



UNLAUNCHED AND SOFT CLOSED FUNDS IN ES RIVER AND MERCANTILE FUNDS (THE OEIC)

ES RIVER AND MERCANTILE FUNDS ICVC

Equity Trustees Fund Services Ltd

August 2022

UNLAUNCHED FUNDS

Why is a fund unlaunched?

From time to time, a fund may be included in the OEIC prospectus that has not been launched. These funds are closed to all subscriptions unless the fund receives a subscription that meets the minimum investment amount required to launch the fund as determined by the Authorised Corporate Director (ACD). Instructions to subscribe to an unlaunched fund not meeting this criteria will be rejected. Investors wishing to subscribe to an unlaunched fund should contact their usual Relationship Manager, or Client Services via the contact details at the end of this document.

Which OEIC funds are unlaunched?

Sub-Fund
None

SOFT CLOSED FUNDS

What is soft closure?

Soft closing a fund to new investors is a way to limit fund size by discouraging inflows into a fund. We have a duty to act in our investors' best interests and may soft close a fund where, in our view, we are approaching the maximum capacity¹ based on current market conditions and the investment strategy for the fund.

For the funds of the OEIC this is done by applying an initial charge of up to 5.25% on new subscriptions. When a decision is made to apply the initial charge, investors will be provided with not less than 60 days prior notice in writing that the charge is to be applied.

Why do we decide to soft close funds?

We continue to believe that our first duty must be to existing investors by ensuring we manage the size of each fund under our management responsibly. We may soft close funds when they near the maximum size that we are best able to manage, which is reviewed on a periodic basis with the funds Investment Manager (River and Mercantile Asset Management).

While we recognise the inconvenience this may cause, we strongly believe that soft closing funds for the reasons above are in the best long-term interests of all our clients and part of our stewardship responsibilities.

Which OEIC funds are subject to soft closure?

There are currently no soft closed funds in the OEIC.

¹ Maximum capacity is where we believe that we are nearing the point beyond which the size and growth of the fund could start affecting its performance, and more specifically, restrict the ability of a fund to invest effectively in-line with its investment strategy.



Will this impact redemptions?

Soft closure will have no impact on investors' ability to make redemptions.

Does Equity Trustees Fund Services have a threshold policy on soft closing funds to new investment?

Soft closing a fund to new investors is an internal decision based on a variety of factors, such as fund capacity, and issues that relate to specific market(s) and stock valuations. Therefore, there can be no 'one size fits all' policy.

FURTHER INFORMATION

If you have any questions about unlaunched or soft closed funds, please contact us at 0345 603 3618.