The attention of US persons is drawn to the compulsory redemption provisions on page 21 under the heading "Qualified Shareholders".

**Cooling off periods and cancellation rights, (which provide a time period in which an investor can change their mind and cancel the contract) do not apply to an investment in this Company.**

Investors should be aware that any compensation or protection schemes available in their country of residence or domicile do not apply to an investment in this Company.

As an investment in this Company is not a bank deposit, the Jersey Bank Depositors Compensation Scheme does not apply. However, limited protection is provided under the Collective Investment Funds (Recognized Funds) (Compensation for Investors) (Jersey) Regulations, 1988, as amended.

Where a Functionary of a recognized fund becomes bankrupt or is unable to satisfy civil liability claims, and the Viscount (the government body responsible for assessing compensation) determines that such Functionary has an eligible liability to an investor and is unable, or likely to be unable to meet that liability, in whole or in part, the Viscount can pay a compensation sum to that investor. The compensation sum payable to an investor under the scheme is limited as follows:

- a. if the total amount of the Functionary's liability to the investor does not exceed £30,000, no limit applies;
- b. if the total amount of the Functionary's liability to the investor exceeds £30,000 but does not exceed £50,000, the maximum payable is £30,000 plus 90% of so much of that amount as exceeds £30,000;
- c. if the total amount of the Functionary's liability to the investor exceeds £50,000, the maximum payable is £48,000.

The maximum overall amount which the Viscount may pay by way of compensation costs in respect of defaults occurring in any calendar year is limited to £5,000,000.

Please be aware that the affairs of the Company may have changed since the Date of this Prospectus.

The Manager conducts its business in accordance with local legal and regulatory requirements, including anti-money laundering requirements. These require the Manager to disclose information to the appropriate authorities that would otherwise be confidential in circumstances where the Manager suspects the investor of benefiting from or engaging in criminal activity including tax fraud.

The Prospectus meets the provisions of The Distance Marketing of Consumer Financial Services Directive Instrument (2002/65/EC).

Further copies of this Prospectus and of the Company's most recent Annual Report and Accounts and any subsequent Interim Report and Accounts can be obtained free of charge from:

Brooks Macdonald International Fund Managers Limited  
Third Floor,  
No 1 Grenville Street,  
St Helier  
Jersey JE2 4UF

Telephone Jersey +44 (0) 1534 715 555 (9am-5pm, Monday to Friday excluding Bank Holidays).

Website: [www.brooksmacdonald.com/international-funds](http://www.brooksmacdonald.com/international-funds)

Email: [jersey@brooksmacdonald.com](mailto:jersey@brooksmacdonald.com)

Telephone calls may be monitored and recorded. Call charges may vary depending on your service provider. Messages sent by email are not secure and may be intercepted by third parties. For these reasons, please do not use email to send us communications which contain confidential information or instructions. If you disregard this warning and choose to send us confidential information, you do so at your own risk and the Manager and the Company are not responsible for any loss that you suffer as a result. Instructions can be given in writing, which does not include email. In limited circumstances for redemptions, explained on page 18, instructions may be given by telephone.

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

## Management and Administration

### **The Company**

Brooks Macdonald International  
Investment Funds Limited

### **Directors:**

Ross Davey Willcox (Non-Executive Director and Chair)  
Michael Peter Farley (Non-Executive Director)  
Richard John Hughes  
Brian Charles James

### **Registered Office**

28 Esplanade, St. Helier, Jersey  
Channel Islands JE2 3QA

### **Company Secretary**

JTC Fund Solutions (Jersey) Limited  
28 Esplanade, St. Helier, Jersey  
Channel Islands JE2 3QA

### **Manager**

Brooks Macdonald International  
Fund Managers Limited  
Third Floor, No 1 Grenville Street, St Helier,  
Jersey, Channel Islands, JE2 4UF

### **Administrator and Registrar**

JTC Fund Solutions (Jersey) Limited  
28 Esplanade, St. Helier, Jersey  
Channel Islands JE2 3QA

### **Mailing address:**

PO Box 12984  
Dunmow,  
United Kingdom, CM6 9DQ

### **Custodian**

Apex Financial Services (Corporate) Limited  
IFC5, St. Helier, Jersey  
Channel Islands JE2 1ST

### **Investment Manager and Distributor**

Brooks Macdonald Asset Management  
(International) Limited,  
Third Floor, No 1 Grenville Street, St Helier, Jersey  
Channel Islands, JE2 4UF

### **Independent Auditor**

PricewaterhouseCoopers CI LLP  
37 Esplanade, St. Helier, Jersey  
Channel Islands JE1 4XA

### **Legal Advisers**

Mourant Ozannes (Jersey) LLP  
PO Box 87, 22 Grenville Street, St. Helier, Jersey  
Channel Islands JE4 8PX

### **The International Stock Exchange Sponsor**

JTC Listing Services Limited  
28 Esplanade, St. Helier, Jersey  
Channel Islands JE2 3QA

### **Principal Bankers**

Lloyds Bank Corporate Markets plc, Jersey Branch,  
trading as Lloyds Bank International  
9 Broad Street, St. Helier, Jersey  
Channel Islands JE2 3RR

## The Company

The Company was incorporated in Jersey on 11 July 1983. It is a public company with limited liability under the Companies Law.

The Company is an umbrella fund (a single company which has a number of underlying sub-funds) and is the holder of a recognized fund certificate. It holds a permit as a collective investment fund under Article 7 of the Collective Investment Funds (Jersey) Law, 1988, as amended.

The Company's Shares are divided into Funds as detailed below, each of which has a separate portfolio of investments or assets and a different investment objective.

The Funds enable investors to select a Fund or Funds with the appropriate objective and risk profile for their requirements.

All of the Funds are classified as securities funds (funds which invest in stocks and shares) under the Order.

The Shares are issued, sold, redeemed and repurchased and exchanges carried out between Funds by reference to the NAV of the relevant Funds.

The Directors may create new Funds or share classes from time to time by adopting fund rules approved by the Custodian specifying the required information for the Fund or share class being created.

As at 31 March 2024 the NAV was £170,886,054.

<b>Fund</b>	<b>Initial Issue</b>	<b>NAV per share 31 March 2024</b>	<b>NAV per Class at 31 March 2024</b>
High Income Fund	June 1995	£0.6655	£106,211,707
Euro High Income Fund	May 1990	€1.2444	€5,815,855
Sterling Bond Fund	July 2001	£1.2952	£59,563,914

Source: Brooks Macdonald International Fund Managers Limited.

The latest prices and details of the past performance of the Funds are available on request from the Manager or from the website at [www.brooksmacdonald.com/international-fund-prices](http://www.brooksmacdonald.com/international-fund-prices)



## Directors' Profiles

### **Ross Davey Willcox (Non-Executive Director and Chair)**

Joined the Lloyds Banking Group in 1977 and held a number of managerial positions in the UK and Internationally. He was appointed as Chairman of Lloyds Investment Fund Managers Limited (now Brooks Macdonald International Fund Managers Limited) in 1999 and as Chairman of the Fund Company in 2004. Ross resigned as a Director of the Manager on 30 November 2020. Previous responsibilities included the value proposition of all investment products for Lloyds Bank International Wealth. A qualified Banker, a Fellow of the Securities & Investment Institute, a Chartered Director and Fellow of the Institute of Directors. Aged 65.

### **Michael Peter Farley (Non-Executive Director)**

Joined the Board of Brooks Macdonald International Investment Funds Limited in 2020. Michael was appointed as a non-executive director and Chair of Brooks Macdonald International Fund Managers Limited on 27 October 2023. He is a shareholder of Altair Group which provides independent director services to funds and regulated entities, together with consultancy services to the fiduciary industry. He has over 20 years' experience in managing assets for private clients and is a Fellow of the Chartered Institute of Securities and Investments, holding qualifications in both investments and trusts. Michael has comprehensive experience in senior leadership as a board director, having sat on a variety of regulated boards, including Investment Business, Trust Companies Business and Fund Services Business licensed entities. Aged 57.

### **Richard John Hughes**

Richard joined the Board of Brooks Macdonald International Investment Funds Limited in 2020. He held executive positions at Brooks Macdonald from 2013 to January 2024 with his most recent role being Chief Executive Officer - International. Prior to Brooks Macdonald Richard worked with clients in the asset and wealth management industry in sales and business development roles at BNP Paribas and Vistra Group. In January 2024, Richard joined JTC Group as Group Head of the Commercial Office where he is responsible for commercial development and strategic partnership activities for the JTC Group. Richard is a Chartered Member of the Chartered Institute for Securities & Investment (CISI) and Member of the Institute of Directors (IoD). Aged 40.

### **Brian Charles James**

Brian joined the JTC Group in 2021 as Client Director with responsibilities to include overseeing the delivery of fund administration services to the international funds managed by Brooks Macdonald International Fund Managers Limited. Prior to joining the JTC Group, Brian worked for Lloyds Banking Group for over 30 years holding a number of managerial positions primarily in Financial Control and Risk Management before being appointed as a Director of Lloyds Investment Fund Managers Limited (now Brooks Macdonald International Fund Managers Limited) in 1999 and as a Director of the Fund Company in 2004. Previous responsibilities included leading a team of specialists delivering operational functions for the Lloyds Banking Group's range of offshore investment products and services. Brian resigned as a Director of Lloyds Investment Fund Managers Limited on 30 November 2020 and will be retiring from the JTC Group at the end of June 2024, but will remain as a non-executive director of the Fund Company. Brian is a Chartered Director, Fellow of the Institute of Directors, holder of the International Diploma in Governance, Risk & Compliance and a member of the International Compliance Association. Aged 63.



## Investment Objectives and Policy

### High Income Fund

#### Objective

To seek a high income from a spread of fixed interest securities.

#### Policy

The investment policy aims to support the payment of dividends above the level of short term sterling interest rates. This policy may result in a gradual reduction in the capital value of the Shares. The Fund will normally hold a relatively wide range of securities in order to keep a low level of exposure to individual bond issues other than government securities. The Fund may also hold part of its assets in bank deposits from time to time. The Fund may invest in securities denominated in currencies other than sterling. Investments in non-sterling denominated securities will be fully hedged against sterling with the aim of eliminating the effects of any exchange rate movements.

### Euro High Income Fund

#### Objective

To seek a high income through investment in a spread of fixed interest securities denominated predominately in euro.

#### Policy

The investment policy aims to support the payment of dividends above the level of short term euro interest rates. This policy may result in a gradual reduction in the capital value of the Shares. The Fund will normally hold a relatively wide range of securities in order to keep a low level of exposure to individual bond issues other than government securities. The Fund may also hold part of its assets in bank deposits from time to time. The Fund is permitted to invest in securities denominated in currencies other than euro. Investments in non-euro denominated securities will be fully hedged against euro with the aim of eliminating the effects of any exchange rate movements.

### Sterling Bond Fund

#### Objective

To seek to provide a regular income from a managed portfolio of sterling fixed interest securities with a particular emphasis on those securities on which interest is paid gross to non-residents of the United Kingdom.

#### Policy

The assets of the Fund are generally invested in a managed portfolio of sterling fixed interest securities which have been issued by governments, local authorities, public utilities and corporations. If it is desirable to hold assets with a short-term maturity, then the Fund may also place money on bank deposit (subject to certain limitations). Similarly, derivative instruments such as traded options and financial futures may be used to reduce risk. Futures and options are contracts which give the buyer the right, or obligation, to purchase or sell an asset at a predetermined price on or before a future date.

## Permitted Investments and Investment Restrictions

The property of each Fund will be invested with the aim of achieving its investment objective subject to the restrictions set out below, including limitations set out in the Order.

### 1. Hedging

Hedging transactions are permitted, provided the total of all sums to be received by way of premium and obligations to pay by way of premium or initial margin or obligation attributable to hedging transactions not closed out do not exceed 10% of the value of the property of a Fund.

Hedging instruments (other than those against fluctuations in exchange rates) will be restricted to traded options and other instruments traded on or under the rules of an eligible derivatives market and which are instruments relating to the property of the relevant Fund with respect to which, or to an index or other factor by reference to which, instruments of that kind have been traded for a period of at least six months.

Hedging transactions are only to be entered into to reduce or eliminate risk and not for speculation. No uncovered positions may be entered into. No options may be purchased unless the property of a Fund includes cash sufficient to discharge all premia payable thereon.

### 2. Borrowing

Temporary borrowings from eligible institutions for cash management purposes are permitted and are repayable out of the property of a Fund. All sums borrowed will not exceed more than 10% of the value of the property of that Fund.

The borrowing of foreign currency is permitted with the aim of reducing or eliminating risk arising by reason of fluctuations in exchange rates.

There is no intention to use borrowing for the purposes of gearing. Gearing is the borrowing of money to purchase assets.

### 3. Leveraging

The term "leverage" is defined under the AIFMD as any method by which the exposure of the Company is increased, whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means. Further details are set out in 1. above in relation to hedging, in 2. in relation to cash borrowing and in 4. below on efficient portfolio management. Save as otherwise disclosed, the Investment Manager will not be employing leverage for investment purposes.

To the extent that any leverage is employed, in respect of hedging transactions, temporary borrowing or efficient portfolio management, the Manager has, as at the Date of this Prospectus, set the maximum level of leverage which may be applied in respect of each Fund as no more than 10% of the value of the property of that Fund.

To the extent that there are any changes to the maximum level of leverage which the Investment Manager may employ on behalf of the Company in respect of each Fund, the Manager shall disclose to the shareholders such information in the next periodic Interim or Annual Report and Accounts or by any other means of communication which the Manager may deem appropriate.

### 4. Derivatives

In the case of the Company and the Funds, derivatives will only be used for efficient portfolio management. In particular, they will be used with the aim of reducing risk where consistent with existing investment objectives and policy. They will not be used independently of investment strategy for the underlying physical assets or for purely speculative purposes. Derivatives will not be used for the purpose of gearing or leveraging or for purposes of producing, enhancing or generating income. No derivative can be traded on an over the counter ("OTC") basis, i.e. which are traded through a dealer network rather than a formal stock exchange. Forward currency exchange contracts will be executed with approved counterparties only. No uncovered positions, where any liability is not matched by corresponding physical assets, are allowed.

### 5. General

None of the money in the property of the Funds may be used for lending purposes.

Generally, the Funds must be invested in transferable securities which are traded on an eligible market, as explained on page 9 under the heading "Eligible Markets" and in recently issued transferable securities which are to be traded on an eligible market.

In addition, the Funds may invest:

- (i) up to 10% in value of their property in transferable securities which are not traded on an eligible market;
- (ii) in certain other authorised unit trust schemes, recognised schemes, and other overseas collective investment schemes; and

(iii) in cash to enable Shares to be redeemed or for the efficient management of the Fund. Cash may only be placed with Eligible Institutions (as defined in the Order).

It is not anticipated that the cash holding in each Fund would extend beyond 10% of the value of the property of the Fund, although in exceptional circumstances this may be exceeded.

The property of a Fund will not include any transferable securities if (to the knowledge of the Manager) calls (i.e. funds to be raised from shareholders) are to be made within three months for any sums unpaid, unless the calls could be met in full out of cash.

**A Fund cannot:**

- a. acquire any investment which would require the Company to take on any unlimited liability (including participation in partnerships); or
- b. indulge in short selling of securities (i.e., selling any security unless it is part of the property of the relevant Fund or rights exist for the relevant Fund to acquire the security to enable it to discharge its obligations).

Underwriting and sub-underwriting agreements may be entered into on behalf of a Fund provided they do not infringe the other investment restrictions and the Custodian is holding cash sufficient to discharge the obligations under such agreements unless these are to be satisfied from the sale of Shares in the relevant Fund or permitted borrowing.

There are limitations on the investments which may be made, the most important of which are:

- i. not more than 5% in value of the property of each Fund may be invested in another securities fund, an authorised securities scheme as defined in the Financial Services and Markets Act 2000 and certain other collective investment funds including those managed by the Manager or its associates;
- ii. investments can only be made in collective investment funds managed by the Manager or its associates if the deeds or Articles constituting the funds state that their object is investment in a particular geographic area or economic sector;
- iii. each Fund cannot hold shares in a company which carry the right to more than 20% of the votes in general meeting;
- iv. each Fund cannot hold more than 10% of any other shares in a company (other than an open-ended investment company), any investment issued by the same issuer other than certain government and other public securities, or units in a collective investment fund;
- v. generally, not more than 5% in value of the property of each Fund can be invested in transferable securities issued by the same issuer. As an exception to this, up to 10% in value may be invested in securities issued by the same issuer provided all such holdings do not amount to more than 40% of the value of the relevant Fund; and up to 35% in value can be invested in Government and other public securities issued by the same issuer.

## Eligible Markets

The Order generally requires that investments are dealt, traded or listed on an eligible market. Securities markets are eligible if they are established in the UK, in European Union Member States and in certain US markets on which transferable securities admitted to official listings are dealt or traded. Other securities markets and derivative markets are eligible markets, where the Manager, in consultation with the Custodian, has decided that they are appropriate for the Company having regard to the relevant regulations and guidance issued by the Commission. Such markets must be regulated, operate regularly, be recognised and open to the public. Additional markets may be added either without notice, where the Manager and the Custodian agree in writing that the amendment is of minimal significance, or after the Custodian and shareholders have been informed in writing of the intended amendment and at least 90 days have elapsed since the revised Prospectus containing such information has become available. Where the addition of a market will result in a departure from the stated investment objective of a Fund, an extraordinary resolution of shareholders of that Fund is required to approve such addition. The Manager and the Custodian have agreed that the following additional markets should be considered as Eligible: Australian Stock Exchange, Singapore Stock Exchange and The International Stock Exchange, Channel Islands.

## Sustainable Finance Disclosures

### **Obligation to disclose**

SFDR sets out mandatory Environmental, Social and Governance disclosure requirements for asset managers and the products they manage. As the Company's shares are listed on an EU Exchange, it has a regulatory requirement to disclose its approach to sustainable financial investment, however investors should note that the Funds are not Sustainable Investment Funds. The Directors are of the opinion that the Company falls under Article 6 of SFDR (Funds not promoted as sustainable investments) and as such has an obligation to disclose the manner in which sustainability risks are integrated into investment decisions together with the results of the assessment of likely impacts of sustainability risks on returns.

Details of the Investment Manager's broader approach to Environmental, Social and Governance ("ESG") can be found in its Responsible Investment Policy, which is available at [www.brooksmacdonald.com/-/media/Files/B/Brooks-Macdonald-V6/documents/RIS/responsible-investment-policy.pdf](http://www.brooksmacdonald.com/-/media/Files/B/Brooks-Macdonald-V6/documents/RIS/responsible-investment-policy.pdf)

### **Integration of sustainability risks - Article 6 (1)(a) SFDR**

In managing the investments of a Fund, the Investment Manager takes account of key sustainability risks arising and the potential financial impact of such risks on the return of an investment. A sustainability risk is an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the Investment.

### **Investment Management approach**

Where a Fund invests in an underlying fund, the emphasis will be on identifying key sustainability risks raised by the underlying fund manager's approach to ESG integration and (where such information is available) the business model and industry of an underlying fund's investments. An example of this approach may include an assessment of an underlying fund manager's integration of ESG factors into their investment decisions or a company's contribution to a low carbon economy in order to determine the potential sustainability risks arising from the investment. As part of this process, the Investment Manager will apply its own framework for ESG research processes, including but not limited to, information from qualitative questionnaires, third party ESG data, and meetings with underlying fund managers.

In relation to direct fixed interest investments, which form the majority of the underlying assets in the Fixed Interest Funds, the key emphasis will be on the issuer's business model and industry. The Investment Manager does not currently consider sustainability risks in relation to investment decisions relating to government securities.

The Investment Manager will consider the potential sustainability risks arising from investments to help determine their likely impact on the relevant Fund. Qualitative analyses like these may be difficult to value precisely but will be considered as part of the Investment Manager's core portfolio construction process and play a role in decision making on intended position size and assessing the appropriate risk premium for each investment.

In determining how to proceed with an investment the investment team will factor in this analysis of sustainability risk to either:

- continue with the investment at the initial size preference, if it deems that sustainability risks are sufficiently mitigated;
- reduce the prospective size of the investment, if it deems that sustainability risks reduce the overall risk-reward balance to some extent;
- reject the investment at the pricing offered in the market, if it deems that sustainability risks are not sufficiently covered by the prospective return;
- reject the investment outright, based on overall sustainability risks that are not sufficiently mitigated, or if the investment does not comply with our negative screening approach.

If an investment is ultimately made, the sustainability risks, alongside the traditional investment risks, are then monitored on an ongoing basis by the investment team. In respect of investments in funds these are then reviewed by the Asset Selection Committee (as described in the Investment Manager's Responsible Investment Policy), on at least an annual basis, who may follow up with the investment team on outstanding questions. Alongside the broader risk monitoring done on all investments, these ongoing sustainability risk monitoring assessments are factored into the Investment Manager's active portfolio management strategy.

## Sustainable Finance Disclosures

### **The impact of sustainability risks on the returns of the fund - Article 6 (1)(b) SFDR**

The Investment Manager believes that consideration of sustainability risks as part of the investment process is a necessary aspect of evaluating the risk associated with the relevant investment and, accordingly, the return to a Fund.

By taking sustainability risks into consideration during its investment decision making process and monitoring sustainability risk for the full life cycle of an investment, the intention of the Investment Manager is to manage such sustainability risks in a way that sustainability risks do not have a material impact on the performance of a Fund. However, there is no guarantee that these measures will mitigate or prevent a sustainability risk materialising in respect of a Fund.

### **Adverse sustainability impacts at Fund level - Article 7 (2) SFDR**

At present, the Investment Manager does not consider the adverse impacts of its investment decisions on environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters (as defined in Article 4(1)(a) SFDR).

While the Investment Manager is supportive of the policy aims of such disclosure in principle, it considers that it would be disproportionate to undertake the analysis required to provide such disclosure, given the size and the nature and scale of its activities.

### **Governance arrangements**

The Investment Manager has established governance and oversight arrangements for the purpose of overseeing the integration of the sustainability risks into the investment process, as further detailed in its Responsible Investment Policy.

### **Taxonomy Regulation**

For the purposes of article 7 of the Taxonomy Regulation, the Manager is required to confirm that: “the investments underlying each Fund do not take into account the EU criteria for environmentally sustainable economic activities”.

## Risk Warnings

The risk warnings shown in this section are not intended to be an exhaustive list and there may be other considerations that should be taken into account in relation to an investment in each Fund.

### **Investment Risk**

It should be remembered that the price of Shares and the income from them can go down as well as up. Shareholders may not get back the amount originally invested. Dividends, where payable, are not guaranteed and may fluctuate in money terms. The dividend policy of the High Income Fund and the Euro High Income Fund aims to pay an above average level of income and this will lead to a gradual reduction in capital except when bond prices generally are rising.

In the case of the Sterling Bond Fund, High Income Fund and Euro High Income Fund it should be noted that the interest rate on corporate bonds and most government bonds is fixed and will not increase in line with the rate of inflation.

Past performance should not be seen as an indication of future performance.

Shareholders should consider holding the investment on a medium to long-term basis, being a minimum of five years but preferably ten years or more.

### **Market Price Risk**

Investments are principally in bonds and cash dependent on each Fund's investment policy.

The value of these investments is not fixed and may go down as well as up. This could be the result of a specific factor affecting the value of an individual stock or be caused by general market factors (such as interest rates, government policy or a geopolitical, global climate or pandemic event) which could affect the entire portfolio of a Fund. Each Fund will invest in a portfolio of securities in line with its investment objectives and policy as detailed on page 7.

### **Interest Rate Risk**

Each Fund aims to receive income from its various investments. For the Sterling Bond Fund, High Income Fund and Euro High Income Fund the income is received from investments in bonds and loan stock.

The income received by each of these Funds is primarily fixed in nature. Income is derived from the securities held in the portfolio of each Fund which may be varied from time to time in accordance with its investment objective and policy.

### **Liquidity Risk**

Each Fund's financial assets are considered by the Investment Manager to ordinarily be readily realisable in accordance with the market practices of the exchange on which they are traded. On certain occasions this may not be possible such as at times of high volatility or where a market is closed or has suspended trading. The Investment Manager manages each Fund's cash to meet its liabilities. Where investments cannot be realised in time to meet any redemptions of Shares, each Fund may borrow up to 10% of its value to ensure settlement of its liabilities.

### **Borrowing (or Leverage) Risk**

Whilst there is no intention to use borrowings for the purpose of gearing, the greater the total borrowings of the Company relative to its investments in securities, the greater will be its risk of loss and possibility of gain due to market fluctuations in the values of its investments.

To the extent that there are any changes in the arrangements for managing the liquidity of the Company, the risk profile of the Company and/or the Company's and/or the Manager's and/or the Investment Manager's risk management systems to manage those risks, these will be disclosed in the next Interim or Annual Report and Accounts (if applicable) or the Prospectus where required.

### **Foreign Currency Risk**

The Euro High Income Fund is denominated in euro. Each of the other Funds is denominated in sterling.

Investors will need to consider the implications of investing in a Fund with a base currency which is different to their own reference currency. Such investments will be subject to the movement of foreign exchange rates which may cause additional favourable or unfavourable changes in value.

The High Income Fund is permitted to invest in securities denominated in currencies other than sterling and the Euro High Income Fund is permitted to invest in securities denominated in currencies other than euro. Investments in securities denominated in currencies other than the Fund's base currency for either fund will be fully hedged against their base currency with the aim of eliminating the effects of any exchange rate movements.



### **Capital Risk**

For the High Income Fund and the Euro High Income Fund the annual management fee is treated as a capital expense rather than an income expense. This has the effect of reducing the capital of the Funds by 0.073% per month.

The Registrar's fees are also treated as a capital expense. Charging these expenses to capital will increase the amount of income available for distribution but will constrain capital growth.

The income return achieved for the High Income Fund and the Euro High Income Fund may be at the expense of capital growth in the value of the Shares.

### **Counterparty Risk**

Certain transactions that the Company enters into expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Company has fulfilled its responsibilities.

It is the policy of the Manager that the Investment Manager should buy and sell investments only through approved brokers.

The Custodian has also entered into a sub-custodian agreement with State Street Bank and Trust Company, London Branch. Under the terms of that sub-custodian agreement, the Sub-Custodian will hold certain assets of the Company on behalf of the Custodian. The assets of the Company will be held in compliance with applicable laws and specific provisions as agreed in the sub-custodian agreement between the Custodian and the Sub-Custodian. These will include requirements designed to protect the Company's assets in the event of insolvency or bankruptcy, but they do not guarantee this effect.

Cash balances held with the Sub-Custodian will not be segregated from the Sub-Custodian's own accounts or held on trust for the Custodian. This exposes investors to risk if the Sub-Custodian becomes insolvent, since the Custodian (who has entered into the contract with the Sub-Custodian) will rank as an unsecured creditor along with all others who have deposits with the Sub-Custodian. There is no guarantee that the Custodian would recover monies held with the Sub-Custodian in these circumstances.

### **Cross Fund Liability**

Shareholders should be aware that in the event of the Company being unable to meet liabilities attributable to any particular Fund out of the assets attributable to such Fund, the excess liabilities may have to be met out of the assets attributable to the other Funds.

### **Other Risks**

Fees and charges may have to rise in the future which could affect the value of the investment.

The taxation basis of the Company may change, with retrospective effect.

Investors should be aware that the protections afforded by the regulatory system in their country of residence or domicile do not apply.

Other than in circumstances of a direct contractual relationship between a shareholder and a service provider to the Company, shareholders will generally have no direct rights against any such service provider. However there could be limited circumstances in which a shareholder may bring a claim against such service provider.



## Contracting Parties

### The Manager

The Manager is a company incorporated in Jersey on 10 July 1973 with limited liability and is subject to the provisions of the Companies Law, and will exist until dissolved by special resolution (as defined in the Companies Law). It has an issued share capital of 100,000 shares of £1 each, fully paid. The Manager is owned by Brooks Macdonald Asset Management (International) Limited, which is the Investment Manager. The ultimate holding company of both the Manager and the Investment Manager is Brooks Macdonald Group plc, a company incorporated in England.

The Company has entered into a Management Agreement (see page 34) with Brooks Macdonald International Fund Managers Limited which is also the Manager of Brooks Macdonald International Multi Strategy Fund Limited and which is a recognized fund.

The Manager is the holder of a permit under Article 7 of the Collective Investment Funds (Jersey) Law, 1988, as amended.

The Manager has the benefit of professional indemnity and directors' and officers' liabilities insurance coverage.

The Manager also maintains an appropriate level of "own funds" to cover the equivalent professional liability risks set out in the AIFMD.

### Responsibilities of the Manager

The Manager is responsible for the risk management, investment management and administration of the Company. It will act as the Company's non-EU Alternative Investment Fund Manager for the purpose of the AIFMD.

The Manager may use the expertise of other areas of Brooks Macdonald Group plc or other external parties in carrying out these responsibilities.

The Manager has appointed JTC Fund Solutions (Jersey) Limited to perform the functions of Administrator, Registrar and Company Secretary. The statutory records of the Company are maintained at the offices of the Company Secretary (see page 4).

### The Investment Manager and Distributor

The Manager has appointed Brooks Macdonald Asset Management (International) Limited, as the Investment Manager under the terms of an investment management agreement (see page 34). The Investment Manager is the holder of a permit under Article 7 of the Collective Investment Funds (Jersey) Law, 1988, as amended.

The Company and the Manager have agreed to the delegation of the investment management functions from the Manager to the Investment Manager. The powers of the Manager which have been delegated include the power to manage the investment and reinvestment of the Company's assets subject to the limitations to which the Manager is subject from time to time. The Investment Manager may, in accordance with the Investment Management Agreement, with the prior written consent of the Manager, and in accordance with the regulations, delegate all or part of the day to day conduct of its investment management responsibilities. The Manager retains ultimate responsibility for the investment management.

The ultimate holding company of the Investment Manager is Brooks Macdonald Group plc, a company incorporated in England, whose registered address is 21 Lombard Street, London, EC3V 9AH. As at 31 March 2024, Brooks Macdonald Group plc's assets under management were £17.9 billion (Source: [www.brooksmacdonald.com/about-us](http://www.brooksmacdonald.com/about-us)).

The principal activity of the Investment Manager is providing investment management and advisory services to individual, institutional and intermediary clients of the Brooks Macdonald Group.

The Investment Manager is entitled to a fee for its services which is payable by the Manager out of its own fees. This fee is not paid on a commission basis but is based on the value of the assets under management.

The Manager has also appointed Brooks Macdonald Asset Management (International) Limited to act as Distributor of the shares of the Company, for which it does not receive separate remuneration.

### The Administrator

The Manager has appointed JTC Fund Solutions (Jersey) Limited as the Administrator for the Company under the terms of an administration agreement (see page 34) to perform all actions as Administrator. The Administrator is the holder of a permit under Article 7 of the Collective Investment Funds (Jersey) Law, 1988, as amended.

Certain of the Administrator's functions have, with the consent of the Manager, been delegated to associated companies within the Administrator's group.

The ultimate holding company of the Administrator is JTC PLC, a company incorporated in Jersey whose registered office is 28 Esplanade, St Helier, Jersey JE2 3QA.

The Administrator is entitled to a fee for its services which is payable by the Manager out of its own fees.

## The Custodian

The Company has entered into a Custodian Agreement with the Manager and the Custodian (see page 34). The Custodian is a company incorporated in Jersey on 28 April 1956 with limited liability under the Companies Law.

The ultimate holding company of the Custodian is Apex Group Limited, a company incorporated in Bermuda whose registered office is at 20 Reid Street, 3rd Floor Williams House, Hamilton HM11, Bermuda.

The Custodian has an authorised, issued and fully paid up share capital of 53,975 shares divided into 50,000 shares of £1 each issued at par and 3,975 shares of £1 each issued at a price of £1,000.

The principal business activity of the Custodian is that of acting as custodian to collective investment funds. The Custodian is the holder of a permit under Article 7 of the Collective Investment Funds (Jersey) Law, 1988, as amended.

The Custodian has entered into a sub-custodian agreement with the Sub-Custodian. Under the terms of that sub-custodian agreement, the Sub-Custodian will hold certain assets of the Company on behalf of the Custodian.

There are no collateral or asset reuse arrangements between the Custodian and the Company.

### Responsibilities of the Custodian

The duties of the Custodian are set out in full in the Custodian Agreement and include the following:

- taking all necessary steps, including coordinating the execution of documents, to ensure that acquisitions, disposals and loans properly made by the Manager are implemented;
- taking into its custody or placing under its control all of the property of the Company;
- collecting any income due to be paid to the Company;
- verifying the procedures for the creation and cancellation of Shares;
- preparing the Custodian's annual report to shareholders;
- performing all other duties which the Custodian is required by law to perform; and
- maintaining an appropriate level of supervision over the Sub-Custodian.

For the avoidance of doubt, the Custodian is not a "depository" in terms of the AIFMD and therefore the obligations and the strict liability rules to which depositories are bound in terms of the AIFMD are not applicable to the Custodian.

## The Registrar

### Responsibilities of the Registrar

The Custodian is ultimately responsible for maintaining the register of shareholders, but the Company and the Custodian appointed the Manager under the terms of the Management Agreement to maintain the register on behalf of the Custodian and perform the duties of registrar to the Company. The Manager has with the approval of the Company, and with the consent of the Custodian, in turn appointed the Administrator, under the terms of the Administration Agreement, as Registrar.

The Administrator is entitled to a fee for its services as Registrar which is payable by the Manager out of its own fees.

### Register of shareholders

The register of shareholders is maintained by the Registrar and some personal information of shareholders will be a matter of public record.

The register of shareholders may be inspected during normal business hours, free of charge by any shareholder, or on payment of a fee, by any other person.

A copy of the register may be provided, free of charge to any shareholder, or on payment of a fee, to any other person.

### Location of the Register

The register of shareholders in the Company is kept in Jersey at the office of the Registrar at 28 Esplanade, St Helier, Jersey, JE2 3QA.

## The Auditors

The independent auditors of the Company are PricewaterhouseCoopers CI LLP of 37 Esplanade, St. Helier, Jersey, Channel Islands JE1 4XA.

The Auditors are responsible for auditing and expressing an opinion in relation to the Company's Report and Accounts on at least an annual basis or certain other circumstances when requested to do so by the Manager.

## Dividends and Equalisation Payments

The Directors and the Manager intend to distribute substantially the whole of the net income of each Fund, if any, by way of dividends payable as set out below, however the payment of dividends is not guaranteed.

	<b>Dividends Paid</b>
High Income Fund	Monthly on 22nd of each month
Euro High Income Fund	Quarterly on 22nd February, May, August and November
Sterling Bond Fund	Quarterly on 22nd February, May, August and November

Dividends will normally be paid on or before the dividend payment date to the shareholder's account nominated in the application form. Dividends on the Euro High Income Fund are paid in euro. All other dividends are paid in sterling.

The Manager does not charge for making such payments, however intermediate agents or the shareholder's own bank may charge in accordance with their published fee scales.

The Manager does not accept liability for non-delivery or late delivery of dividends.

When the dividend payment date is not a Dealing Day, it will be paid on the previous Dealing Day.

Dividends will be paid out of the income available for distribution of each Fund to shareholders of the Fund on the Company's register as at the close of business on the last business day in March, June, September or December, as the case may be, prior to the respective dividend payment date set out above (the last business day of the month in the case of the High Income Fund).

Dividends will be payable out of net income (less expenditure) standing to the credit of the revenue account (including any revenue reserve) of the relevant Fund. The Company does not ordinarily intend to pay dividends out of any profits or gains arising from the realisation of securities or other assets held for investment, or out of any unrealised surplus arising from a revaluation of such securities or assets or monies in the nature of accretion to capital. An exception may occur to the extent necessary to enable the Company to pursue a full distribution policy for each Fund as required by HMRC.

Included in the dealing prices of Shares, and so reflected as a capital sum in those prices, will be an income equalisation amount representing the value of income attributable to the Shares accrued since the last record date for dividends.

The Articles permit grouping of Shares for equalisation over a dividend period so that the total of such sums which is included in the dealing price of Shares over that period is averaged and, in the first dividend payment after the purchase of a Share or in the dealing price if it is repurchased before a dividend is declared, there will be included as a capital sum an amount representing the average equalisation.

Any dividend unclaimed after a period of ten years from the date of declaration of such dividend will be forfeited by the shareholder and will revert to that Fund.

### **Reinvestment of Dividends**

Dividends may be reinvested in further Shares of the same Fund by ticking the appropriate box on the application form except where acquired through the Regular Savings Plan, where reinvestment is automatic.

Where a shareholder has elected to reinvest dividends, such dividends will be paid to the Manager who will reinvest them in the purchase of Shares on the dividend payment date at the dealing price plus any applicable dilution levy, or such other price as may from time to time be agreed. A statement of reinvestment will be sent to the shareholder.

The Manager does not levy an initial charge on dividends that are reinvested to purchase further Shares of the same Fund.

The Manager does not accept liability for non delivery or late delivery of dividends.

## Applying for and Redeeming Shares

### Applications for Shares

Applications for Shares may normally be made between the hours of 9am and 5pm on any Dealing Day, and should be made on the Company's application form, a copy of which is available on request from the Manager.

The application form, duly completed, should be sent to the Administrator at PO Box 12984, Dunmow, United Kingdom CM6 9DQ.

Cheques or electronic transfers must be sent from an account held in the name of one or more of the applicant(s).

Applications will not be acknowledged, but contract notes will be sent in accordance with the method elected in the application form, either by post or by email on the next business day following the Dealing Day on which the transaction is carried out except in the case of regular savers who save through the Regular Savings Plan (as described below) who will receive a half yearly statement. Share certificates are not issued. Shareholders who have signed up to the Manager's investor portal can also obtain copies of contract notes via the portal.

Applications received after the Valuation Point will be held over to the next Dealing Day and Shares will be allotted at the dealing price calculated at that day's Valuation Point. Cleared funds may be required and the Manager and/or the Administrator may seek to confirm the identity of the Applicant(s) and the source of funds being invested before carrying out an investment. The Manager and/or the Administrator may, at their discretion, delay or refuse an application for Shares if they believe such application may involve either the Applicant(s), the Manager, the Administrator or the Company in a contravention of any law, rule, statutory obligation or regulation.

Neither the Manager nor the Administrator is liable for any loss the Applicant(s) may incur as a result of such delays or their refusal to accept an application.

Shares will be allotted in sterling or euro depending on the Fund(s) or Share Class selected.

Prices for each Fund or Share Class are calculated in the base currency of the Fund or Class.

Shares will be sold by the Manager to the Applicant(s) at the forward prices calculated at the Valuation Point, plus any applicable dilution levy.

### Minimum Holdings

An application for Shares must be for a minimum of £5,000 or €5,000 for the Euro High Income Fund. Where the Applicant(s) already has Shares to the value of the Minimum Holding in the Fund, then any new application for Shares must be for a minimum of £1,000 or €1,000 for the Euro High Income Fund. The Minimum Holding does not apply to the Regular Savings Plan (see below), or where the Applicant(s) already holds Shares of that Fund to the value of the Minimum Holding.

Shareholdings of less than the Minimum Holding may be sold by the Manager and the proceeds remitted to the shareholder.

The Minimum Holding may be changed from time to time and different amounts may be imposed for different Funds or Share Classes.

### Regular Savings Plan

The Regular Savings Plan is available with a minimum investment of £100 per month by Direct Debit for the High Income Fund and the Sterling Bond Fund or €200 for the Euro High Income Fund for individuals who maintain a bank account in euro.

Deals carried out under the Regular Savings Plan will be carried out on the last business day of each month. Investors' sterling bank accounts will be debited on or after the 20th of each month by Direct Debit. If an investor is investing in more than one Fund, their account will be debited by a separate Direct Debit for each Fund, although only one Direct Debit form needs to be completed.

Deals carried out in euro will be carried out on the last business day of each month. Investors' currency accounts will be debited on or after the 22nd of each month by Standing Order.

Dividends must be reinvested in the purchase of further Shares in the same Class of the Fund.

Shareholders wishing to stop investing through the Regular Savings Plan should inform the Administrator by telephone as well as cancelling their Standing Order or Direct Debit with the bank which holds the account. The Administrator will then stop all further investments. The Shares acquired may be retained by the shareholder where payments equal to or greater than the Minimum Holding have been made. Otherwise they will be sold by the Manager and the proceeds remitted to the shareholder.

### **Changes to a Regular Savings Plan**

Shareholders wishing to amend their monthly savings amount, which is taken by Direct Debit, can instruct the Administrator by telephone, if the bank account being debited hasn't changed. If the debiting bank account has changed then the shareholders will need to complete a new Direct Debit form and send it to the Administrator signed by all account holders.

Shareholders wishing to amend their monthly savings amount, which is received by Standing Order Instruction, must complete a new form, and send it to their banking representatives, signed by all joint shareholders, as well as notifying the Administrator by telephone. In the case of joint accounts, such notification can be by any one shareholder.

### **Redemptions of Shares**

Where a shareholder wishes to redeem Shares, Shares will be redeemed on any Dealing Day except where there is a suspension by the Company of redemptions of Shares or of repurchases by the Manager.

Redemption instructions received after the Valuation Point by whatever means will be held over to the next Dealing Day and Shares will be redeemed at the dealing price calculated at that day's Valuation Point. A redemption request may not be withdrawn except where there is a suspension by the Company of cancellations of Shares or of redemptions of Shares by the Manager.

Although the Company is under an obligation, subject to the provisions of the Articles and to Jersey law, to redeem at the dealing price, the Manager, as principal, will also repurchase any Shares for which a request for redemption is received from a shareholder. In such a case the price will not be less than the dealing price, subject to any applicable dilution levy (see section entitled "Dilution Levies" below). Shares will be repurchased by the Manager at forward prices calculated at the Valuation Point less any applicable Dilution Levy.

Shareholders can instruct the Administrator to redeem all or part of a shareholding in writing or by telephone where the shareholders have provided details of a Nominated Bank Account either in the application form or at the time of issuing these instructions, subject to these instructions being suitably validated. In the case of joint shareholdings, either shareholder can instruct the Administrator by telephone, however if no Nominated Bank Account details have been provided the Administrator will need to verify the instruction with all shareholders. In any other circumstances, redemption instructions will need to be in writing, signed by each shareholder if the shareholding is joint. The Administrator may, in certain circumstances, seek to confirm the validity of such instructions by contacting the shareholder prior to carrying out the instruction.

Any amount payable to a shareholder following a request for redemption will normally be paid on the due settlement date to the bank account nominated. If this is not practical or no Nominated Bank Account details have been given, the Administrator will contact shareholders on a best endeavours basis to obtain new bank account details, which will require verification, except in the case of the Euro High Income Fund where proceeds will be paid by euro denominated draft. Payments will only be made to, or for the account of the registered shareholder(s). Any charges in respect of carrying out these payments are deductible from the proceeds.

The due settlement date will be not later than the close of business on the fourth business day following the later of the date of the next Valuation Point occurring after receipt of the request to redeem the Shares and the date of receipt of all necessary documentation for the Shares to be redeemed. The Manager and/or the Administrator may, at its discretion, delay or refuse to carry out the redemption instruction or make payment if it believes such payment or instruction may not be practicable or might involve or cause either the shareholder, the Manager, the Administrator or the Company to breach any law, rule, statutory obligation or regulation. Neither the Manager nor the Administrator is liable for any loss the shareholder may incur as a result of such delays.

There is no minimum number of Shares, or minimum value of Shares, which may be redeemed in any one transaction, unless the redemption of part only of the shareholding would, if carried out, leave the shareholder holding less than the Minimum Holding for that Fund.

Shareholdings of less than the Minimum Holding may be sold by the Manager and the proceeds remitted to the shareholder.



### **Regular Redemptions**

Shareholders may instruct the Administrator to redeem shares on either a monthly, quarterly, or annual basis by completing the appropriate form. Such redemptions can be for a fixed amount or number of shares and should be for a minimum of £100 (or equivalent). Transactions will be carried out on the last Business Day of the relevant month and will be subject to the Minimum Holding requirements set out on page 17. Settlement will be made within four business days of the transaction, and payment will be made to the Shareholder's previously nominated bank account.

Changes to regular redemption instructions will be accepted in writing or by telephone to the Administrator. In the case of joint accounts, any changes to the amount of the regular redemption or to the nominated bank account will require signature, or confirmation, by all parties to the account.

Any redemptions made through this facility will reduce the capital value of the Shareholder's investment.

### **Large Deals**

Where a redemption is considered a Large Deal, the Manager is entitled to offer the requisite proportion of the Fund's net assets in settlement. In such circumstances, the shareholder may serve a notice on the Manager requiring the Manager to arrange for the sale of such net assets and the payment of the net proceeds.

Other than the application of any applicable dilution levy, the Manager does not levy any charges for redemptions of Shares.

As Shares are priced on a single pricing basis, the costs associated with realising assets to meet a Large Deal can lead to a dilution of the value for the remaining shareholders. Where a Fund calculates prices on a single pricing basis, a dilution levy can be applied to the redemption proceeds. Details of the Company's policy on the application of dilution levies to Large Deals is set out below.

### **Dilution Levies**

A dilution levy is a mechanism to protect existing shareholders' and potential shareholders' interests. High levels of buying and selling by shareholders may lead to an increase in the underlying dealing costs borne by a Fund. The effect of this is that the value of a Fund may be reduced (or diluted). In order to prevent this dilution effect, the Manager has the discretion to charge a dilution levy on the creation, sale, redemption or repurchase of Shares (including conversions between different Funds). When charged, the dilution levy will be paid into the relevant Fund in order to mitigate the effect of the dilution.

For example the Manager may impose a dilution levy on a Fund in circumstances where:

- a Fund experiences large levels of net purchases (i.e. purchases less redemptions) relative to its size;
- a Fund experiences large levels of net redemptions (i.e. redemptions less purchases) relative to its size;
- the Manager believes that the imposition of a dilution levy is required to safeguard the interests of shareholders and potential shareholders.

For these purposes the term "large levels" of net purchases or net redemptions occurs when the net dealing position would create a dilution levy of more than 1 basis point (0.01%) of the NAV of a Fund or £5,000, whichever is the lower.

When applied, the dilution levy will be added to the purchase cost or deducted from the redemption proceeds, as appropriate. The Manager does not currently charge a dilution levy on the purchase costs or redemption proceeds of a deal where the resultant charge on an individual deal is less than £7,500. This may change and shareholders should contact the Manager for the latest applicable charge.

The Manager is also entitled to impose a dilution levy on a Large Deal.

As dilution is directly related to the inflows and outflows of monies from the Fund it is not possible to predict accurately whether dilution will occur at any future point in time. In deciding whether to impose a dilution levy the Manager will consider a number of factors including the size of the transaction relative to the overall value of the relevant Fund, the level of transaction costs within that particular market, the liquidity of the underlying investments within the Fund, the amount of investments to be bought/sold and the likely time that this will take, the likelihood of an adverse impact on the value of investments as a result of the accelerated rate of disposal/acquisition and the length of time for which the Shares in question were held.

On the occasions when a dilution levy is not applied there could be an adverse impact on the total assets of the Fund, as the Fund will have to meet the costs of dealing in the underlying assets.

The dilution levy for each Fund may vary over time because the dilution levy for each Fund will be calculated by reference to the costs of dealing in the underlying investments of that Fund, including any dealing spreads, and these can vary with market conditions. A typical dilution levy for a Fund can range from 0.01% to 1% of a Fund's or Class's share price.

### **Transfers**

The Company may decline to register a transfer of Shares where:

- such transfer would be in breach of the Minimum Holding restrictions.
- the instrument of transfer has not been accompanied by such other evidence as the Manager and/or the Administrator may reasonably require to show the right of the transferor to make the transfer.
- any transfer would result in the names of more than four shareholders being jointly registered.
- the instrument of transfer relates to more than one class of Shares.
- the transfer would be in breach of any law, statutory obligation or regulatory requirement.

### **Prices and Valuations**

Issues and redemptions of Shares may only be carried out on Dealing Days. Shares may be issued and redeemed only pursuant to creation and cancellation applications made by the Manager or the Administrator to the Custodian within two hours of the Valuation Point. For the purpose of determining dealing prices applicable on Dealing Days, the assets of the Company will generally be valued on a mid market basis as at the Valuation Point.

The Company maintains a valuation policy that complies with the AIFMD and the Order, which provides for a proper and independent valuation of the property of each Fund and a determination of the Share prices. The Manager has, by appointing the Administrator, ensured that the valuation task is functionally independent from the portfolio management, and its remuneration policy and other measures mitigate conflicts of interest and that undue influence upon the employees involved is prevented.

The price of each Share of any Fund will be calculated by reference to the proportion of the NAV of the Fund attributable to a Share of that Class or Fund by:

- taking the proportion of the NAV of the relevant Fund attributable to the Shares of the Class or Fund concerned at the Valuation Point of that Class or Fund; and
- dividing the result by the number of Shares of the relevant Class or Fund in issue immediately before the Valuation Point concerned.

The Manager has adopted a policy for valuing any illiquid assets which may be held within the Fund's portfolio. Exposure to such assets (if any) will be disclosed in the periodic reports and accounts.

The Order contains detailed provisions for calculating the value of the property of each Fund by categories of assets and liabilities. Reference should be made to the Order for a detailed understanding of such provisions.

The dealing prices per Share of each Class or Fund are determined in accordance with the Order.

The Manager will not sell or repurchase Shares at a price which is higher than the dealing price plus any applicable dilution levy (in the case of a sale) or lower than the dealing price less any applicable dilution levy (in the case of a repurchase). The Manager is not under an obligation to account to the Company or the shareholders for any profits made by the Manager from the sale, repurchase or exchange of Shares.

The dealing prices will be calculated to at least four significant figures.

The dealing price last notified to the Custodian is available on request from the Manager.

### **Publication of Prices**

Dealing prices of Shares are published periodically in appropriate newspapers. Prices quoted in this way will be the latest available prices prior to that publication's printing deadlines and will not therefore be the prices at which transactions will be carried out on the day such prices are published. The date at which the prices are calculated will be included in the publication.



Please note that the Manager does not accept responsibility for the accuracy of the information published in newspapers where the Manager has provided the correct information.

Prices are also published and updated daily on the website [www.brooksmacdonald.com/international-fund-prices](http://www.brooksmacdonald.com/international-fund-prices)

### **Suspensions**

On receipt of creation or cancellation applications from the Manager or the Administrator, the Company or the Custodian may give notice to the Manager and the Administrator, refusing to create or cancel Shares or to consent to such a creation or cancellation if in the case of the Company, the Directors are, or if in the case of the Custodian, the Custodian is of the opinion that it is not in the interests of the Applicants or shareholders for the Shares to be issued or redeemed.

The Manager may with the prior agreement of the Custodian and the Directors, or will if the Custodian or the Directors of the Company with the prior agreement of the Custodian so requires or require, at any time for a period not exceeding 28 days suspend the sale and repurchase of Shares of a Fund if:

- a. the Manager is of the opinion that there is good and sufficient reason to do so having regard to the interests of the shareholders of that Fund; or
- b. the Custodian is, or the Directors of the Company are, of that same opinion in the case of any requirement by it or them.

The circumstances under which a suspension of dealing may occur include, for example, those where the Administrator cannot reasonably ascertain the value of assets or the Investment Manager cannot realise the assets of the Fund, or the closure or suspension of dealing on a relevant stock exchange or market.

The first sale/subscription and redemption/repurchase of Shares of such Fund following a period of suspension will take place on the first Dealing Day following the end of such period at prices calculated by reference to the next Valuation Point.

### **Qualified Shareholders**

The Company has the power to require any shareholder who holds Shares in breach of any law or requirement of any country or governmental authority or who is disqualified from holding Shares so as to cause the Company or any shareholder a financial or tax disadvantage to transfer such Shares, failing which the Company may compulsorily redeem such Shares and pay the proceeds thereof to such shareholder.

## Death of a Shareholder

Sole shareholders should be aware that upon their death the executors/administrators of their estate will, in certain circumstances, be required to take out a Grant of Probate or Letters of Administration from the Royal Court in Jersey in order for the investment to be released. The application for the Grant of Probate or Letters of Administration can be made by the executor or administrator personally or alternatively a Jersey advocate or solicitor or an authorised Jersey trust company can obtain the Grant of Probate or Letters of Administration on their behalf, which will be at a charge.

At its discretion, the Manager may, in certain limited circumstances waive the requirement for Jersey Grant of Probate or Letters of Administration on receipt of satisfactory documentary or other information to evidence that the person applying for the release of the funds is entitled to make this request.

The Manager may require the receiving party to provide certain confirmations and guarantees for such payment to be made.

As at the Date of this Prospectus, Stamp Duty is levied according to the size of the Jersey Estate where:

- the estate does not exceed £10,000 in value, no sum would be payable;
- the estate does not exceed £100,000 in value, the sum currently payable would be £50 per £10,000 or part thereof;
- the estate is above £100,000 in value, the sum currently payable would be £500 for the first £100,000 and thereafter £75 per £10,000 or part thereof.

The maximum Stamp Duty payable is £100,000. The above figures are subject to change.

## Joint Holdings

In the case of joint shareholdings, instructions authorised by all of the shareholders and, where necessary, suitably validated, will be required before the Manager or Administrator will issue repayment to any bank account (which must be in the name of one or more of the shareholders) not previously nominated on the application form. A signed written instruction from all shareholders will be required before any changes in registration details are carried out.

On the death of a joint shareholder, the shareholding will pass to the remaining joint shareholder(s) on production of the necessary documentation.

## Exchange of Participating Shares

Shareholders may apply to the Manager on any Dealing Day to exchange Shares of one Fund by reference to their dealing price less any applicable dilution levy for those of another Fund by reference to their dealing price plus any applicable dilution levy. Exchanges are subject to the Minimum Holding restrictions.

On any other exchange other than the first two in any annual accounting period, which will otherwise be free of charge, the Manager may make an additional charge which will not exceed £50 per exchange.

An application for an exchange must be for Shares having a minimum value of £1,000 or €1,000 for the Euro High Income Fund, and the resultant shareholdings must meet the Minimum Holding requirements for the respective Funds or Share Classes.

In some jurisdictions, including the UK, an exchange of Shares of one Fund for Shares of another Fund may be a disposal of Shares of the original Fund for the purposes of taxation.

In no circumstances will a shareholder who exchanges or applies to exchange Shares of one Fund for Shares of another Fund be entitled to withdraw from or cancel the transaction except where there is a suspension of sale or repurchase of Shares of the relevant Funds.

## Fees and Charges

### Shareholder Charges

These are the charges that a shareholder will pay on their investment and are shown in the table below.

#### Initial Charge

The Manager does not levy an initial charge for investments in the Funds.

#### Ongoing Charge

The Ongoing Charge represents the costs of running each Class of Fund and is made up of the Total Expense Ratio and any transaction costs where applicable. The Total Expense Ratio is the total expenses that are charged to each Fund. It is not paid directly by the shareholder but is reflected in the price of each Share. It includes the Annual Management Charge, Custodian Fee, Registrar Fees, Directors' Fees and all other permitted operating expenses.

#### Shareholder Charges

Fund Class	Initial Charge (%)	Ongoing Charge* (%)
High Income Fund	nil	1.11
Euro High Income Fund	nil	1.42
Sterling Bond Fund	nil	1.27

\*Source: Brooks Macdonald International Investment Funds Limited Interim Report and Accounts as at 28 March 2024.

#### Company Fees

These are the fees and expenses that the Company will pay out of each Fund. These are included in the calculation of the Ongoing Charge. The transaction costs are the costs incurred in the buying and selling of the underlying assets of the Fund.

#### Management and Registrar Fees

The Manager will receive a fee (the Annual Management Charge) for its services. This is taken out of each Fund (accrued daily and paid monthly) and is equal to an annual rate on the mid market value of the net assets of the Funds as follows:

Fund	Fee payable (% of net assets)
High Income Fund	0.875
Euro High Income Fund	0.875
Sterling Bond Fund	0.875

The Directors of the Company and the Manager may agree a higher fee for any Fund subject to a maximum annual rate of 1.5%. If such a higher fee is agreed, shareholders of the relevant Fund will be given at least 90 days' written notice of any increase.

The Company has also agreed that the Manager may charge a Registrar fee payable by the Company of £12.00 each annual and half yearly accounting period for each shareholding which appears on the Register on the last business day of each annual and half yearly accounting period and for each holding for which nominee facilities are provided on the last business day of each annual and half yearly accounting period. The Manager and the Company may agree a higher fee.

The Manager is also entitled to reimbursement of certain expenses incurred in relation to Registrar activities.

All fees of the Investment Manager and of the Administrator, including those for acting as Registrar of the Company, shall be borne by, and paid for, by the Manager.

### Custodian Fee

The Custodian is entitled to:

- a. an annual fee payable monthly by the Company, in respect of each Fund, at the rates set out below by reference to the NAV of each Fund calculated on a mid-market basis and subject to an overall minimum fee per annum of £60,000; and
- b. transaction charges at such rates as shall be agreed with the Manager from time to time, and
- c. reimbursement by the Company of its expenses in connection with its duties as Custodian, and
- d. such other remuneration as may be agreed by the Company from time to time.

Fund	NAV of each Fund		
	up to £50m	£50m to £100m	£100m plus
<b>Sterling Funds</b>			
High Income	0.050%	0.035%	0.025%
Sterling Bond	0.050%	0.035%	0.025%
Euro High Income	0.050%	0.035%	0.025%

These fees are subject to annual review and are subject to a maximum rate of 0.25% for any Fund. Shareholders will be given 90 days' written notice of any increase. No notice will be given of any reduction of rates.

### Directors' Fees

The Directors are entitled to such remuneration from the Company as is voted by the Company in General Meeting. Currently, Directors who are employees of the Brooks Macdonald or JTC groups do not receive any remuneration. In the case of other Directors, this is currently set at a maximum of £25,000 per annum.

The Company may also pay the Directors and any alternate Directors all the travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or General Meetings of the Company or in connection with the business of the Company.

The Company may grant special remuneration to any Director who performs any special or extra services to or at the request of the Company. Such special remuneration is payable by the Company in such amounts as the Directors may determine from time to time.

### Other Fees

The Company is also responsible for other expenses incurred in its operation.

Each Fund is charged with costs and expenses specifically attributable to it. These costs and expenses include but are not limited to:

- costs of dealing in the property of each Fund;
- interest on permitted borrowings and charges incurred in effecting or varying the terms of such borrowings;
- any costs incurred in respect of meetings of shareholders convened on a requisition by shareholders;
- any periodic charge payable to the Manager;
- any costs incurred in respect of the establishment and maintenance of the register;
- audit fees and any expenses of the auditor;
- costs incurred in respect of the distribution of income to shareholders;
- costs reasonably incurred in respect of the publication of Share prices and in the publication and distribution of this Prospectus, Annual and Interim Report and Accounts;
- legal and professional fees reasonably incurred in ascertaining the rights of shareholders other than the Manager or an associate of the Manager;

- costs and expenses in respect of the formation of the Company or of a Fund, and for obtaining a listing for Shares in any Fund on the occasion of the initial offer gradually written off over a period not exceeding 10 years as stated in this Prospectus;
- costs and expenses in respect of obtaining a listing for Shares in a Fund on a stock exchange on an occasion other than that of the initial offer, if agreed by shareholders;
- taxation and duties payable in respect of the property of each Fund or the sale of Shares;
- any costs incurred in modifying the Articles, the Management and Custodian Agreements including costs incurred in respect of meetings convened for these purposes, which includes modifying the Articles, where the modification is:
  - i. necessary to implement a change in the law, or
  - ii. necessary as a direct consequence of any change in the law, or
  - iii. expedient having regard to any change in the law made by or under any fiscal enactment and which the Directors and the Custodian agree is in the interests of shareholders, or
  - iv. to remove obsolete provisions from the Articles;
- the fees of the Custodian;
- expenses or disbursements of the Custodian to which it is entitled under the Custodian Agreement which include, but are not limited to:
  - i. the fees, expenses and disbursements of any agent, legal or accountancy adviser, valuer, broker or other professional person;
  - ii. all stamp duty and other taxes or duties; all fees, expenses and disbursements incurred in relation to the safe custody, insurance, acquisition, holding or realisation or other dealing with the property of the Company;
  - iii. all expenses incurred in the collection and distribution of income;
  - iv. all other expenses and disbursements including telex, facsimile, and long distance telephone calls;
  - v. all such charges, expenses and disbursements as it is entitled to charge under the general law;
- costs incurred by the Company in making its annual return and in complying with other statutory requirements imposed on the Company;
- Directors' fees and expenses;
- fees chargeable to the Company by the Commission and by any other regulatory authority in any jurisdiction in which the Funds are registered for sale but excluding any such fees payable in respect of the Manager and Custodian;
- any safe custody charges reasonably incurred by the Custodian where the property of any Fund is held outside Jersey;
- the remuneration and expenses of any representative appointed in another jurisdiction in compliance with the laws or other requirements of that jurisdiction;
- any amount payable under any provisions contained in the Articles or any agreement with a Functionary other than provisions protecting the Functionary from claims arising from its failure to exercise due care and diligence;
- legal and other professional fees incurred in any proceedings instituted or defended in accordance with written legal advice to enforce, protect, safeguard, defend or recover the rights or property of a Fund.

The above mentioned fees and expenses are not subject to any maximum.

**Other information**

The Annual Management Charge and the Registrar Fees for High Income Fund and Euro High Income Fund are charged to capital. The fees and expenses for Sterling Bond Fund are charged to income.

Other costs or taxes imposed by third parties may arise in connection with this product in addition to those described in this Prospectus. However, at the Date of this Prospectus, the Directors are not aware of any such costs.

Costs and expenses not attributable to a particular Fund are allocated between Funds by the Directors after consulting the Custodian on a basis approved by the auditors, normally pro rata to the respective NAV of each Fund.

The Manager may, where regulations permit and at its discretion, pay a commission to any authorised agent or intermediary who introduces investors to purchase shares. Such introductory commission will be paid by the Manager and will not be borne by the Company.

Shareholders should note that the application of charges and expenses to income will reduce the income available for distribution.

# Taxation

## General

The taxation of income and capital gains of the Company and shareholders is subject to the fiscal law and practice of Jersey, the jurisdictions in which the Company invests and the jurisdictions in which shareholders are resident or otherwise subject to tax.

**The tax treatment depends on the individual circumstances of each prospective investor and shareholder. Prospective investors and shareholders should consult their own professional advisers on the implications of making an investment in, holding, exchanging or disposing of Shares and the receipt of distributions (whether or not on reinvestment and/or repurchase) with respect to such Shares under the laws of the jurisdiction in which they are liable to taxation.**

Shareholders should be aware that the relevant fiscal rules and practice or their interpretation, may change, possibly with retrospective effect.

Dividends, interest and other income as well as capital gains received by the Company may be subject to withholding or similar taxes imposed by the country in which such dividends, interest, other income or capital gains originate (although this is not expected to occur to any major extent). The Company will not normally be eligible to benefit from any treaties for the relief of double taxation.

It is the responsibility of the shareholder to account to the relevant tax authority for any tax due on any sums received or deemed to be received.

## Information Exchange

Jersey has entered into a number of information exchange agreements with the authorities of other jurisdictions.

Shareholders should be aware that information on their investment may be shared with the relevant authorities, and may be passed to the tax authorities in their country of residence, citizenship or residence for tax purposes. For the avoidance of doubt this information may include (but not be limited to) details of shareholder names, addresses, unique identifiers (such as tax or national insurance numbers), amount of investment, redemption or sale proceeds and dividend payments.

## Jersey Tax Considerations

The following summary of the anticipated tax treatment in Jersey is not intended to be comprehensive and does not constitute legal or tax advice.

### The Company

The Company is liable to be charged to tax at a rate of 0% under Schedule D of the Income Tax Law in respect of (i) the income or profits of any trade carried on by the Company in Jersey or elsewhere, (ii) any interest of money, whether yearly or otherwise, or other annual payment paid to the Company, whether such payment is made within or out of Jersey, (iii) dividends and other distributions of a company regarded as resident in Jersey paid to the Company, (iv) income arising to the Company from securities out of Jersey and (v) any other income of the Company that is not derived from the ownership or disposal of land in Jersey. It is not expected that the Company will be in receipt of income charged to tax under any Schedule under the Income Tax Law other than Schedule D.

### Shareholders

Dividends, which may be subject to tax in the hands of the investor, are currently paid gross. No deductions are made by way of Jersey withholding tax on repurchase of Shares.

Jersey does not currently levy taxes upon capital, inheritance, capital gains or gifts.

Shareholders resident in Jersey should be aware of the anti-avoidance provisions of Article 134A of the Income Tax Law, which may be invoked in circumstances where avoidance is deemed to have taken place.

No Stamp Duty is currently levied in Jersey on the lifetime transfer or repurchase of Shares.

Recent Stamp Duty rates payable on death are set out in the section "Death of a Shareholder" on page 22.



## Reports and Accounts

The Company's annual accounting date is the last Dealing Day of September. The interim accounting date is the last Dealing Day of March.

The Report and Accounts relating to the Company will be published and made available to all shareholders within four months of the annual accounting date and within two months of the interim accounting date unless a shareholder specifically requests the Administrator in writing that they do not wish to receive copies of the Report and Accounts. Shareholders, except those who invest through the Regular Savings Plan, will receive a statement of their holdings with the Report and Accounts unless a shareholder specifically requests the Administrator in writing that they do not wish to receive copies of the Report and Accounts. Shareholders investing through the Regular Savings Plan will receive a half yearly statement in April and October each year.

The Custodian is required to report to the shareholders annually on the conduct of the Directors and the Manager in the management of the Company in each annual accounting period.

Copies of the latest Annual Report and Accounts (if any) and any subsequent Interim Report and Accounts are available on the website ([www.brooksmacdonald.com/international-funds](http://www.brooksmacdonald.com/international-funds)) and from the Manager free of charge.

Copies of the Annual Report and Accounts for the five previous accounting years are also available on request from the Manager.

## Meetings

Annual General Meetings of the Company will be held in Jersey within six months of the end of each annual accounting period.

The Directors are required to convene an Extraordinary General Meeting of the Company whenever required to do so by shareholders representing at least one-tenth of the Shares in issue, provided the requisition is signed by such shareholders, is dated, and states the matter or matters to be submitted for consideration at the meeting.

At General Meetings of the Company, any shareholder present in person (in the case of a company, its authorised representative) or by proxy may demand a poll.

### **Votes**

Shareholders of each Fund are entitled to receive notice of general meetings and to attend and vote. The Manager and other connected parties will not vote at meetings of shareholders. Each shareholder is entitled on a show of hands to one vote, and on a poll to one vote for each Share held.

Shareholders can appoint another person to be their proxy to attend and vote on their behalf.

## The Constitution of the Company

The Company was incorporated on 11 July 1983 with registered number 26679. The name of the Company was changed most recently from Lloyds Investment Funds Limited to Brooks Macdonald International Investment Funds Limited on 1 December 2020. This followed the successful completion of the acquisition by Brooks Macdonald Asset Management (International) Limited of the entire share capital of the Manager on 30 November 2020.

Its constitution is defined in the Memorandum and Articles of Association. It will exist until dissolved by special resolution of its shareholders, but all Shares if not previously redeemed will be redeemed on 31 December 2083, or if that is not a Dealing Day in Jersey the next following Dealing Day. It is an umbrella fund under the Order.

### Capital Structure

The authorised share capital of the Company is £7,501,000 divided into 1,000 Founders Shares of £1 each and 750,000,000 unclassified shares of 1p each. The unclassified shares may be issued as Shares or Nominal Shares. The Shares may be issued as Shares of the existing Funds, or such other Funds as the Directors may from time to time create.

As the Company is open-ended, the issued capital of the Company will fluctuate in accordance with the volume of Share purchases and redemptions.

### Founders Shares

The Founders Shares are required as a class of non-redeemable shares in issue in order that the Shares of the Company are redeemable. The Founders Shares on a poll carry one vote for each share held but do not carry any rights to dividends. Founders Shares are issued only to the Manager and its nominee.

On a winding-up of the Company, holders of the Founders Shares are entitled to participate in the assets of the Company on the terms set out below.

### Shares

There are at present three Funds comprising the Company. The Directors may from time to time create further Funds. Shares are divided into Funds according to the type of investment in which the proceeds of the issue of Shares are invested. A separate portfolio of investments is maintained for each Fund.

Each shareholder is entitled, on a poll, to one vote for each Share held.

Shareholders can participate in the property or income of the Company through:

- a. their rights on winding-up of the Company to the assets of the relevant Fund;
- b. their right to redeem their Shares at prices related to the value of the assets attributable to the relevant Fund; and
- c. their right to dividends declared out of the net income of the relevant Fund.

If any dividends are paid, different amounts may be payable for each Fund.

If at any time the value of the property of the Company or of any one Fund determined on the same basis as that for calculating the dealing price of Shares on each Dealing Day within a period of four consecutive weeks, shall be less than £5,000,000 or an equivalent amount in another currency, or such higher sum in relation to any Fund as the Directors shall from time to time determine, the Company may, by giving three weeks' written notice to shareholders given within eight weeks of the expiry of the four week period, redeem all the Shares of the Company or of that Fund, as the case may be, then in issue at the relevant dealing price.

By special resolution of the shareholders of any Fund, the Company may, by giving not less than four and not more than six weeks' written notice (expiring on a Dealing Day) given to all shareholders of that Fund, redeem at the dealing price on such Dealing Day, all (but not some) of the Shares of that Fund.

If all the Shares of any Fund are to be redeemed in accordance with either of the above provisions, the Directors may with the sanction of a special resolution of the shareholders of that Fund, divide amongst the said shareholders in specie all or any part of the assets of the relevant Fund.

If all the Shares of any Fund are to be redeemed and the whole or part of the business or property of the Company attributable to the relevant Fund or any of the assets of that Fund are to be transferred or sold to a Transferee, the Directors may, with the sanction of a special resolution of the shareholders of that Fund receive in compensation or part compensation for the transfer or sale, shares, units, policies or other like interests or property in or of the Transferee. Such interests or property received will be distributed among the shareholders of that Fund. Alternatively or in addition, the Directors may participate in the profits of or receive any other benefit from the Transferee.

By the passing of a special resolution of the shareholders of any Fund, the Directors may (by giving not less than four weeks' written notice expiring on a Dealing Day) convert all Shares of that Fund into Shares of another Fund. Such conversion will be carried out by the transfer in the books of the Company of all the property and liabilities of the old Fund to the new Fund. The issue of Shares in the new Fund to the shareholders in the old Fund will be pro rata to the holdings of such shares of such aggregate value as is equivalent to the value attributable to the old Fund. For such purposes, the value of the old Fund and the number of Shares to be issued of the new Fund will be determined on such basis as will be agreed with the Custodian.

### Nominal Shares

The Nominal Shares are non-participating redeemable second preference shares. They can only be issued at par (i.e. at face value) and only for the purpose of providing funds for the redemption of the nominal amount of Shares. They will only be issued to the Manager. They carry no right to dividends. Each holder of Nominal Shares is entitled, on a poll, to one vote irrespective of the number of shares held.

The Manager is obliged to subscribe for Nominal Shares for cash at par when Shares are redeemed, unless the Directors decide that the nominal amount of such shares is to be redeemed out of profits. Nominal Shares may be converted into Shares by the Manager on payment by it of the difference between the nominal value and the current dealing price. Their rights on a winding up of the Company are set out below.

### Notifying Shareholders of Changes

The Directors are required to seek shareholder approval to, or notify shareholders of, various types of changes to the Company, which could include a change to a Fund's investment objective and policy. The form of notification, and whether shareholder approval is required, depends upon the nature of the proposed change as explained below.

A fundamental change is one which:

- a. changes the purpose or nature of a Fund; or
- b. materially changes the objective and/or policy of a Fund; or
- c. results in a closure, merger or reconstruction of a Fund or the Company; or
- d. may materially prejudice a shareholder; or
- e. alters the risk profile of a Fund; or
- f. introduces any new type of payment out of the property of a Fund; or
- g. amends the Articles.

For fundamental changes, the Directors must obtain shareholder approval, normally by way of an extraordinary resolution which needs 75% of the votes cast to be in favour if the resolution is to be passed, save for an amendment to the Articles or a closure, merger or reconstruction of a Fund or the Company which must be approved by way of a special resolution which needs 66⅔% of the votes cast to be in favour if the resolution is to be passed.

A significant change is one which:

- a. is not fundamental; or
- b. affects a shareholder's ability to exercise their rights in relation to their investment; or
- c. would reasonably be expected to cause the shareholder to reconsider their participation in a Fund; or
- d. results in any increased payments out of a Fund to the Manager or its associates; or
- e. materially increases payments of any other type out of a Fund.

The Directors must give shareholders reasonable prior written notice which will be not less than sixty days for any significant change.

A notifiable change is a change or event of which a shareholder must be made aware but, although not considered by the Directors to be insignificant, it is not a fundamental change or a significant change. The Directors must inform shareholders in an appropriate manner and time scale of any such notifiable changes. This can be by the inclusion of a statement in the next Annual Report and Accounts or Interim Report and Accounts, as applicable, after the date of the change.

### Contractual Relationship between the Shareholders, the Company and the Manager

The agreement (including the Application Form) between shareholders, the Company and the Manager for the acquisition of Shares offered under this Prospectus is governed by Jersey law and by purchasing Shares, the shareholders agree that the courts of Jersey have exclusive jurisdiction to settle any disputes. All communications in connection with the purchase of Shares will be in English.

### Fund Rules

The Directors by resolution may adopt fund rules containing certain matters appropriate to a Fund which are not contained in the Articles. Fund rules must be certified as approved by the Custodian and accompanied by a Certificate of a solicitor or advocate of The Royal Court of Jersey as complying with the requirements of the Order as they relate to their contents.

Fund rules, once adopted, cannot be altered, modified, rescinded or substituted by new fund rules adopted by the Directors without the approval of a special resolution of shareholders except where such alteration, modification or amendments made by such proposed new fund rules are required solely:

- a. to implement any change in the law; or
- b. as a direct consequence of any such change in the Law; or
- c. to change the name of the Company or a Fund; or
- d. to replace the Manager or Custodian when it has been removed or wishes to retire or has retired; or
- e. to make an amendment which the Manager and the Custodian have agreed in writing or the Directors consider does not materially disadvantage any shareholders or potential shareholders; or
- f. to remove from the fund rules obsolete provisions; or
- g. to remove references to a constituent part of the Company, following the approval of the Commission to a proposal to alter the Company by removing a constituent part: or
- h. for early commencement of Article 16.03 of the Order; or
- i. to reflect the introduction of a new constituent part of the Company.

### Winding-up

The Company can be wound up at any time by special resolution in accordance with the provisions of the Companies Law. In addition, unless the Commission determines otherwise, in any of the following circumstances the Company must cease the issue and redemption of Shares, the Manager must cease the sale and repurchase of Shares in the Company, and the Directors must convene a special meeting of the Company to consider a special resolution to wind-up the Company no later than one month after the occurrence of any of the following:

- a. the cancellation of the Company's recognized fund certificate;
- b. the determination of the Commission to cancel the Company's recognized fund certificate at the request of the Company or the Custodian.

The procedure to be followed on a winding-up of the Company will be that set out from time to time by the Companies Law and the Order.

In a liquidation, the liquidator transfers assets to and from the funds of investments of the separate classes of shares in such a way as is necessary in order that the effective burden of creditors' claims is shared among the shareholders of different classes in such proportion as the liquidator thinks is fair, having regard to the provisions of the Articles as to the obligations of the different classes for such liabilities.

The assets available for distribution among the shareholders will then be applied in the following priority:

1. Firstly, in payment to the shareholders of each Fund, a sum in the currency in which that Fund is designated. The sum will be as close as possible (at the middle-market rate of exchange prevailing in the London Foreign Exchange Market at a time selected by the liquidator which is within fourteen days preceding the date of such payment) to the nominal amount of the Shares of such Fund held by the shareholders, if there are sufficient assets available in the Fund to enable such payment to be made. In the event that there are insufficient assets available in the relevant Fund to enable such payments to be made, the outstanding balance will be sought from:

- i. firstly, any assets of the Company not comprised within any of the Funds; and
  - ii. secondly, any assets remaining in the Funds for other classes of shares after payment to the shareholders of the classes to which they relate of the amounts to which they are entitled under paragraph (1.) pro rata to the total value of such assets remaining within each Fund.
2. Secondly, in payment to the holders of the Nominal Shares, sums up to the nominal amount paid up out of the assets of the Company not comprised within any of the Funds and remaining after any deductions have been made under paragraph 1. (i.) above. In the event that there are insufficient assets to enable such payment in full to be made, no amount will be sought from the assets comprised within any of the Funds.
  3. Thirdly, in payment to the holders of the Founders Shares, sums up to the nominal amount paid up out of the assets of the Company not comprised within any of the Funds remaining after any recourse under paragraph (1.) (i.) above and after payment in full to the holders of the Nominal Shares under paragraph (2.) above. In the event that there are insufficient assets to enable such payment in full to the holders of the Founders Shares, no amount will be sought from the assets comprised within any of the Funds.
  4. Fourthly, in payment to the shareholders of each class of Shares, any balance then remaining in the relevant Fund for that class. Any such payment will be made in proportion to the number of Shares of that class held by the shareholder.
  5. Finally, in payment to the shareholders of any balance then remaining and not comprised within any of the Funds, such payment will be made in proportion to the number of Shares of that class held by the shareholder.

The liquidator may if authorised by special resolution divide assets in specie amongst shareholders.

#### Variation of Capital and Rights

1. The Company may by special resolution from time to time increase, reduce, consolidate and subdivide its share capital in any way.
2. All or any of the special rights for the time being attached to any class of Shares for the time being issued may from time to time be altered or repealed with the consent in writing of the shareholders of not less than two-thirds of the issued Shares of that class, or with the sanction of a special resolution passed at a separate class meeting of such shareholders. At such a meeting every shareholder of the class will be entitled, on a poll, to one vote for every such Share held by them. The necessary quorum (minimum number) at any such meeting is two persons at least holding or representing by proxy not less than one-third of the issued Shares of that class, except that if at any adjourned meeting such a quorum is not present, the shareholders who are present shall be a quorum.
3. The rights attached to each class of shares shall be deemed to be varied by the creation or issue of any share (other than shares of any class, whether now in existence or hereinafter created) ranking equally with or in priority to them as regards participation in the profits or assets of the Company.
4. The special rights attached to any class of shares having preferential rights will, unless otherwise expressly provided by the conditions of issue of such shares, be deemed not to be varied by:
  - a. The creation, allotment or issue of further shares which rank equally; or
  - b. the creation, allotment or issue of Founders Shares; or
  - c. the creation of Unclassified Shares; or
  - d. the allotment, issue or redemption of Shares of any Fund; or
  - e. the exchange of Shares of any Fund into Shares of another Fund; or
  - f. the allotment, issue or redemption of Nominal Shares; or
  - g. the conversion of Nominal Shares into Shares; or
  - h. the exchange or conversion of Shares of one Fund to those of another Fund pursuant to the Articles of Association.

#### Directors

1. The business of the Company will be managed by the Directors who may exercise all such powers as are not required by the Companies Law or the Order to be exercisable by the Custodian, the Manager, or the Company in General Meeting, subject to any provisions contained in the Articles, the Companies Law, the Order, or prescribed by the Company in General Meeting.



2. The Directors may exercise all the powers of the Company and entrust or confer any of these on the Manager.
3. Any Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with their office of Director on such terms as to tenure of office and otherwise as the Directors may determine. Any Director can also act in a professional capacity (other than as auditor) and they or their firm shall be entitled to remuneration for such services as if they were not a Director.
4. The Directors can at any time appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed will hold office only until the next following Annual General meeting and will then be eligible for re-election.
5. A Director can be removed from office by an ordinary resolution of the Company in General Meeting; and in certain other specific circumstances detailed in the Articles.
6. A Director may not normally vote in respect of any contract in which they are materially interested, but will not be disqualified by their office from contracting with the Company. A Director is not counted in the quorum of any meeting in relation to a resolution on which they are not permitted to vote.
7. There is no share qualification for Directors.
8. Each Director can appoint any person as their alternate to attend meetings at which they are unable to be present.
9. There are no provisions requiring a Director to retire at a specific age.

#### Liability of Directors and Officers of the Company

In so far as the Law permits, every Director and other officer of the Company is entitled to be protected by the Company for any liability incurred by reason of being an officer of the Company in respect of costs of defending proceedings, or to third parties where they acted in good faith with a view to the best interests of the Company, or otherwise where relief is granted by the Court.

The Directors are entitled to arrange insurance cover in the name of and at the expense of the Company for the benefit of the officers, the secretary and agents, servants or employees of the Company against liability incurred by them holding such office or appointment.

#### Conflicts of Interest

The Order contains detailed provisions relating, amongst others, to the powers and duties of the Manager and Custodian, the removal of the Manager, the cancellation of the Company's recognized fund certificate, and the dealing as principal with the property of the Company by the Manager, the Custodian, the Investment Manager or any associate of any of them.

The Manager has established and implemented a conflicts policy which may be revised and updated from time to time. The conflicts policy sets out how the Manager must seek to identify and manage all material conflicts of interest. Such conflicts of interest can occur in day to day business activities.

Depending on the exact nature of the conflict of interest involved, the Manager can take certain actions in accordance with the conflicts policy to mitigate the potential impact of the conflict. Such actions may include putting in place controls between the opposing sides of the conflict, which may control or prevent the exchange of information, and/or involve the appropriate management of staff activities and segregation of duties. Where such controls would be insufficient to eliminate the potential material risk of damage to shareholders from specific conflicts, the Manager will disclose the general nature and/or source of those conflicts of interest prior to undertaking the relevant business.

In addition, conflicts of interest may arise as a result of the delegation of the investment management role to the Investment Manager and the administration and registrar roles to the Administrator, if, for example, they provide similar or other services to other funds or investment products. The Investment Manager and the Administrator, as holders of permits under Article 7 of the Collective Investment Funds (Jersey) Law, 1988, as amended, have conflicts of interest policies in place to deal with such conflicts.

#### Recognition and Enforcement of Judgments

If any final and conclusive judgment under which a sum of money is payable (that is not in respect of taxes or similar charges, a fine or a penalty) were obtained in a Reciprocal Enforcement Court against the Company, that judgment would be recognised in accordance with any applicable reciprocal enforcement provisions and enforced in Jersey without reconsidering its merits.



A judgment of a foreign court other than a Reciprocal Enforcement Court is not directly enforceable in Jersey. The Jersey courts can, however, recognise and enforce, without reconsidering the merits, an in personam judgment (that is, a judgment enforceable specifically against a person) for a liquidated sum of money (not being in respect of taxes or similar charges, a fine or a penalty) that is final and conclusive given against the Company on the merits by a court in such foreign jurisdiction (having jurisdiction according to Jersey rules of private international law), provided that: (a) such judgment is not for exemplary, multiple or punitive damages and is obtained without fraud, in accordance with the principles of natural justice and is not contrary to public policy and; (b) the enforcement proceedings in the Jersey courts are duly served.

### Material Contracts

The following contracts which are or may be material have been entered into:

- i. Management Agreement dated 26 March 1991 (including any subsequent variations) between the Company, the Manager and the Custodian, in their former names where applicable, whereby the Manager agreed to manage the business of the Company and act as Registrar and which may be terminated, by six months' written notice by any party to the agreement.
- ii. Investment Management Agreement dated 30 November 2020 as amended, between the Manager and the Investment Manager whereby investment management is provided by the Investment Manager with effect from 1 December 2020. The Investment Management Agreement is for an indefinite period. Where the agreement is terminated for any reason whatsoever, the Investment Manager shall (unless otherwise is agreed with the Manager) continue in office until the Manager notifies the Investment Manager in writing of a date on which management responsibility shall be transferred to a successor appointed by the Manager.
- iii. Administration Agreement dated 30 November 2020 between the Manager and the Administrator whereby the accounting, administration, transfer agency and registrar services for the Company are provided by the Administrator with effect from 1 December 2020 and which may be terminated on one hundred and eighty days' prior written notice by any party to the agreement.
- iv. Custodian Agreement dated 29 January 2016 (including any subsequent variations) between the Company, the Manager and the Custodian, in their former names where applicable, whereby the latter was appointed Custodian to the Company, and which may be terminated on six months' prior written notice by any party to the agreement.

All the above agreements contain provisions protecting and exempting the respective functionaries from liability for any loss or damage suffered by the Company which may arise in the execution by the functionaries of their duties other than from failure to exercise due care and diligence.

### Treating Customers Fairly

The Manager follows the principle of treating customers fairly when dealing with shareholders of the Company.

It is the intention of both the Manager and the Company not to display or give any preference to any shareholder when carrying out their services, where such a preference would cause an overall material disadvantage to other shareholders of the same Fund.

In the event that one or more shareholder(s) obtain preferential treatment or the right to obtain preferential treatment, a description of such preferential treatment, the type of shareholder(s) who obtain such preferential treatment and, where relevant, their legal or economic links with the Company or the Manager shall be disclosed to shareholders.

### Complaints Procedures

Customer service related complaints should be addressed to: The Administrator, P.O. Box 12984, Dunmow, United Kingdom CM6 9DQ, or emailed to : BMI.dealing@JTGroup.com

All other complaints should be addressed to the Manager: Brooks Macdonald International Fund Managers Limited, Third Floor, No 1 Grenville Street, St Helier, Jersey, Channel Islands JE2 4UF or emailed to: info@brooksmacdonald.com

Copies of the complaints handling procedures are available from each party on application.

If the complainant is not satisfied with the response, they have the right to refer their complaint to the Channel Islands Financial Ombudsman, P.O. Box 114, Jersey, Channel Islands JE4 9QG.

Website: [www.ci-fo.org](http://www.ci-fo.org)

## General

1. No commissions, discounts, brokerage or other special terms have been granted by the Company in relation to shares or debentures issued or to be issued by the Company. However, on any issue or sale of Shares the Manager may, out of its own funds, pay commission on applications received through brokers and other professional agents. Any commission due other than trail commission will normally be paid within one month of the Shares being entered onto the register of shareholders subject to the completion of any necessary documentation.
2. As at the Date of this Prospectus, the Company is not engaged in any litigation or arbitration and no litigation or claim of material importance is known to the Directors to be pending or threatened against the Company.
3. There are no existing or proposed service contracts between any of the Directors and the Company but the Directors may receive remuneration as provided in the Articles.
4. The Company has no employees.
5. Other than as disclosed in paragraph (9.) below, no Director has had any interest in the promotion of the Company or, since the date of incorporation of the Company, in any assets acquired, disposed of or leased to or by or proposed to be acquired, disposed of or leased to or by the Company, and no Director has a material interest in any contract or arrangement entered into by the Company which is significant in relation to the business of the Company.
6. Other than for investments acquired in the course of its ordinary business, the Company has not purchased or acquired or agreed to purchase or acquire any property.
7. The Company does not provide loans or guarantees to any Director or to directors of the Manager or any other party.
8. The Company does not have any subsidiaries.
9. The significant business activities (if any) of the Directors of the Company are as follows:

<b>Ross Davey Willcox:</b>	Non-Executive Director and Chair - Brooks Macdonald International Multi Strategy Fund Limited
<b>Michael Peter Farley:</b>	Non-Executive Director and Chair - Brooks Macdonald International Fund Managers Limited (which is the Manager to the Company). Non-Executive Director Brooks Macdonald International Multi Strategy Fund Limited. Mr Farley also holds a number of other external directorships in addition to being a shareholder and employee of the Altair Group.
<b>Richard John Hughes:</b>	Director - Brooks Macdonald International Multi Strategy Fund Limited, Group Head of the Commercial Office - JTC Group Plc.
<b>Brian Charles James:</b>	Client Director - JTC Director - Brooks Macdonald International Multi Strategy Fund Limited. Mr James also holds a number of other external directorships.

The Directors confirm that they will not exercise any right to vote on any shareholder voting matter.

10. As at 31 March 2024, there were no Shares in the Company registered in the names of the Directors, their spouses or minor children.
11. The directors of the Manager are as follows. Their significant business activities, not connected with the business of the Manager, and not shown in (9.) above are:
 

<b>Michael Peter Farley:</b>	See above
<b>Paul (Lindsay) Bateman:</b>	Brooks Macdonald Asset Management (International) Limited
<b>Donald Euan Forbes:</b>	Brooks Macdonald Asset Management (International) Limited
<b>Mark O'Connor:</b>	Brooks Macdonald Asset Management (International) Limited

12. The Manager is not liable for any loss or damage, direct or indirect, caused by:
  - a. Any breach of confidentiality (unless caused by the Manager) resulting directly or indirectly from the actions of a shareholder;
  - b. The unavailability of any services;
  - c. Delays, interruptions or errors in transmission of monies or documents not directly arising as a result of a failure on the Manager's part; or
  - d. Other circumstances beyond the Manager's reasonable control.
13. The Manager's most recent Annual Report and Accounts and any subsequent Interim Report and Accounts are available on request from the Manager.
14. Copies of the Memorandum and Articles of Association of the Company, the Companies Law, the Collective Investment Funds (Jersey) Law, 1988, as amended, and subordinate legislation made thereunder (including the Order), the material contracts and any Fund rules can be inspected free of charge and copies of them obtained at a reasonable charge during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) in Jersey from the offices of the Manager or the Administrator. Copies of this Prospectus, the most recent Annual Report and any subsequent Interim Report of the Company are available, free of charge, from the Manager or the Administrator.