

Date

2016

**WAY FUND MANAGERS LIMITED
HOST CAPITAL LIMITED
NORTHERN TRUST GLOBAL SERVICES LIMITED
CITIBANK EUROPE PLC, UK BRANCH**

**DEED OF RETIREMENT AND APPOINTMENT
AND CHANGE OF NAME**

relating to

Elite Charteris Premium Income Fund

MACFARLANES

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DATED

2016

- 1 **WAY FUND MANAGERS LIMITED** of Cedar House, 3 Cedar Park, Cobham Road, Wimbourne, Dorset, BH21 7SB (the “**Retiring Manager**”)
- 2 **HOST CAPITAL LIMITED** of 73 New Bond Street, London, W1S 1RS (the “**New Manager**”)
- 3 **NORTHERN TRUST GLOBAL SERVICES LIMITED** of 50 Bank Street, Canary Wharf London E14 5NT (the “**Retiring Trustee**”)
- 4 **CITIBANK EUROPE PLC, UK BRANCH** of Citigroup Centre, 25 Canada Square, Canary Wharf, London E14 5LB (the “**New Trustee**”)

BACKGROUND

- A The Retiring Manager is the present manager of Elite Charteris Premium Income Fund, an authorised unit trust (the “**Scheme**”), and the Retiring Trustee is the present trustee of the Scheme.
- B This deed is supplemental to a trust deed dated 22 August 2001 constituting the Scheme as amended from time to time (the said trust deed as amended and as further amended by this deed is referred to in this deed as the “**Trust Deed**”).
- C Each of the Retiring Manager, the New Manager, the Retiring Trustee and the New Trustee is an authorised person for the purposes of Section 243 of the Financial Services and Markets Act 2000 (the “**Act**”).
- D The Retiring Trustee wishes to retire as trustee of the Scheme and the Retiring Manager and the New Trustee have agreed that the New Trustee should replace the Retiring Trustee as trustee of the Scheme pursuant to the terms of this deed and Rule 6.5.10 of the Sourcebook.
- E The Retiring Manager wishes to retire as manager of the Scheme and to appoint the New Manager to act in its place on the terms of this deed and in accordance with Rule 6.5.8 of the Sourcebook.
- F The New Manager satisfies the conditions imposed by Part III of the Act and has consented to act as manager of the Scheme in place of the Retiring Manager, on the terms of this deed.
- G It is understood by all parties that the Retiring Trustee shall retire and the New Trustee be appointed prior to the appointment of the New Manager. For the purposes of Rule 6.5.8 of the Sourcebook, the New Trustee is required to approve the appointment of the New Manager in writing. The New Trustee hereby provides its approval to the appointment by its execution of this Deed.
- H The New Manager wishes, and the New Trustee agrees, to change the name of the Scheme immediately following the appointment of the New Manager.
- I Notice of the proposed changes has been given to the Financial Conduct Authority (“**FCA**”) pursuant to Section 251 of the Act and the FCA has confirmed that such changes will not affect the compliance of the Trust Deed with the Sourcebook.

DEED

1 Definitions and interpretation

- 1.1 In this deed, unless the context otherwise requires:

Deed means this supplemental deed and any and all schedules effective the retirement and subsequent appointment of the trustee and manager of the Scheme;

FCA Rules: rules published by the FCA, as modified from time to time;

Manager's Effective Time means 00.02 am on 17 December 2016 or such later date as may be agreed by the parties;

Prospectus: means the prospectus of the Scheme, as modified and as published from time to time; **Sourcebook:** means the Collective Investment Scheme Sourcebook published by the FCA as part of its Handbook of Rules, as modified from time to time; and

Trustee's Effective Time: means 00.01 am on 17 December 2016 or such later date as may be agreed by the parties.

1.2 In this deed, unless the context otherwise requires:

1.2.1 words and expressions defined in the Act or in the Sourcebook have the same meanings where used in this deed (including in the background section to this deed);

1.2.2 references in this deed (including in the background section to this deed) to any statute or statutory instrument or to any Sourcebook shall be deemed to be references to the same as from time to time amended or re-enacted or substituted; and

1.2.3 words and expressions defined in the background section to this deed shall have the same meanings where used elsewhere in this deed.

2 **Change of Trustee**

2.1 On and with effect from the Trustee's Effective Time, the Retiring Trustee shall retire as trustee of the Scheme and the Retiring Manager shall appoint the New Trustee of the Scheme in place of the Retiring Trustee.

2.2 The New Trustee hereby accepts the foregoing appointment in its favour and agrees to act as trustee of the Scheme in accordance with the Trust Deed, the Prospectus, the Act and the Sourcebook with effect from the Trustee's Effective Time and shall thereupon obtain all the rights, powers and privileges granted by the Trust Deed in the same way as if it had been an original party to the Trust Deed. From the Trustee's Effective Time the Retiring Trustee shall be freed and discharged from all duties and obligations in relation to the Scheme (including, for the avoidance of doubt, the obligation to approve the appointment of the New Manager, which shall be the responsibility of the New Trustee in accordance with Rule 6.5.8 of the Sourcebook) except for any obligations of the Retiring Trustee arising as a result of any fraud, negligence (contributory or otherwise) or wilful defaults constituting a breach of trust or of the Sourcebook or of any duty by the Retiring Trustee before the Trustee's Effective Time.

2.3 From the Trustee's Effective Time the Retiring Trustee shall cease to be able to exercise any rights as trustee of the Scheme under the Trust Deed and Sourcebook but shall continue in respect of the period during which it was the trustee of the Scheme to have the benefit of all indemnities, powers and privileges (including without limitation continuing rights to recourse to the property of the Scheme) given to the trustee of the Scheme under the Trust Deed (so far as they are capable of having effect) in addition to the indemnities, powers and privileges given to it by the FCA Rules, the Act and otherwise by law or equity (including, for the avoidance of doubt under this Deed and any other deed supplemental to the Trust Deed) and the New Trustee shall (except to the extent that is prevented by law or regulation) promptly pay out of the property of the Scheme all reasonable sums due and payable to which the Retiring Trustee is entitled to pursuant to this Clause 2.3.

2.4 Nothing herein shall render the Retiring Trustee liable in respect of anything arising from any act or omissions on the part of the New Trustee constituting, inter alia, any fraud, negligence, wilful default, breach of trust or duty under the Trust Deed or a breach of the Sourcebook or any other relevant rule made by the FCA nor the New Trustee liable for any acts or omissions on the part of the Retiring Trustee prior to the Trustee's Effective Time.

3 **Transfer of Scheme property to New Trustee**

3.1 The property of the Scheme, together with any amounts for the time being standing to the credit of its distribution accounts and the unclaimed distribution account (in which case the Retiring Trustee shall provide the New Trustee with an up-to-date and fully reconciled list of the unclaimed distributions representing any such amount(s) vested in the Retiring Trustee and/or any nominee of the Retiring Trustee at the Trustee's Effective Time) shall as from the Trustee's Effective Time be held upon bare trust for and to the order of the New Trustee and shall as soon as reasonably practicable after the Trustee's Effective Time be transferred to or otherwise vested in the New Trustee. After the Trustee's Effective Time, pending such transfer or vesting the Retiring Trustee shall hold any such property or amounts (if any) to the order of the New Trustee, provided that, for the avoidance of doubt the Retiring Trustee shall have (to the extent permitted by law) no responsibilities (whether under the FCA Rules, the Trust Deed or otherwise) in relation to such property and its investment other than to hold such property as a bare trustee and provided that, at the request of the New Trustee (acting reasonably) the Retiring Trustee agrees to execute any documents and do all such acts and things (or direct nominees so to act) as may be necessary after the Trustee's Effective Time in order to perfect the retirement and appointment of trustee and transfer of property contemplated by this Deed.

3.2 Notwithstanding Clause 3.1, the Retiring Trustee shall retain from the distribution accounts of the Scheme an amount representing distributions of which cheques have been issued at any time during the six months expiring at the Trustee's Effective Time but which remain outstanding at the Trustee's Effective Time ("**Unpresented Cheques**") which amount shall be used by the Retiring Trustee for the purposes of paying amounts representing such Unpresented Cheques upon presentation thereof provided that the Retiring Trustee shall have no further responsibilities for such amounts or its investment and as soon as reasonably practicable after the expiry of the period of 6 months following the issue of such Unpresented Cheques (the "**Expiry Date**") the Retiring Trustee at the New Trustee's direction shall pay to the New Trustee a sum equivalent to the amount represented by the Unpresented Cheques which remain unpresented at their Expiry Date which sum together with any interest that may have accrued thereon shall thereafter be held by the New Trustee upon trust and subject to the terms and conditions of the Trust Deed and the Sourcebook and provided also that the Retiring Trustee shall on or as soon as possible after the Trustee's Effective Time, deliver to the New Trustee a schedule of all such Unpresented Cheques.

3.3 For the avoidance of doubt, the Retiring Trustee shall continue to take all reasonable and necessary steps to recover such income, including distributions and taxation, payable or due or having been withheld on dividends and any other sums which are properly payable or recoverable prior to the Trustee's Effective Time, and to account to the New Trustee for the amount of such monies within a reasonable time after such monies are received by the Retiring Trustee. The Retiring Trustee shall be entitled to charge such reasonable amount as may be agreed with the New Trustee from time to time in respect of taking such steps, to be taken out of the property of the Scheme.

4 **Trustee's records**

4.1 The Trust Deed and all registers, books, papers, records and other documents and information relating to the Scheme and correspondence with third parties relating to the Scheme (including, without limitation, correspondence with the HM Revenue & Customs) which in each case the New Trustee may reasonably require to have delivered to it and in each case is held by the Retiring Trustee or is under its control whether in documentary or electronic format (together the "**Trustee Records**") shall as soon as practicable after the

Trustee's Effective Time be delivered by the Retiring Trustee to the New Trustee or as the New Trustee shall reasonably direct. The New Trustee hereby acknowledges the right of the Retiring Trustee to inspect and take copies of any of the documents constituting the Trustee Records as the Retiring Trustee thereafter may in good faith at any time request in writing to have produced to it for only proper purposes under the law or the Sourcebook. Each party shall bear its own costs, charges and expenses in connection with the copying, production and delivery of Trustee Records.

- 4.2 Notwithstanding Clause 4.1 above, the Retiring Trustee shall be entitled to retain copies of any Trustee Records which it has created specifically to demonstrate compliance with the Sourcebook or any rules of a regulatory body in respect of its trusteeship of the Scheme.
- 4.3 If the Retiring Trustee or any nominee of the Retiring Trustee shall after the Trustee's Effective Time receive any notices of meetings, reports, circulars, proxy solicitations or other documents of a like nature by virtue of the Retiring Trustee or any such nominee having been the registered holder of any investment comprised in the property of the Scheme, it shall as soon as reasonably practicable forward the same to the New Manager (with a copy to the New Trustee) and shall do such things as are specified in the Sourcebook as the New Manager, or the New Trustee, may reasonably require, at the expense of the Scheme.
- 4.4 It is acknowledged by all the parties hereto that the New Manager is responsible for the register of the Scheme, and shall hold all registers, and related books and papers of the Scheme from the Manager's Effective Time.

5 Trustee's remuneration

- 5.1 The Retiring Trustee shall be entitled to be paid or reimbursed out of the property of the Scheme any fees or expenses (together with value added tax thereon, if any) due to or incurred by the Retiring Trustee in respect of the period up to and including the Trustee's Effective Time during which it acted as the trustee of the Scheme and which may, in accordance with the Trust Deed, the Prospectus and the Sourcebook, be so paid or reimbursed to the Retiring Trustee. For the avoidance of doubt where the Retiring Trustee is due to be paid or reimbursed in respect of a period that includes a period up to the Trustee's Effective Time and a period after the Trustee's Effective Time, the sums payable to the Retiring Trustee shall be apportioned on a time basis.
- 5.2 The New Trustee shall be entitled to be paid or reimbursed out of the property of the Scheme any fees or expenses due to or incurred by the New Trustee (as agreed between the New Trustee and the New Manager from time to time) in respect of the period from the Trustee's Effective Time during which it acts as trustee of the Scheme and which may in accordance with the Trust Deed, the Prospectus and the Sourcebook be so paid or reimbursed to the New Trustee.

6 Retirement and appointment of Manager

- 6.1 On and with effect from the Manager's Effective Time the Retiring Manager shall retire as manager of the Scheme and shall be freed and discharged from its obligations under the Trust Deed, the Prospectus, the Sourcebook and the Act.
- 6.2 The Retiring Manager, with the approval of the New Trustee (as evidenced by its execution hereof) and of the FCA, hereby appoints the New Manager to be the manager of the Scheme in place of the Retiring Manager and so to act on and as from the Manager's Effective Time in respect of the Scheme and the Retiring Manager hereby assigns to the New Manager all its rights and duties as such manager.
- 6.3 The New Manager accepts the foregoing appointment as manager of the Scheme on and with effect from the Manager's Effective Time and hereby covenants with the New Trustee that it will, on and with effect from the Manager's Effective Time, carry out, fulfil, observe and discharge all duties, obligations and liabilities of the manager of the Scheme and shall be

bound by, shall exercise and enjoy all rights, powers and privileges granted to or conferred on the manager by the Trust Deed, the Act, the Prospectus and the Sourcebook, in each case in all respects as if it had originally been a party to the Trust Deed as manager of the Scheme.

- 6.4 The Retiring Manager shall on and with effect from the Manager's Effective Time release to the New Manager all registers, records and other documents ("**Manager's Records**") in the possession of the Retiring Manager which relate to the management of the Scheme (other than internal correspondence and working papers belonging to the Retiring Manager), which the New Manager may reasonably request, provided that the Retiring Manager shall on and after the Manager's Effective Time provide the New Manager with such information relating to the management of the Scheme as is available to the Retiring Manager and reasonably requested by the New Manager at the expense of the New Manager where such costs cannot be borne by the Scheme.
- 6.5 The New Manager hereby acknowledges the right of the Retiring Manager to inspect and take copies at its own expense of such (if any) of the Manager's Records as the Retiring Manager may at all reasonable times desire to inspect for any proper purpose relating to the period during which the Retiring Manager was manager of the Scheme.
- 6.6 Notwithstanding the above, the Retiring Manager shall be entitled to retain any Manager's Records which it has created specifically to demonstrate compliance with the Sourcebook or the rules of any regulatory body in respect of the management of the Scheme, provided that the Retiring Manager shall upon the reasonable request of the New Manager and at the New Manager's expense, provide it with copies of any records retained under this clause 6.6 except to the extent the provision of such records or their reproduction is restricted or prohibited by law or contract.
- 6.7 Subject to its having complied with its obligations under clause 6.4 of this Deed (and subject to the payment of all sums due by the Retiring Manager to the Retiring Trustee under the Trust Deed and the Prospectus, which are due to the Retiring Trustee under such documents prior to the Trustee's Effective Time), the Retiring Manager shall be absolved and released from all further duties and obligations as manager of the Scheme on and with effect from the Manager's Effective Time but shall continue to have, in respect of the period during which it was the manager of the Scheme, the benefit of all indemnities, powers and privileges given to the manager of the Scheme under the Trust Deed (so far as they are capable of having effect) and the Sourcebook in addition to the indemnities, powers and privileges given to it by law or equity, and shall continue to be liable for all defaults and breaches of trust during such period. Nothing in this Deed shall render the Retiring Manager responsible for or liable in respect of any fraud, negligence, default, breach of trust or breach of the Sourcebook on the part of the New Manager after the Manager's Effective Time.
- 6.8 Nothing contained in clause 6.7 shall limit or derogate from or prejudice the indemnities, powers or privileges given to the New Manager as the manager under the Trust Deed, the Prospectus or the Sourcebook or by law or equity and nothing in this Deed shall render the New Manager responsible for or liable in respect of any fraud, negligence, default, breach of trust or breach of the Sourcebook on the part of the Retiring Manager prior to the Manager's Effective Time.
- 6.9 The Retiring Manager hereby acknowledges that it has no claim whatsoever against the property of the Scheme or the Retiring Trustee as a consequence of or resulting from its retirement as the manager of the Scheme, other than as provided in clauses 6.10 and 6.11.
- 6.10 Notwithstanding the provisions of clause 6.9 the Retiring Manager shall be entitled to receive out of the property of the Scheme the periodic charge payable under the Trust Deed for acting as manager of the Scheme at the rate currently prevailing (together with any value added tax thereon) and apportioned on a time basis to the Manager's Effective Time in respect of the Scheme and to be reimbursed for all expenses and disbursements (together with any value added tax thereon) properly incurred by it in relation to the period to the Manager's Effective Time in respect of the Scheme in the execution of its duties under the Trust Deed and the

Sourcebook which may be reimbursed out of the property of the Scheme in accordance with the Trust Deed, the Prospectus and the Sourcebook and may retain for its own benefit and without having to account therefore to the holders of units in the Scheme any consideration paid to it in connection with the change of manager of the Scheme.

- 6.11 The Retiring Manager shall be entitled to all sums in respect of the preliminary charge payable to the manager of the Scheme pursuant to the Trust Deed and the Sourcebook in relation to the price of a unit issued or sold before the Manager's Effective Time.

7 **Waiver**

The failure to exercise or delay in exercising a right or remedy provided by this Deed or by law does not constitute a waiver of the right or remedy or a waiver of other rights and remedies. A waiver of a breach of any of the terms of this Deed or of a default under this Deed does not constitute a waiver of any other breach or default and shall not affect the other terms of this Deed. The rights and remedies provided by this Deed are cumulative and (subject as otherwise provided in this Deed) are not exclusive of any other rights or remedies provided by law.

8 **Change of Name**

At the Manager's Effective Time the name of the Scheme will change to "HC Charteris Premium Income Fund".

9 **Trust Deed**

Save as hereby amended, the Trust Deed shall remain in full force and effect and this Deed and the Trust Deed shall henceforth be read and construed as one deed.

10 **Costs**

Each party shall bear its own costs and expenses incurred in connection with the preparation, approval and implementation of this Deed.

11 **Counterparts**

This Deed may be executed in any number of counterparts, each of which, when executed and delivered, shall be an original, and all the counterparts together shall constitute one and the same instrument.

12 **Contracts (Rights of Third Parties) Act 1999**

The parties to this Deed do not intend that any term of this Deed should be enforceable, by virtue of the Contracts (Rights of Third Parties) Act 1999, by any person who is not a party to this Deed.

13 **Governing law and jurisdiction**

This Deed is governed by and shall be construed in accordance with the laws of England. Non-contractual obligations (if any) arising out of or in connection with this Deed (including its formation) shall also be governed by the laws of England. The parties submit to the exclusive jurisdiction of the courts of England and Wales as regards any claim, dispute or matter arising out of or in connection with this Deed.

IN WITNESS WHEREOF the parties have executed this Deed on the date shown at its head.

EXECUTED as a DEED and delivered by
WAY FUND MANAGERS LIMITED
acting by:

Director

Director

EXECUTED as a DEED and delivered by
HOST CAPITAL LIMITED
acting by:

Director

Director

EXECUTED as a DEED and delivered
by

as duly authorised attorneys
for and on behalf of
**NORTHERN TRUST GLOBAL
SERVICES LIMITED:**

Attorney

Attorney

EXECUTED as a DEED and
delivered by **CITIBANK EUROPE
PLC, UK BRANCH** acting by its
attorney
in the presence of:

Witness:

Signature:

Name:

Address:

