
TRUE POTENTIAL ADMINISTRATION LLP
PROPOSAL FOR A SCHEME OF ARRANGEMENT FOR THE MERGER OF

True Potential Waverton Income

**(a sub-fund of True Potential OEIC 2, an investment company with variable capital
incorporated in England and Wales, a UK UCITS)**

into

True Potential Close Brothers Cautious Income

**(a sub-fund of True Potential OEIC 1, an investment company with variable capital
incorporated in England and Wales, a UK UCITS)**

11 November 2024

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GLOSSARY OF TERMS USED IN THIS DOCUMENT

Accumulation Shares	in respect of the Transferring Fund, a Class of Shares in respect of which income allocated thereto is credited periodically to capital pursuant to the FCA Rules, net of any tax deducted or accounted for by TP OEIC 2;
ACD	True Potential Administration LLP as the authorised corporate director of TP OEIC 1 and TP OEIC 2;
Administrator	The Northern Trust Company (acting through its London Branch), as the administrator of TP OEIC 1 and TP OEIC 2;
Annual Management Charge or AMC	in respect of the Receiving Fund, the charge payable to the ACD in respect of a Class of New Shares based on a percentage of the net asset value;
Business Day	means a day (not being Saturday or Sunday or any bank holiday in England and Wales) on which banks are open for business in London;
Circular	this document and each of the Appendices;
Class or Classes	in relation to Shares or New Shares, means (according to the context): <ul style="list-style-type: none">(i) all of the Shares, or a particular class or classes of Shares, in the Transferring Fund; or(ii) all of the New Shares, or a particular class or classes of New Shares, in the Receiving Fund.
Dealing Day	a day on which shares are available for subscription and/or redemption in each of TP OEIC 1 and TP OEIC 2 as the context may require;
Depository	Northern Trust Investor Services Limited as the depository of TP OEIC 1 and TP OEIC 2 as the context may require;
Effective Date	the relevant implementation date for the Scheme as detailed on page 6 of this document or such other date as may be determined by the ACD;
Efficient Portfolio Management	means techniques and instruments which relate to transferable securities and approved money-market instruments and which fulfil the following criteria: <ul style="list-style-type: none">(a) they are economically appropriate in that they are realised in a cost-effective way; and(b) they are entered into for one or more of the following specific aims:<ul style="list-style-type: none">(i) reduction of risk;(ii) reduction of cost; and/or(iii) generation of additional capital or income for the scheme with a risk level which is consistent with the risk profile of the scheme and the risk diversification rules laid down in the FCA Rules.
FCA	the United Kingdom Financial Conduct Authority of 12 Endeavour Square, London E20 1JN, including its predecessor and/or any successor as the context may require;
FCA Handbook	the handbook of rules and guidance issued by the FCA, as amended from time to time;

FCA Rules	as the context so requires, the Collective Investment Schemes Sourcebook (or “ COLL ”) which forms part of the FCA Handbook;
Final Valuation Point	if the Merger is approved by the Shareholder, the date and time specified on page 6 of this document;
HMRC	the United Kingdom HM Revenue & Customs;
Income Shares	in respect of the Transferring Fund, a Class of Shares in respect of which income attributable to such Class is distributed periodically to holders of such Shares;
Instrument	the instrument of incorporation of TP OEIC 1 or TP OEIC 2 (as applicable);
Investor(s)	the clients of True Potential Investment LLP on whose behalf Shares in the Transferring Fund are held by the Shareholder as nominee;
Investment Manager	True Potential Investments LLP as investment manager of the Transferring Fund and the Receiving Fund;
KIID	the Key Investor Information Document being a short document containing key investor information on the essential elements of the Transferring Fund or the Receiving Fund (as the context requires) in accordance with the applicable rules contained in section 4.7 of COLL of the FCA Rules;
Merger	in respect of the Transferring Fund, the merger by way of the transfer of the scheme property in TP OEIC 2 attributable to the Transferring Fund to the Receiving Fund in exchange for the issue of New Shares, to be carried out under a Scheme of Arrangement;
New Shares	the relevant shares (of the relevant type and Class) in the Receiving Fund proposed to be issued to the Shareholder in the Transferring Fund pursuant to the Scheme, and as specified in Appendix 1;
OEIC Regulations	the Open-Ended Investment Company Regulations 2001, as amended from time to time;
Ongoing Charges Figure or OCF	the total annual charges that are deducted from the assets attributable to a Class of Shares or New Shares (as the case may be including the costs associated with the underlying portfolio but not including any transaction costs for the buying and selling of investments), where the figure is not fixed and may vary from year to year;
Proposals	the proposals outlined in this document, including, without limitation, the Scheme;
Prospectus	the prospectus of TP OEIC 1 or of TP OEIC 2 as the context may require;
Receiving Fund	True Potential Close Brothers Cautious Income, a sub-fund of TP OEIC 1 in which New Shares will be issued to holders of Shares in the Transferring Fund under the proposed Scheme, and as specified in Appendix 1;
Redemption Deadline	if the Merger is approved by the Shareholder, the date and time specified in paragraph 5 of the letter to Shareholders (see page 10 of this document);
Retained Amount	an amount which is calculated by the ACD (after consultation with the Depositary) to be necessary to meet the actual and contingent liabilities of TP OEIC 2 in respect of the Transferring Fund after the Merger;

Scheme or Scheme of Arrangement	the scheme of arrangement for the Merger, the details and terms of which are set out in the Notice and Appendix 1 to this Circular respectively;
Shareholder Resolution	in respect of the Transferring Fund, the shareholder resolution set out in Appendix 4 to this Circular to consent to the proposed Scheme, which requires the assent of the Shareholder;
Shareholder	True Potential Nominee Limited, as the sole shareholder in the Transferring Fund, and a nominee company controlled by True Potential Investments LLP;
Shares	in respect of the Transferring Fund, a share of the relevant Class and type;
Sub-Investment Manager	means Waverton Investment Management Limited, as the sub-investment manager of the Transferring Fund, or Close Asset Management Limited, as the sub-investment manager of the Receiving Fund;
TP OEIC 1	True Potential OEIC 1, an investment company with variable capital incorporated in England and Wales under the OEIC Regulations structured as an umbrella company and authorised by the FCA as a UK UCITS under product reference number: 659083;
TP OEIC 2	True Potential OEIC 2, an investment company with variable capital incorporated in England and Wales under the OEIC Regulations structured as an umbrella company and authorised by the FCA as a UK UCITS under product reference number: 659085;
Transferring Fund	True Potential Waverton Income, a sub-fund of TP OEIC 2;
UK	England and Wales, Scotland and Northern Ireland (but not the Channel Islands or the Isle of Man);
UK UCITS	a collective investment scheme established as a UK UCITS in accordance with the meaning given to this term in the FCA Handbook; and
Value	the net asset value of the Transferring Fund or the Receiving Fund, as the context requires.

Where relevant in the context, terms which are defined in the FCA Rules or the Prospectus of the TP OEIC 2 shall have the same meaning in this document.

TIMETABLE FOR PROPOSALS*

Consents, approvals, documentation

15 October and 31 October 2024	HM Revenue & Customs clearances received
4 November 2024	FCA confirmation received that the Proposal will not affect the ongoing authorisation of TP OEIC 2
11 November 2024	Documentation posted to the Shareholder

Shareholder Resolution

11 December 2024	Deadline for the Shareholder to approve the Shareholder Resolution to allow the Merger to proceed in accordance with the timeframe set out below.
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If the Scheme is approved by the Shareholder:

Implementation

3 p.m. (UK time) on 12 December 2024	Redemption Deadline (i.e. the deadline for the Shareholder to subscribe or redeem from the Transferring Fund based on the valuation point at 3 p.m. (UK time) on the same date; dealing in the Transferring Fund will cease immediately after this point)
3 p.m. (UK time) on 13 December 2024	Final valuation of the Transferring Fund (the “ Final Valuation Point ”)
2:59 p.m. (UK time) on 13 December 2024	Allocation of income accrued to Shares in the Transferring Fund
12:01 a.m. (UK time) 16 December 2024	Planned Effective Date

Post-Implementation

12 noon (UK time) on 16 December 2024	First valuation point and dealing day for New Shares issued in the Receiving Fund following the Merger
By 17 December 2024	Written confirmation posted to the Shareholder advising of allocation and number of New Shares in the Receiving Fund
By 14 February 2025	Distribution of Income in respect of Income Shares in the Transferring Fund

*These dates are subject to change by the ACD (with the agreement of the Depositary).

Registered Office

Newburn House Gateway West
Newburn Riverside
Newcastle Upon Tyne
NE15 8NX

11 November 2024

Dear Shareholder

Proposal for a Scheme of Arrangement for the transfer of the assets attributable to True Potential Waverton Income to True Potential Close Brothers Cautious Income.

We are writing to True Potential Nominee Limited as the Shareholder in True Potential Waverton Income (the “**Transferring Fund**”) to inform you of our proposal to merge, by way of scheme of arrangement, the Transferring Fund with True Potential Close Brothers Cautious Income (the “**Receiving Fund**”). The purpose of this document is to seek consent for the proposed Merger via the Shareholder Resolution and to set out information regarding the Transferring Fund and Receiving Fund to be provided to Investors.

If the Shareholder Resolution is approved by True Potential Nominee Limited (acting by True Potential Investments LLP) as the Shareholder, the Transferring Fund will be merged with the Receiving Fund by way of a Scheme of Arrangement on the Effective Date. This means that, all Investors on whose behalf you hold Shares in the Transferring Fund, will become investors in the Receiving Fund following the Effective Date. Unless the Shareholder Resolution is approved, the Scheme will not be implemented and the Merger will not take place.

In this circular, we, as ACD, set out the details of the Proposal, as well as information relating to the Transferring Fund and the Receiving Fund, which we request that the Shareholder make available to Investors in the Transferring Fund.

Defined terms used in this document are set out in the Glossary on pages 3 to 5.

1. Purpose and Overview of the Proposed Scheme

The purpose of implementing the Scheme in respect of the Transferring Fund is to give effect to a Merger, whereby the investments of the Transferring Fund will be transferred to the Receiving Fund.

We have recently received notice from the Sub-Investment Manager appointed to the Transferring Fund that it will resign from its mandate to provide investment management services to the Investment Manager in respect of the Transferring Fund with effect from 13 November 2024, meaning that from this date Waverton Investment Management Limited will no longer be the Sub-Investment Manager of the Transferring Fund. As a result, we have undertaken an assessment of the Transferring Fund and, having considered a number of options, we, in consultation with the Investment Manager, have concluded that the Merger is in the best interests of Investors for a number of reasons:

- Investors will experience an immediate reduction in charges following the Merger borne through a reduction in the AMC and OCF of each Class of New Shares in the Receiving Fund, each of which are lower than the charges applied to the equivalent Class of Shares

in the Transferring Fund. Further details on the AMC and the OCFs are included in Appendix 2.

- Both the Transferring Fund and the Receiving Fund are managed by the Investment Manager. The Funds have broadly similar investment objectives and policies, as detailed further below in paragraph 2.2.
- Ultimately the ACD considers that the Transferring Fund is likely to have better long term prospects and viability if its assets are combined with the Receiving Fund; the consequences of which are likely to provide greater economies of scale for Investors.

On that basis, the ACD considers that the Scheme is a favourable option for Investors who wish to maintain their exposure to an income fund with a similar risk profile to their current investment. Both the Transferring Fund and Receiving Fund have a category 4 synthetic risk reward indicator (SRRI). The SRRI is an indicator (on a scale of 1 to 7) which is intended to inform investors of the risk and reward profile of a fund and is calculated using a prescribed formula based on the volatility of past performance.

2. Details of the Funds

2.1 Legal and Regulatory Considerations

If the Scheme is approved and the Merger proceeds, the Shareholder will remain invested in a sub-fund of a UK open-ended investment company that is classified as a UK UCITS. Please refer to Appendix 2, which compares the main features of the TP OEIC 2 against those of TP OEIC 1.

2.2 Management, Investment Objectives and Policies

True Potential Administration LLP is appointed as ACD of each of TP OEIC 1 and TP OEIC 2. True Potential Investments LLP is appointed as the Investment Manager in respect of both the Transferring Fund and the Receiving Fund. Waverton Investment Management Limited is the Sub-Investment Manager appointed in respect of the Transferring Fund until 13 November 2024. The Sub-Investment Manager appointed in respect of the Receiving Fund is Close Asset Management Limited.

The Transferring Fund is managed currently with the objective of delivering income between 2% and 4% annually with potential for capital growth over a rolling 3 year period net of fees. The Receiving Fund has the objective of achieving income in excess of 3% per year of the net asset value of the Receiving Fund, with capital growth, over rolling 3 year periods (net of fees).

Both Funds seek to achieve these objectives through exposure to a diversified portfolio using a multi-asset strategy with similar exposures:

- The Transferring Fund is managed such that 20%-75% of its assets will be exposed to listed shares (approximately 60% in normal market conditions), with 10%-50% exposed to publicly traded corporate and/or government bonds (approximately 28% in normal market conditions).
- The Receiving Fund is managed such that 20%-60% of its assets will be exposed to equity and equity-related securities, with 30%-60% exposed to fixed income and fixed income-related securities, however, in normal market conditions it is expected that the Receiving Fund will have a largely balanced exposure to these asset classes.

Whilst both Funds are permitted to use derivatives for Efficient Portfolio Management, the Transferring Fund is also permitted to use derivatives for investment purposes. However, the

Investment Manager has confirmed that the Transferring Fund currently makes limited use of this power, with the total exposure of the Transferring Fund remaining between 92% to 106% over the past 12 months. For comparison purposes, the total exposure of the Receiving Fund over the same period has been between 104%-109%.

Investors in the Transferring Fund should be aware that the Receiving Fund carries a higher level of liquidity risk, but this risk remains within the acceptable parameters as defined by the ACD's internal guidelines. The ACD is comfortable with the liquidity of the Receiving Fund's portfolio.

A detailed summary of the key similarities and differences between the Transferring Fund and the Receiving Fund is provided in Appendix 2.

3. Terms of the Proposal

The terms and technical details of the Scheme of Arrangement are set out in Appendix 1 and Investors are urged to read the terms under which the Merger will be implemented. A summary of the key points is set out below. The proposal for the Merger will be put to the Shareholder as a Shareholder Resolution as set out in Appendix 4.

If the Proposal is approved by the Shareholder, the assets of the Transferring Fund will be transferred (in specie) to the Receiving Fund on or soon after the Effective Date in accordance with the terms of the Scheme. The Shares in the Transferring Fund will be subsequently cancelled and the Transferring Fund shall be terminated in accordance with the FCA Rules.

The current accounting period for the purposes of the Scheme in respect of the Transferring Fund will end on the Effective Date. In the case of Income Shares, any income (estimated and actual) available for allocation in respect of the current accounting period shall be allocated to the Shareholder so that no income property is transferred in respect of such Income Shares on the implementation of the Merger. This will be the case even if Investors have opted for any such income to be reinvested. All such income shall be distributed to the Shareholder within two months of the Effective Date.

Following on from the above, in the case of Accumulation Shares any income (estimated and actual) accruing to such Accumulation Shares in the Transferring Fund shall be transferred to the capital account of the Transferring Fund and allocated to Accumulation Shares and shall be reflected in the value of those Shares. The income so allocated to those Shares shall be included in the Transferring Fund Value which is used to calculate the number of New Shares to be issued under the Scheme.

IMPORTANT – If the Shareholder Resolution is passed by the Shareholder, the Scheme will be binding on Investors in the Transferring Fund. If the Scheme is implemented, Investors will become investors in the Receiving Fund and will be bound by the terms of the Instrument and the Prospectus of TP OEIC 1.

4. Conditions to the implementation of the Scheme and consequences if the Scheme is not implemented in respect of the Transferring Fund

If the Shareholder Resolution for the Transferring Fund is not approved by the Shareholder, the ACD intends to continue managing the Transferring Fund in accordance with its current investment objective and investment policy, whilst it considers the potential future of the Transferring Fund (which is likely to mean that the ACD will seek its termination).

5. Dealing

If the Merger is approved by the Shareholder, dealings in Shares of the Transferring Fund will cease immediately at 3 p.m. (UK time) on 12 December 2024 (the “**Redemption Deadline**”). Instructions received by the ACD after this deadline in respect of the applicable Shares and the Transferring Fund will not be processed.

At the Effective Date, the Shareholder will receive New Shares in place of its Shares as set out in Appendix 1. The number of New Shares issued to the Shareholder shall broadly be the number that would, on the day the Merger occurs, have been issued for cash against the payment of a sum equal to the value of the assets/liabilities being transferred. Please note that the Shareholder will not have cancellation rights in respect of the New Shares which are issued under the Scheme.

The ACD expects that dealing in New Shares shall commence on 16 December 2024 (being the next available Dealing Day following the Merger), with the first valuation day being on 16 December 2024. The procedures for buying, selling, switching and converting New Shares are set out in the prospectus for the Receiving Fund available at www.truepotential.co.uk.

The Shareholder will be notified of the number of New Shares issued pursuant to the Scheme the next working day following the Effective Date (being 17 December 2024).

What if Investors do not wish to participate in the Merger?

In the event that an Investor does not wish to participate in the Merger, Investors should be notified of their right to: (i) redeem their interest in the Transferring Fund; or (ii) redeem their interest in the Transferring Fund and invest in another sub-fund managed by the ACD in accordance with the terms of the relevant prospectus and the terms of the True Potential Platform.

If, as a result of receiving instructions from Investors, the Shareholder wishes to redeem any Shares before the Effective Date of the Merger, the Shareholder will need to do so before the Redemption Deadline (being 3 p.m. (UK time) on 12 December 2024).

6. Costs of the Scheme

Scheme implementation costs (including portfolio-level costs)

The ACD will pay the professional costs of implementing the Scheme, including the costs of Northern Trust as transition manager and any costs relating to the preparation of the proposed changes (such as legal and audit costs).

Investors should note that it is expected that realignment will be required to align the portfolio of the Transferring Fund to the Receiving Fund and the costs of such realignment are expected to be approximately 0.53% of the net asset value of the Transferring Fund. **Any realignment is expected to take place prior to the Final Valuation Point, provided that the Merger is approved by the Shareholder. Realignment will be carried out in line with each Fund’s Investment Objective and Policy. These costs will be met by the Transferring Fund.**

Any registration costs, UK stamp duty or stamp duty reserve tax (if any) and/or equivalent taxes or duties, taxes on capital gains and/or any other taxes (including overseas taxes) incurred by TP OEIC 1 or TP OEIC 2 in respect of the Scheme shall be borne by the Transferring Fund.

Investor level costs

Investors may incur direct tax costs in relation to the disposal (or deemed disposal) of their Shares depending on their jurisdiction of tax residence or domicile and tax profile. The ACD will

not be responsible for, or pay, any Investor's own tax liabilities incurred in connection with the implementation of the Scheme. Further information is given in paragraph 7 below. If an Investor is in any doubt about their potential liability to tax as a result of the implementation of the Scheme, including any changes they wish to make to their investment, Investors should consult their professional advisers.

Ongoing costs

For the avoidance of doubt, the ACD and the Depositary will continue to receive their usual fees and expenses for being the ACD and the Depositary respectively of the Transferring Fund out of the property of the Transferring Fund which accrue until the Effective Date.

7. Taxation

Investors should be made aware that there may be tax considerations arising as a result of the Scheme. Any redemption of their interests in the Transferring Fund or a switch into a different fund by Investors prior to the Scheme may also have tax consequences. The tax consequences of the implementation of the Scheme, and any such pre-Scheme redemption or switch, may vary depending on the law and regulation of an Investor's country of residence, citizenship or domicile. If an Investor is in any doubt about its potential liability to tax as a result of the implementation of the Scheme, including any changes they wish to make to their investment, Investors should consult their professional advisers.

Investors are encouraged to review the Prospectus of TP OEIC 1 for more information concerning the tax treatment of the New Shares held in the Receiving Fund.

A summary of the expected UK tax consequences for TP OEIC 2 and for the Shareholder, if the Proposals are implemented, is set out below.

TP OEIC 2

As a UK authorised investment fund, capital gains realised by TP OEIC 2 will be exempt from UK corporation tax on chargeable gains. Accordingly, the transfer to the Receiving Fund of the scheme property of TP OEIC 2 attributable to the Shares pursuant to the Scheme should not give rise to a charge to UK corporation tax on chargeable gains for TP OEIC 2.

The Shareholder and the Investors

As the Shareholder holds Shares in the Transferring Fund as nominee for the Investors, the Shareholder should not itself be subject to UK tax arising as a consequence of the Merger.

Based on our understanding of the UK tax legislation and the tax clearances that have been obtained from HMRC, the Merger should not involve a disposal by an Investor of the relevant Shares in the Transferring Fund for the purposes of UK tax on capital gains, whatever the size of the shareholding. New Shares in the Receiving Fund will have the same acquisition cost and acquisition date for the purposes of UK capital gains tax and corporation tax on chargeable gains as such Investor's Shares in the Transferring Fund.

Should the Shareholder redeem any Shares in the Transferring Fund rather than participating in the Merger (as a result of dealing instructions from certain Investors), those Investors will be treated as disposing of such Shares in the Transferring Fund for the purposes of UK capital gains tax or corporation tax on chargeable gains upon such redemption.

Any allocation of income made in respect of Shares in the Transferring Fund in connection with the Merger will be taxable in the normal way.

It is not expected that the Transferring Fund or the Receiving Fund will be liable to pay any UK stamp duty reserve tax (“**SDRT**”) or stamp duty, subject to obtaining HMRC clearance in respect of UK stamp duty/SDRT, or material equivalent overseas taxes or duties in connection with a Merger. If any transfer taxes or duties, registration fees or any other taxes (including overseas taxes) are incurred by the Transferring Fund or the Receiving Fund, these will be borne by the Transferring Fund by way of adjustment to the net asset value of the Transferring Fund used in calculating the number of New Shares issued.

The above is a summary of our understanding of the current UK legislation and HMRC practice relevant to UK resident investors only. It may be subject to change.

8. Consents, Approvals and Documents

The consents and approvals in relation to the Merger and the Scheme, and the documents available for consideration, are set out in Appendix 3.

9. Action to be taken

The ACD requests the Shareholder to consider the Proposals as described in this circular and communicate these to the Investors, including the information provided about the Receiving Fund in this document, in the prospectus of TP OEIC 1 and KIIDs relating to the Receiving Fund, each available at www.truepotential.co.uk.

Should the Shareholder decide to approve the Proposals, the Shareholder is requested to pass the Shareholder Resolution (set out in Appendix 4) on or before 11 December 2024 in order for the proposed Merger to be implemented in accordance with the timetable set out herein.

Please refer to the timetable on page 6 of this document for other key dates in relation to the proposed Merger.

Yours faithfully



Iain Wallace

for and on behalf of True Potential Administration LLP

as ACD of True Potential OEIC 2.

APPENDIX 1: SCHEME OF ARRANGEMENT

Part 1 – Scheme terms

1. Definition and interpretation

- 1.1 The definitions set out in the Glossary apply to the Scheme.
- 1.2 References to paragraphs are to paragraphs of this Appendix.
- 1.3 If there is any conflict between the Scheme and the Instrument or Prospectus of TP OEIC 2, then the Scheme will prevail. In the event of conflict between the Scheme and the FCA Rules, then the FCA rules will prevail.
- 1.4 The Scheme will only be implemented if Shareholder approval is received in respect of the Merger (see paragraph 3 onwards).

2. The Scheme

- 2.1 Under the Scheme, and on the basis set out in paragraph 8, the scheme property attributable to the Transferring Fund shall be transferred to the Receiving Fund in consideration for the issue to the Shareholder of New Shares in the Receiving Fund of the relevant Class, as set out in Part 2 below, and the Shares will be cancelled (as described more fully in paragraph 7.3).
- 2.2 Subject to obtaining approval of the Shareholder, as described in paragraph 2.2, the Scheme will be implemented with respect to the Transferring Fund and the Receiving Fund, as set out in paragraph 4 onwards.

3. Approval of the Shareholder

- 3.1 Implementation of the Scheme is conditional on the passing of the Shareholder Resolution by the Shareholder in which the Shareholder approves the Scheme and authorises and instructs the ACD and the Depositary to implement the Scheme with respect to the Transferring Fund.
- 3.2 If the Shareholder Resolution is passed, the terms of the Scheme will be binding on the Shareholder and all Investors as at the Effective Date. The Scheme will be implemented as set out in paragraph 1.4 above and in the paragraphs below.

4. Suspension of dealings in the Transferring Fund

- 4.1 To facilitate implementation of the Scheme, dealing in Shares will be suspended immediately following the Redemption Deadline. Dealing instructions received after that time will not be actioned.
- 4.2 The ACD, the Investment Manager and the Sub-Investment Managers will then work to align the portfolio of the Transferring Fund to the Receiving Fund. Any realignment is expected to take place prior to the Final Valuation Point.
- 4.3 If the Shareholder wishes to sell any Shares prior to the implementation of the Scheme, any requests must have been received before the Redemption Deadline.

5. Income allocation arrangements

- 5.1 The current annual accounting period for the Transferring Fund will end on 31 January.
- 5.2 In the case of Accumulation Shares any income (estimated and actual) accruing to such Accumulation Shares in the Transferring Fund in respect of the period from the beginning of the current accounting period to the Effective Date shall be transferred to the capital account of the Transferring Fund and allocated to Accumulation Shares and shall be reflected in the value of those Shares. The income so allocated to those Shares shall be included in the Transferring Fund Value which is used to calculate the number of New Shares to be issued under the Scheme.
- 5.3 In the case of Income Shares, any income (estimated and actual) available for allocation in respect of the period from the beginning of the current accounting period to the Effective Date shall be allocated to the Shareholder on behalf of the Investors so that no income property is transferred to the Receiving Fund in respect of such Income Shares on the implementation of the Merger. This will be the case even if Investors have opted for any such income to be reinvested. All such income shall be distributed to the Shareholder within two months of the Effective Date.
- 6. Calculation of the Value of the Transferring Fund and the Receiving Fund**
- 6.1 The Value of the Transferring Fund shall be calculated in accordance with the Instrument and Prospectus of TP OEIC 2 on the Effective Date, using the 15:00 valuation from 13 December 2024 (being the Final Valuation Point), less: (a) income (if any) to be allocated to the Shareholder in respect of the current accounting period ending on the Effective Date; and (b) the Retained Amount.
- 6.2 The Value of the Receiving Fund shall be calculated in accordance with the basis for valuation set out in the Instrument of the TP OEIC 1 using the valuation carried out at 15:00 on 13 December 2024.
- 6.3 In the event that the Value of the Transferring Fund moves significantly between the Final Valuation Point and the transfer of the property to the Receiving Fund and issue of New Shares taking place (see paragraph 7 below) there will be a revaluation on the same terms set out above.
- 6.4 The Value of the Transferring Fund calculated as at the Final Valuation Point will not be published but will be used to determine the value of the Shareholder's holding of Shares in the Transferring Fund which will be used to determine the number of New Shares to be issued to the Shareholder under paragraph 7 using the New Share price so determined.
- 7. Transfer of property and issue of New Shares in the Receiving Fund**
- 7.1 On or soon after the Effective Date, the Depositary shall transfer the scheme property of the Transferring Fund to the Receiving Fund. The Depositary will make or ensure the making of any transfers or re-designations which may be necessary. The transferred property will be full payment for the New Shares issued to the Shareholder, who will be treated as exchanging its Shares for New Shares.
- 7.2 On the Effective Date the Receiving Fund will issue New Shares to the Shareholder.
- 7.3 All Shares in the Transferring Fund will be cancelled and will cease to be of any value immediately following the Effective Date.
- 8. Basis for the issue of New Shares**

- 8.1 The price of New Shares to be issued under the Scheme shall be the price based on the Receiving Fund Value as at 15:00 on 13 December 2024.
- 8.2 New Shares of the appropriate class and type will be issued to the Shareholder (on behalf of the Investors) in proportion to the Shareholder's entitlement to the Value of the Transferring Fund immediately before the Merger in the manner set out below:

Shares currently held in the Transferring Fund	New Shares to be issued in the Receiving Fund
Class A (accumulation)	Class A (accumulation)
Class A (income)	Class A (income)

- 8.3 Subject to this paragraph 8, the number of New Shares to be issued to the Shareholder may be different to the number of Shares held, but their value will, as near as practicable, be equivalent to the Shareholder's holding of Shares immediately before the Scheme (subject, to the extent applicable, to market movements).
- 8.4 The formula used in calculating the Shareholder's entitlement to New Shares in the Receiving Fund will be available on request. In calculating the Shareholder's entitlement to New Shares, the prices of Shares in the Transferring Fund and New Shares in the Receiving Fund shall be rounded to three (3) decimal places, so as to enable the allocation, as closely as possible, of the required value of the relevant assets to the value of New Shares in the Receiving Fund.
- 8.5 The number of New Shares to be issued to the Shareholder will (if necessary) be rounded down to three (3) decimal places. Any excess value (relating to smaller fractions) will not be paid to the Shareholder and will be retained as part of the assets of the Receiving Fund.

9. Notification of New Shares issued under the Scheme

- 9.1 Certificates will not be issued in respect of New Shares.
- 9.2 It is intended that the ACD will notify the Shareholder of the number and Class of New Shares issued to the Shareholder within 1 day of the Effective Date.
- 9.3 Transfers or redemptions of New Shares issued under the Scheme may be effected from 16 December 2024.

10. Termination of Transferring Fund

- 10.1 In the event that the Scheme is implemented, the ACD shall proceed to terminate the Transferring Fund in accordance with the Instrument, the Prospectus and the FCA Rules.
- 10.2 The Retained Amount (which will be made up of cash and other assets, if necessary) and any income arising on it, will be used by the Depositary to pay any outstanding

liabilities of the Transferring Fund in accordance with the directions and instructions of the ACD, the Instrument, the Prospectus and the FCA Rules.

- 10.3 If, on completion of the termination, there are any surplus monies remaining in TP OEIC 2 in respect of the Transferring Fund, they, together, with any income arising therefrom shall be transferred by the Depositary for the account of the Receiving Fund in proportion to the surplus monies together with any income before the deduction of the shortfalls of TP OEIC 2. No further issue of New Shares shall be made as a result. The Depositary shall make such transfers and re-designations as may be necessary in order to transfer such amounts to the Receiving Fund.
- 10.4 If the Retained Amount is insufficient to discharge all the liabilities of the Transferring Fund, any shortfall shall be paid by the ACD.
- 10.5 On completion of the termination of the Transferring Fund, the ACD and the Depositary will be discharged from all their obligations and liabilities in respect of the Transferring Fund, except those arising from a breach of duty before that time.

11. Charges and Expenses

- 11.1 The ACD and the Depositary will continue to receive their usual fees and expenses for being ACD and Depositary, respectively, of the Transferring Fund out of the property of the Transferring Fund until the Effective Date.
- 11.2 All professional costs (such as legal and audit costs) incurred in respect of the implementation of the Scheme, the Merger and the termination of the Transferring Fund shall be borne by the ACD. Any re-designation or registration costs shall be borne by the ACD.
- 11.3 No initial charge shall be levied by the ACD in respect of the New Shares in the Receiving Fund created and issued pursuant to the Scheme. Neither shall the ACD levy any redemption charge on cancellation of the Shares in the Transferring Fund under the Scheme.
- 11.4 Investors should note that it is expected that realignment will be required to align the portfolio of the Transferring Fund to the Receiving Fund and the costs of such realignment are expected to be approximately 0.53% of the net asset value of the Transferring Fund. Any realignment is expected to take place prior to the Final Valuation Point, provided that the Merger is approved by the Shareholder. These costs will be met by the Transferring Fund.

12. The ACD and the Depositary to rely on the register

- 12.1 The ACD and the Depositary shall each be entitled to assume that all information contained in the register of Shareholders of the TP OEIC 2 and the register of shareholders of the TP OEIC 2 on and immediately prior to the Effective Date is correct, and to utilise the same in calculating the number of New Shares in the Receiving Fund to be issued and registered pursuant to the Scheme.

13. Alterations to the Scheme

- 13.1 There may be circumstances beyond the control of the ACD or the Depositary which mean that it is not possible or practicable to effect the Merger. In these circumstances, the ACD and the Depositary will, with regulatory approval, continue to operate the TP OEIC 2 and the Transferring Fund until such time as it is practicable to effect the Merger,

which will be done on the terms of the Scheme (as described in Appendix 1) with such consequential adjustments to the timetable as the ACD and the Depositary consider appropriate.

- 13.2 The terms of the Scheme (as described in Appendix 1) may be amended as agreed by the ACD and the Depositary and subject to any regulatory approvals required.
 - 13.3 The ACD and the Depositary, subject to regulatory approval, may agree that the Effective Date is other than 16 December 2024. In this case, consequential adjustments to the timetable of the Scheme, as the ACD and the Depositary consider appropriate.
 - 13.4 The Shareholder should visit www.truepotential.co.uk where postponement of any such dates will be notified to the Shareholder and Investors.
14. **Additional information**
- 14.1 The Shareholder should note that they will not have cancellation rights in respect of the New Shares which are issued under the Scheme, although, subject to the terms of the TP OEIC 1 Prospectus, the Shareholder may redeem its New Shares following the Effective Date.
15. **Governing law**
- 15.1 The Scheme is governed by and shall be construed in accordance with the laws of England and Wales.

APPENDIX 2: COMPARISON OF THE MAIN FEATURES OF THE TRANSFERRING FUND AND RECEIVING FUND

(Capitalised terms not otherwise defined in this appendix shall bear the meaning given to them in the relevant Prospectus.)

The table below compares the main features of the Transferring Fund and the Receiving Fund (and TP OEIC 2 and TP OEIC 1 as such features apply to each of the Transferring Fund and the Receiving Fund). Where the same response applies in respect of both the Transferring Fund and the Receiving Fund, it has been listed only once.

Feature	Transferring Fund	Receiving Fund
Legal structure and country of incorporation	An open-ended investment company with variable capital incorporated in England and Wales and structured as an umbrella company.	
Regulatory status	Authorised as a UK UCITS by the FCA pursuant to Regulation 14 of the OEIC Regulations.	
Listing status	Not listed.	
Fund size (As at 31 October 2024)	£78.03 million	£280.57m
ACD	True Potential Administration LLP	
Investment Manager	True Potential Investment LLP	
Sub-Investment Manager	Waverton Investment Management Limited	Close Asset Management Limited
Depository	Northern Trust Investor Services Limited	
Administrator	The Northern Trust Company (acting through its London Branch)	
Auditors	Johnston Carmichael LLP	
Investment objective	The Transferring Fund seeks to deliver income between 2% and 4% annually with potential for capital growth over a rolling 3 year period net of fees.	The investment objective of the Receiving Fund is to achieve income in excess of 3% per year of the net asset value of the Receiving Fund, with capital growth, over rolling 3-year periods (net of fees). Please be aware that the Receiving Fund's capital is at risk and there is no guarantee that the Receiving Fund will achieve its investment objective over any particular period or at all.

Feature	Transferring Fund	Receiving Fund
<p>Investment policy</p>	<p>The Transferring Fund will provide exposure to a diversified portfolio – using a multi-asset income strategy, combining different asset classes such as: shares, bonds, cash and alternative investments in real assets (investments in physical assets such as real estate, commodities, and infrastructure) and structured products (securities linked to the performance of other assets) – as further explained below.</p> <p>The exposures set out below may be achieved indirectly through collective investment schemes or directly. The collective investment schemes may include schemes managed by the ACD, Investment Manager or sub-investment manager, or an affiliate of these parties.</p> <p>There are no geographic restrictions on the investments.</p> <p>The Transferring Fund may also invest in shares; corporate bonds; government bonds; money-market instruments; closed-ended funds; securities linked to the performance of other assets (including securities which embed a derivative); derivatives and deposits. This may include securities (such as shares, bonds and investment trusts) linked to physical assets.</p> <p>The portfolio will typically be invested with the following exposures:</p> <ul style="list-style-type: none"> • 20% - 75% in listed shares (the exposure within normal market conditions is expected to be 60%); • 10% - 50% in publicly traded corporate and/or government bonds (a loan, usually to a company or government, that pays interest) (the exposure within normal market conditions is expected to be 28%); 	<p>The Receiving Fund seeks to achieve its objective through the active management of a multi-asset strategy, by investing, directly or indirectly, at least 80% of its net asset value in equity securities (i.e. shares), equity-related securities (i.e. other investments whose value is related to equities), fixed income securities (i.e. bonds issued by corporates and governments) and fixed income-related securities (i.e. other investments whose value is related to debt).</p> <p>The Receiving Fund will be managed such that 20%-60% of its assets will be exposed to equity and equity-related securities, with 30%-60% exposed to fixed income and fixed income-related securities, however, in normal market conditions it is expected that the Receiving Fund will have a largely balanced exposure to these asset classes.</p> <p>While the Receiving Fund has the power generally to invest in the asset classes described above, it may invest up to 20% of its net asset value in high-yielding corporate bonds, being unrated bonds or those rated below investment grade (i.e. below BBB minus or equivalent) by a single external rating agency under normal market conditions. The Receiving Fund may also invest in bonds issued or guaranteed by governments in emerging markets.</p> <p>The Receiving Fund may also invest up to 20% of its net asset value in money-market instruments (i.e. debt securities with short term maturities), deposits, cash and cash equivalents (including deposits, treasury bills, certificates of deposit, bankers acceptances and commercial paper).</p> <p>Exposure to the above asset classes may be achieved directly or indirectly</p>

Feature	Transferring Fund	Receiving Fund
	<ul style="list-style-type: none"> • 0% - 30% in structured products and/or notes linked to credit, commodity or equity markets (the exposure within normal market conditions is expected to be 6%); and • 0% - 20% in money market instruments, deposits and/or cash and near cash instruments (the exposure within normal market conditions is expected to be 6%). <p>Corporate bonds may include high yield debt (which have a higher risk of default but potentially offer higher returns to compensate). Government bonds may include emerging markets (bonds issued by less developed countries).</p> <p>Derivatives (that is sophisticated investment instruments linked to the rise and fall of the price of other assets) may be used to a limited extent to:</p> <ul style="list-style-type: none"> • limit the effects of price changes in other currencies; • gain exposure to a particular asset class, sector or index aiming to improve returns in rising or falling markets and control risk. <p>The Transferring Fund may hold warrants (a security that entitles the holder to buy the underlying stock of the issuing company) up to 10% by value.</p> <p>Derivatives may be used for investment purposes and Efficient Portfolio Management. The use of derivatives for investment purposes may increase the volatility and risk profile of the Transferring Fund.</p>	<p>through investment in units or Shares of other collective investment schemes such as UCITS schemes or eligible non-UCITS schemes (including collective investment schemes that are exchange-traded funds) and closed ended funds constituting transferable securities. The collective investment schemes invested in may be managed by the sub-investment manager or an associate of the sub-investment manager. By investing in these vehicles, the Receiving Fund may also have some limited exposure to alternative asset classes, such as property, private equity and commodities.</p> <p>The Receiving Fund may use derivatives (that is financial instruments whose value derives from and is dependent on another underlying asset) for Efficient Portfolio Management, with the aim of limiting the effect that price changes in currency have on the Receiving Fund.</p> <p>Except as outlined above, there are no geographic, industry or sectoral restrictions on the investments of the Receiving Fund.</p>
Benchmark	The Transferring Fund's performance can be assessed by comparison to the Morningstar UK Moderate Target	The Receiving Fund's performance can be assessed by comparison to the Morningstar UK Moderately Cautious

Feature	Transferring Fund	Receiving Fund
	<p>Allocation Index (as a comparator benchmark).</p> <p>The Transferring Fund does not use the benchmark as a target, nor is the Transferring Fund constrained by it. The mix of assets in the Transferring Fund may vary from those of the benchmark (and its constituents).</p>	<p>Target Allocation Index (as a comparator benchmark).</p> <p>The Receiving Fund does not use the benchmark as a target, nor is the Receiving Fund constrained by it. The mix of asset in the Receiving Fund may vary from those of the benchmark (and its constituents). Accordingly, it should be used for reference purposes only.</p>
Investment restrictions	Investments are limited to those permitted for a UK UCITS and as set out in the Prospectus of the TP OEIC 2.	Investments are limited to those permitted for a UK UCITS and as set out in the Prospectus of the TP OEIC 1.
Currency hedged Share Classes	N/A	N/A
Share Classes¹	A Income Shares	A Income Shares
	A Accumulation Shares	A Accumulation Shares
Restrictions on investment/holding Shares	<p>Class A Shares are only available to current clients of the True Potential Investments Wealth Platform.</p> <p>The ACD may from time to time impose such restrictions or take such action as it may think necessary for the purpose of ensuring that no Shares are acquired or held by any person:</p> <ul style="list-style-type: none"> • in breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory, or • in breach of requirement for the holding of Shares as specified in the Prospectus. <p>In this connection, the ACD may, inter alia, reject in its discretion any application for the purchase, sale, transfer, conversion or switching of Shares.</p> <p>If the ACD reasonably believes that any Shares are owned directly or beneficially in circumstances which:</p> <ul style="list-style-type: none"> • constitute a breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory, • may (or may if other Shares are acquired or held in like circumstances) result in the OEIC incurring any liability to taxation or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory), or 	

¹ Only those Share Classes in the Receiving Fund relevant to the Scheme are listed in this comparison table.

Feature	Transferring Fund		Receiving Fund	
	<ul style="list-style-type: none"> which would breach and requirement for the holding of shares as specified in the Prospectus, <p>it may give notice to the holder of such Shares requiring him or her to transfer them to a person who is qualified or entitled to own them, or to request the redemption of the Shares by the OEIC or Sub-Fund(s) in accordance with the FCA Rules.</p>			
Minimum initial subscription and holding amount	A Income Shares	£1	A Income Shares	£1
	A Accumulation Shares	£1	A Accumulation Shares	£1
Minimum subsequent investment amount	A Income Shares	£1	A Income Shares	£1
	A Accumulation Shares	£1	A Accumulation Shares	£1
Minimum redemption amount (at any one time)	None			
Preliminary charge	None			
Redemption charge	None			
Switching charge	The ACD may at its discretion make a charge on the switching of Shares between Funds, but such charge will not exceed the amount of the preliminary charge for the relevant new Shares. Currently no switching charge is levied.			
Ongoing charges figure (“OCF”)²	A Income Shares	0.77%	A Income Shares	0.63%
	A Accumulation Shares	0.77%	A Accumulation Shares	0.63%
Annual management charge (AMC)	The following charges are currently included within the AMC for each Fund:			
	(a) the fees of the ACD; (b) the fees of the Investment Manager; (c) the fees of the Depositary; (d) the fees of the Auditor; (e) the fees of the Administrator; (f) custody charges (transaction and safe-keeping); and (g) certain other additional fees and expenses as set out in Section 32.2.1 of each Prospectus.			
	A Income Shares	0.76%	A Income Shares	0.63%
	A Accumulation Shares	0.76%	A Accumulation Shares	0.63%

² The OCFs set out in this Circular are the OCFs included in the KIID for each Fund dated 20 May 2024.

Feature	Transferring Fund	Receiving Fund
Management charges taken from capital or income	Capital	
Performance fee	None	
Valuation point	15:00 (UK time) on each Dealing Day.	
Dealing Day	Any Business Day (i.e. a day (not being Saturday or Sunday or any bank holiday in England and Wales) on which banks are open for business in London) which does not fall within a period of suspension of calculation of the net asset value per Share of the relevant Class or of the net asset value of the relevant Fund (unless stated otherwise in this Prospectus) and such other day as the ACD may, with the consent of the Depositary, decide from time to time.	
Dilution adjustment	<p>The ACD has the power to make a "dilution adjustment" to the price of Shares for those Shareholders who are buying and selling Shares in the circumstances described below, with a view to protecting existing or remaining Shareholders who might otherwise materially be adversely affected by dilution.</p> <p>If a dilution adjustment is not made, the cost of purchasing or selling investments for the Fund(s) subsequent to Shareholder dealing will be borne by the Fund(s) with a consequent effect on future growth.</p> <p>Any dilution adjustment will be calculated by reference to the costs of dealing in the underlying investments of the Fund(s), including any dealing spreads, commission and transfer taxes. If made, the dilution adjustment will be for the benefit of the Fund(s). The actual percentages can only be accurately calculated at the time at which they are applied and, as such, these percentages are subject to change.</p> <p>The need to make a dilution adjustment will depend on the volume of sales or redemptions. The ACD may make a dilution adjustment if, in its opinion, the existing Shareholders (for sales) or remaining Shareholders (for redemptions) might otherwise be adversely affected, and if making a dilution adjustment is, so far as practicable, fair to all Shareholders and potential Shareholders. In particular, the dilution adjustment may be made on days when a Fund experiences transactions in Shares which exceed 1% of the net asset value of that Sub-Fund, or otherwise where the ACD considers it necessary to protect the interests of the Shareholders of the Fund(s).</p> <p>Given that dilution is related to the inflows and outflows of monies from a Sub-Fund, it is therefore not possible to predict accurately whether dilution would occur at any point in time. If a dilution adjustment is not made then this may restrict the future growth of the Fund(s). The ACD's decision on whether or not to make a dilution adjustment, and on what level of adjustment to make in particular circumstances or generally, will not prevent it from making a different decision in similar circumstances in the future.</p>	
Mandatory redemption	The ACD may compulsorily redeem Shares in any Fund if such holding falls, or is reasonably considered by the ACD to fall, within the circumstances listed under "Restrictions on investment/holding shares" above.	

Feature	Transferring Fund	Receiving Fund
In specie redemption	<p>If a Shareholder requests the redemption of Shares in any Sub-Fund, the ACD may, at its discretion and if it considers the deal substantial in relation to the total size of the relevant Sub-Fund, arrange for that Sub-Fund to cancel the Shares and transfer Scheme Property to the Shareholder instead of paying the price of the Shares in cash. A deal involving Shares representing 5% or more in value of a Sub-Fund will normally be considered substantial, although the ACD may in its discretion agree an in specie redemption with a Shareholder whose Shares represent less than 5% in value of the Sub-Fund concerned.</p> <p>Before the proceeds of cancellation of the Shares become payable, the ACD will give written notice to the Shareholder that Scheme Property will be transferred to that Shareholder.</p> <p>The ACD will select the property to be transferred (or sold) in consultation with the Depositary and the Investment Manager. They must ensure that the selection is made with a view to achieving no greater advantage or disadvantage to the redeeming Shareholder than to continuing Shareholders, and any such redemption as set out above, shall be subject to a retention by the Sub-Fund from that property (or proceeds) the value (or amount) of any stamp duty reserve tax (if any) to be paid on the cancellation of Shares.</p>	
Dealing	Shares in the Funds can be purchased via the True Potential Wealth Platform in accordance with its dealing procedures, details of which can be accessed via the platform	
Suspension	<p>The ACD may, with the prior agreement of the Depositary, or must if the Depositary so requires, temporarily suspend the issue, cancellation, sale and redemption of Shares in any or all of the Fund(s), if the ACD or the Depositary is of the opinion that due to exceptional circumstances it is in the interests of all the Shareholders in the relevant Fund(s) to do so. The suspension will only be permitted to continue for as long as it is justified having regard to the interests of the Shareholders. On suspension, the ACD (or the Depositary if it has required the ACD to suspend dealings in Shares) must immediately notify the FCA giving reasons for the suspension. The ACD and the Depositary must formally review the suspension at least every 28 days and inform the FCA of the result of this review with a view to ending the suspension as soon as practicable after the exceptional circumstances have ceased.</p> <p>The ACD will notify all Shareholders of the suspension in writing as soon as practicable after the suspension commences and will publish details on the True Potential website to keep Shareholders appropriately informed about the suspension, including (if known) its likely duration</p>	
Pricing basis	Forward pricing basis. Single pricing is used.	
Synthetic risk reward indicator (“SRRI”) category	4	4
Base currency	Pounds sterling	
Accounting dates	31 January (annual), 31 July (interim)	31 May (annual), 30 November (interim)

Feature	Transferring Fund	Receiving Fund
Income allocation	31 March (annual), 30 June; 30 September; 31 December (interim)	31 July (annual), 31 October; 31 January; 30 April (interim)
Financial Ombudsman Service	Certain Shareholders (who are “eligible complainants” for the purposes of the FCA’s “Disputes Resolution: Complaints” rules) are able to refer any complaints against the ACD or the Depositary to the UK’s Financial Ombudsman Service which may, among other things, determine that compensation be paid by the ACD or the Depositary to the complainant.	
Financial Services Compensation Scheme	Certain Shareholders (who are “eligible complainants” for the purposes of the FCA’s “Compensation” rules) may be eligible for compensation under the UK Financial Services Compensation Scheme if they have a claim against the ACD or the Depositary in circumstances in which the ACD or the Depositary (as applicable) is in default.	
Taxation (company / sub-fund level)	In principle subject to UK corporation tax at 20% on investment income but is generally not subject to tax on capital gains and dividend income.	

APPENDIX 3: CONSENTS AND CLEARANCES, ETC

1. The ACD

The ACD confirms that in its opinion, if the Scheme is implemented, it is not likely to result in any material prejudice to the Shareholder or to the shareholder in the Receiving Fund.

2. The Depositary

The Depositary has confirmed that, while making no recommendation or offering any opinion on the merits of the Scheme, as such, which are matters for the judgement of the Shareholder, it consents to the references to it in this document in the form and context in which they appear.

3. FCA Consent

The FCA has confirmed that the implementation of the Proposals will not affect the ongoing authorisation of the TP OEIC 2.

4. HMRC Clearance

For the proposed Scheme of Arrangement to be treated for certain Investors as a scheme of reconstruction for UK tax purposes under section 103H Taxation of Chargeable Gains Act 1992, with the consequence that such proposed Scheme of Arrangement should not result in a disposal for UK tax on capital gains purposes, the proposed arrangements must be effected for bona fide commercial reasons and not have as their main purpose, or one of their main purposes, the avoidance of tax. There is a statutory procedure (under section 103K of the Taxation of Chargeable Gains Act 1992, applying section 138 of the Taxation of Chargeable Gains Act 1992) for obtaining advance clearance from HMRC that this test is satisfied. The ACD has made an application for such clearance and HMRC has notified the ACD that the proposed arrangements satisfy this test.

The ACD has also applied for clearance under section 748 Corporation Tax Act 2010 and section 701 Income Tax Act 2007 and HMRC has notified the ACD that clearance has been granted.

5. Shareholder Resolution

Appendix 4 sets out the Shareholder Resolution by which the Shareholder, if deemed appropriate, will approve the Scheme and authorises and instructs the ACD and the Depositary to implement the Scheme with respect to the Transferring Fund.

6. Documents available for inspection

Copies of the following documents are available for inspection during usual business hours on any Business Day at Newburn House Gateway West, Newburn Riverside, Newcastle Upon Tyne, NE15 8NX:

- the Prospectus of TP OEIC 1;
- the Prospectus of TP OEIC 2;
- the Instrument of TP OEIC 1;

- the Instrument of TP OEIC 2;
- the KIIDs of each Class of the Receiving Fund;
- the following letters referred to under “Consents and Clearances” above:
 - the letter from the Depositary;
 - the letter from the FCA, dated 4 November 2024;
 - the letters from HM Revenue & Customs, dated 15 October and 31 October 2024, regarding clearance under section 103K Taxation of Chargeable Gains Act 1992, applying section 138 of the Taxation of Chargeable Gains Act 1992, section 748 Corporation Tax Act 2010 and section 701 Income Tax Act 2007; and
 - the most recent annual and semi-annual reports of the TP OEIC 1 and TP OEIC 2.

Copies the Prospectus of TP OEIC 1 and TP OEIC 2 are also available online at www.truepotential.co.uk.

APPENDIX 4: SHAREHOLDER RESOLUTION

True Potential OEIC 2 (the “OEIC”)

Written Resolution

Pursuant to COLL 4.4.7R (3), True Potential Administration LLP, as the authorised corporate director of the OEIC (“**ACD**”), proposes that the following resolutions are passed and we, True Potential Nominee Limited, being the sole shareholder of the OEIC and of True Potential Waverton Income, a sub-fund of the OEIC, who (at the date of circulation of this resolution) would be entitled to vote on these resolutions, hereby agree to the passing of the following resolution (which would otherwise be required to be passed as an extraordinary resolution at a meeting) by way of written resolution (the “**Resolution**”):

RESOLUTION:

THAT the scheme of arrangement for the merger of True Potential Waverton Income (the “Fund”), a sub-fund of the OEIC, into True Potential Close Brothers Cautious Income, a sub-fund of True Potential OEIC 1, the terms of which are set out in the document dated 11 November 2024 and addressed by the ACD to True Potential Nominee Limited, as the sole shareholder of the Fund (the “**Scheme**”), be and is hereby approved and adopted and accordingly that True Potential Administration LLP (as authorised corporate director) and Northern Trust Investor Services Limited (as depositary) be and are hereby authorised to implement and give effect to the Scheme in accordance with its terms.

AGREEMENT:

Please read the notes at the end of this document before signifying your agreement to the resolutions.

The undersigned, the sole shareholder of the Fund entitled to vote on the above resolutions on _____ 2024 hereby irrevocably agrees to the Resolution.

.....
For and on behalf of True Potential Nominee Limited

NOTES:

(1) If you agree to all of the Resolution, please indicate your agreement by signing and dating this document where indicated above and returning it to the ACD.

If you do not agree to the Resolution, you do not need to do anything: you will not be deemed to agree if you fail to reply and the Resolution will lapse.

- (2) Once you have indicated your agreement to the Resolution you may not revoke your agreement.
- (3) Unless by 11 December 2024, agreement has been received for this Resolution, it will lapse. If you agree to the Resolution, please ensure that your agreement reaches the ACD before or on this date.