

Changes to the Marks & Spencer UK 100 Companies Fund (“the Fund”)

Effective from 7 August 2019

We wanted to let you know that we are making certain changes to the way in which the investment objective, policy and strategy are described in the Fund's literature, including the Fund's prospectus (the “Prospectus”) and key investor information document (“KIID”). The changes will take effect from 7 August 2019.

The investment objective, policy and strategy broadly describe what the Fund aims to achieve and the way it intends to do this. These descriptions are important because they help investors to consider their investment options and to decide whether a fund is suited to their individual needs.

The Financial Conduct Authority, the regulator of investment funds in the UK, has recently introduced new guidance and is implementing new rules concerning the clarity of a fund's investment objective, policy and strategy wording. This means using more customer-friendly language and providing further detail about how we are managing the Fund, particularly how the Fund makes use of benchmarks. Please note we are not making changes to the way in which the Fund is managed, its overall investment strategy or its risk profile.

We have reviewed the investment objective, policy and strategy wording in the Prospectus and are making changes to reflect the new guidance and rules associated with fund documentation. A comparison of the current and revised investment objective is shown in full in the Appendix and the reasons for these changes are set out below:

CHANGES TO INVESTMENT OBJECTIVE AND POLICY

Investment objective:

The current investment objective of the Fund is “to provide long-term capital growth by matching the performance of the FTSE 100 Index* (‘the index’) as closely as practically possible.”

We are amending the objective to provide clarity on what we mean by “long-term” and to better describe how we will aim to achieve the objective.

Investment policy:

We are amending the investment policy of the Fund to define some of the terms which we use. We have also included further details on the use of derivatives and why these are used within the Fund.

Definitions:

In addition, and to complement the changes above, we will be updating the Definitions section at the start of the Prospectus to include new terminology and further explanation of existing defined terms. A list of terms used in the Investment Objectives, Investment Policies and Investment Strategies tables are provided in the Definitions section following the Appendix to this letter. A full list of the definitions will also be available on our website from 7 August 2019.

Benchmarks and presentation of past Fund performance:

We generally show the past performance of the Fund in the report and accounts. The new rules require that alongside this we consistently show the past performance against any benchmarks indicated in the Prospectus for each Fund.

We will therefore add the past performance of the FTSE 100 Index* to the report and accounts that we publish after 7 August 2019.

Key investor information document (KIID):

We are amending the Fund's KIID, where necessary, to reflect the changes detailed above.

WHY ARE WE MAKING THESE CHANGES?

We are making the changes to comply with the most recent regulatory guidelines and to further clarify how the Fund is managed, while providing more detail about the types of assets in which the Fund may invest. We aren't changing how we manage the Fund and there is no change to the risk profile of the Fund.

HOW MUCH WILL IT COST TO MAKE THESE CHANGES?

There will be no costs to you or the Fund as a result of the changes. The costs to make the required changes to the Fund documentation will be met by Marks and Spencer Unit Trust Management Limited as the Authorised Fund Manager.

WHEN WILL THE NEW DOCUMENTATION BECOME EFFECTIVE?

The changes will take effect from 7 August 2019. The revised Prospectus and KIID will also be available from this date.

DO I NEED TO TAKE ANY ACTION?

No, there is no action required. This update is for information only.

WHAT IS THE VIEW OF THE TRUSTEE?

In accordance with normal market practice, State Street Trustees Limited, the Trustee of the Fund, while expressing no opinion on the merits or otherwise of the changes set out within this letter, has informed us that it has no objection to the changes.

APPENDIX

Current wording	Revised wording
Investment Objective The Fund's objective is to provide long term capital growth by matching the performance of the FTSE 100 Index* ('the index') as closely as practically possible.	Investment Objective The Fund aims to provide capital growth in the long term (five years or more) by tracking the performance of the FTSE 100 Index* ('the index').
Investment Policy The Fund seeks to achieve this objective by generally fully replicating the FTSE 100 Index* by holding all the constituents of the index. It will invest in companies that make up the FTSE 100 Index* and may also invest in other transferable securities, collective investment schemes, money market instruments, deposits, cash and near cash instruments that will assist the Fund achieve its objective. The Fund may use derivative instruments (options, futures and contracts for differences) and forward transactions in a currency for the purposes of efficient portfolio management. These instruments can therefore be used to reduce risk, reduce costs, or generate additional capital or income with no, or low levels of risk. The Fund does not intend to use financial derivative instruments extensively. The Fund may not comprise of the same securities (either in terms of exact composition and/or weighting) that are tracked by the index in circumstances where the Manager determines that this is appropriate for reasons of poor liquidity, excessive cost to the Fund or where there are investment restrictions due to regulations or the Manager's cluster munitions and controversial weapons policy.	Investment Policy The Fund seeks to achieve this objective through investing in companies that make up the FTSE 100 Index*. It will invest in companies that make up the FTSE 100 Index* and may also invest in other transferable securities equivalent to shares in companies, collective investment schemes, money market instruments, deposits and cash in order to manage day-to-day cash flow requirements that will assist the Fund to achieve its objective and are not part of the index. The Fund may invest up to 10% of its value in collective investment schemes . The Fund may invest in derivatives for efficient portfolio management , which means investment techniques that aim to reduce risks, reduce costs, or generate additional capital or income with a level of risk that is consistent with the risk profile of the Fund. The Fund does not intend to use financial derivative instruments extensively. The Fund may not comprise of the same securities (either in terms of exact composition and/or weighting) that are tracked by the index in circumstances where the Manager determines that this is appropriate for reasons of poor liquidity , excessive cost to the Fund or where there are investment restrictions due to regulations or the Manager's banned weapons policy.

<p>Investment Strategy</p> <p>The Investment Manager will use a replication approach to track the FTSE 100 Index*. This means that the Fund will seek to invest in all of the companies that make up the index and in the same or very similar proportions in which they are included in the index.</p> <p>From time to time, the Fund may not comprise of the same securities (either in terms of exact composition and/or weighting) that are tracked by the index in circumstances where the Manager determines that this is appropriate for reasons of poor liquidity, excessive cost to the Fund or where there are investment restrictions due to regulations or the Manager's cluster munitions and controversial weapons policy. The investment restrictions are detailed on page 11 of this Prospectus. At all times the Fund will seek to track the performance of the index.</p> <p>Information about the Index:</p> <p>The FTSE 100 Index* is a market-capitalisation weighted index of UK-listed blue chip companies. The index is part of the FTSE® UK series* and is designed to measure the performance of the 100 largest companies traded on the London Stock Exchange that pass screening for size and liquidity. FTSE 100* constituents are all traded on the London Stock Exchange's SETS trading system. The index rebalances quarterly on the third Friday of March, June, September and December.</p> <p>Details of the constituents of the index can be found at ftse.com/products/indices/UK</p> <p>*The index utilised by the Fund is provided by a benchmark administrator who appears on the register of administrators maintained by the European Securities and Markets Authority. However, the benchmark administrator is making use of the transitional arrangements of Regulation (EU) 2016/1011 (the "Benchmark Regulation") and accordingly the index does not appear on the register of benchmarks as at the date of this Prospectus.</p>	<p>Investment Strategy</p> <p>The Investment Manager will use a replication approach to track the FTSE 100 Index*. This means that the Fund will seek to invest in all of the companies that make up the index and in the same or very similar proportions in which they are included in the index.</p> <p>From time to time, the Fund may not comprise of the same securities (either in terms of exact composition and/or weighting) that are tracked by the index in circumstances where the Manager determines that this is appropriate for reasons of poor liquidity, excessive cost to the Fund or where there are investment restrictions due to regulations or the Manager's banned weapons policy. The investment restrictions are detailed on page 9 of this Prospectus.</p> <p>The Fund tracks the performance of the index and we show the performance measured against the index over 12 month periods.</p> <p>The Fund's performance is measured against the Index, because the Fund intends to track the performance of the Index.</p> <p>The Fund uses a tracking error to measure the consistency between the Fund's performance and the performance of the index. In general, the lower the tracking error, the more consistent the Fund's performance is relative to the index, and vice-versa.</p> <p>The anticipated tracking error for the Fund is expected to be up to 0.10%. The anticipated tracking error for the Fund is not a guide to future performance.</p> <p>Use of Derivatives</p> <p>The Fund may invest in exchange traded and over-the-counter derivatives in accordance with the investment restrictions on page 9. The Fund does not currently use currency forward contracts or other derivative instruments to hedge against movements in the rate of exchange between sterling and other currencies in which the Fund's assets may be denominated.</p>
	<p>Information about the index:</p> <p>The FTSE 100 Index* is a market-capitalisation weighted index of UK-listed blue chip companies. The index is part of the FTSE® UK series* and is designed to measure the performance of the 100 largest companies traded on the London Stock Exchange that pass screening for size and liquidity. FTSE 100* constituents are all traded on the London Stock Exchange's SETS trading system. The index rebalances quarterly on the third Friday of March, June, September and December.</p> <p>Details of the constituents of the index can be found at ftse.com/products/indices/UK</p> <p>*The index utilised by the Fund is provided by a benchmark administrator who appears on the register of administrators maintained by the European Securities and Markets Authority. However, the benchmark administrator is making use of the transitional arrangements of Regulation (EU) 2016/1011 (the "Benchmark Regulation") and accordingly the index does not appear on the register of benchmarks as at the date of this Prospectus.</p>

DEFINITIONS

“Blue chip company” means a nationally recognised, well-established, and financially sound company. Blue chips generally sell high-quality, widely accepted products and services.

“Collective Investment Scheme” means a fund that more than one person contributes to with the aim of increasing the value of their investments or receiving income from a pooled investment. A fund manager will invest the pooled money into one or more types of asset, such as stocks, bonds or property.

“Currency forward contracts” means a contract in the foreign exchange market that locks in the exchange rate for the purchase or sale of a currency on a future date.

“Derivatives” means investments whose value is linked to another investment, or to the performance of a stock exchange or to some other variable factor, such as interest rates.

“Efficient Portfolio Management (EPM)” means managing the Fund in a way designed to reduce risk or cost and/or generate income or growth.

“Exchange Traded” means a type of investment that is traded on a stock exchange.

“Growth” means the increase in the value of investments.

“Hedge” or “Hedging” means using derivative type investments as a way to reduce risk.

“Income” means money generated by a Fund, such as interest from a bond or a dividend from a share, which can be paid out to its unitholders or paid back into the Fund and reinvested.

“Liquidity” means the degree to which an investment can be quickly bought or sold on a market without affecting its price.

“Market capitalisation-weighted index” means a type of market index whose components, or securities, are weighted according to the total market value of their outstanding shares. Every day an individual stock's price changes and thereby changes a stock index's value.

“Money Market Instruments” means investments usually issued by banks or governments that are a loan to the issuer by the buyer, held over a short period of time. The buyer receives interest and the return of the original amount at the end of a certain period.

“Over-the-counter” means a contract that is traded (and privately negotiated) directly between two parties, without going through an exchange or other intermediary.

“Share” or “Shares” means a portion in a company representing part ownership of a company.

“Tracking Error” means the volatility of the difference between the return of the Fund and the return of the index or indices it tracks. In general, the lower the tracking error, the more consistent the Fund's performance is relative to the Index, and vice-versa.