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Solutions. Considered.

7 September 2021

Dear Investor

Notification to investors

Merger proposal

For investors in MI Somerset Emerging Markets Small Cap Fund (a sub-fund of MI Somerset Capital Management Investment Funds ICVC).

This information pack is important and requires your immediate attention.

If, after reading this document, you wish to exercise your rights under it, you are requested to complete and return the enclosed voting form by email or post no later than 10.00am (UK time) on 25 September 2021.

You should consult a professional advisor if you require any assistance in assessing the options set out in this information pack.

Yours faithfully,



Maitland Institutional Services Ltd

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Part A: Notification to investors

7 September 2021

In this section capitalised terms have the meanings set out in the Glossary

Proposed Merger

You are a shareholder in MI Somerset Emerging Markets Small Cap Fund (the “**Small Cap Fund**”), a sub-fund of MI Somerset Capital Management Investment Funds ICVC.

We are writing to inform you of a proposed Merger of the Small Cap Fund with the MI Somerset Emerging Markets Discovery Fund (the “**Discovery Fund**”), how this will affect you, and the action you may need to take.

Investors in the Small Cap Fund will have an opportunity to vote on the proposal at an Investor Meeting by completing the enclosed Voting Form. Due to concerns surrounding the safety of shareholders in light of the COVID-19 pandemic, shareholders are not expected to attend the Investor Meetings in person and are strongly encouraged to appoint the chairperson as a proxy.

We have undertaken an assessment on the ongoing viability of the Small Cap Fund and the Discovery Fund. Having considered a number of options, we have concluded that a merger of the Small Cap Fund and the Discovery Fund is in the interests of investors.

If the proposed Merger is approved by a vote of the Investors, on the Effective Date:

- Shares in the Small Cap Fund will be exchanged for New Shares in the Discovery Fund;
- The Small Cap Fund will be closed.

Please read this Information Pack carefully, it provides full details of the proposal. If there is anything about which you are uncertain we recommend that you consult a financial advisor.

Reasons for the proposed Merger

The Small Cap Fund has not attracted the level of investment that the management team would like and is now at a size at which it is no longer commercially viable on its own. Rather than terminating the Small Cap Fund, which would crystallise capital gains and potentially create tax liabilities for investors, the management team is proposing a merger that will result in a larger fund which is more commercially viable through better economies of scale.

The Discovery Fund is a good merger candidate as it has a similar investment objective and policy, and the same investment management team who operate a consistent investment approach. The combined fund will feature lower ongoing costs and the potential to lower them further via raising further assets.

Details of the proposal and the Merger process

This Information Pack sets out the full terms of the proposed Merger, details of the procedure by which the Merger will be carried out and the action you should take.

Your vote counts

In order for the Merger to be approved, the proposal requires at least three quarters by value (75%) of the votes cast at the Investor Meeting to be in favour. So it is important that you exercise your right to vote in relation to the proposal.

Whether or not you plan to attend the Investor Meeting, it is important that you complete and return the enclosed Voting Form. Your Voting Form must arrive no later than 10.00am (UK time) on 25 September 2021.

If you are uncertain as to how to respond to this document, you should consult a financial advisor.

If you have any queries concerning the proposed Merger, please contact our team on 0345 026 4282. Full details are provided in this document.

Part B: Details of the proposal

In this section capitalised terms have the meanings set out in the Glossary

About the Merger

Why we are proposing the Merger

As explained above, the Small Cap Fund is at a size which the management team no longer consider it commercially viable on its own. The Discovery Fund is considered a good merger candidate as it has a similar investment objective and policy, and the same investment management team who operate a consistent investment approach. The combined fund will feature lower ongoing costs and the potential to lower them further via raising further assets. It will be more commercially viable through better economies of scale.

What are the differences between the Small Cap Fund and the Discovery Fund

The funds are broadly similar, seeking capital growth from a portfolio of quoted equity securities, issued by companies established or operating in emerging market countries. However, there are differences. For example, the Discovery Fund has a more specific investment objective to outperform the MSCI Emerging Markets SMID Index (with net dividends reinvested) over a 5 year period. It is also able to invest in companies with a greater market capitalisation (US\$15 billion compared with US\$ 2.5 billion in the Small Cap Fund). We have set out a detailed comparison between the funds in Part C.

Costs of the Merger

The costs of the merger including the legal costs, accounting costs and any adjourned meeting costs are considered insignificant and will be borne by the fund's sponsor, Somerset Capital Management LLP.

Transaction costs as a result of changing the composition of the Small Cap Fund are expected to be under 1% and will be borne by the Fund.

Your options

If you are an Investor at the Qualification Date, you have a right to vote on the proposal for the Merger as long as you still hold Shares in the Small Cap Fund on 27 September 2021. You can also exercise any of the options set out below.

Before making your choice we recommend that you read the Key Investor Information Document (KIID) that reflects the Discovery Fund's investment policy. It is available on our website at <https://www.maitlandgroup.com/fund-data/mi-somerset-emerging-markets-discovery-fund/> or is available upon request from our team using the contact details below. We are not able to make recommendations as to which option you should choose and you may wish to consider your options in consultation with a professional advisor.

Option 1: Proceed with the outcome of the vote.

If the Merger is approved, investors in the Small Cap Fund will receive New Shares in the Discovery Fund.

Alternatively, if the Merger is not approved, you will continue to hold your existing investment without any changes.

Option 2: Switch your investment to another fund.

You are entitled to switch your Shares for shares in another fund in MI Somerset Capital Management Investment Funds ICVC, free of any charges.

A switch will be treated as a 'disposal' for UK tax purposes and you may be liable to capital gains tax on any gains arising from the switch of your Shares.

You must ensure that you read the relevant KIID before switching. All KIIDs are available from the literature library on our website (<https://www.maitlandgroup.com/fund-company/somerset-capital-management/>) or available from our team.

To exercise this option, please contact 0345 026 4282. Please note that instructions to switch must also be made no later than 12:00 noon (UK time) on 28 September 2021.

Option 3: Redeem (sell back) your investment.

You can redeem (sell back) your Shares.

A redemption will be treated as a 'disposal' for UK tax purposes and you may be liable to capital gains tax on any gains arising from the redemption of your Shares.

To exercise this option, please contact 0345 026 4282. Please note that instructions to redeem must also be made no later than 12:00 noon (UK time) on 28 September 2021.

The Investor Meeting and voting at it

We invite Investors to vote on the proposed Merger by completing a Voting Form. At least three quarters (by value) of the votes made by Investors in the Small Cap Fund must approve the Merger for it to take place. If the proposal is approved, the Merger will take place on the Effective Date and it will bind all Investors at that time whether or not they voted in favour of it, or voted at all.

Attachment 1 to this Information Pack is the formal Meeting Notice. However, due to concerns surrounding the safety of Investors in the light of the COVID-19 pandemic, we do not expect that it will be possible for Investors to attend the meeting in person. As such, you are strongly encouraged to appoint the chairperson as a proxy to vote on your behalf. The Meeting Notice sets out the wording of the proposal that Investors will vote on at the Investor Meeting (also known as a 'resolution').

As an Investor, you have a right to vote. To vote you do not need to attend the meeting - you can vote through an appointed representative (a 'proxy') who you instruct, which can include the Meeting's chairperson. If the Merger is approved by 75% of the votes cast at the Investor Meeting, the Merger will take place on 1 October 2021.

The minimum number of participants for each Investor Meeting is two Investors, which can include Investors represented by a proxy (this minimum number of participants is known as the 'quorum'). At the time of the Investor Meeting, the management team will exclude anyone it knows no longer holds Shares from voting or counting in the relevant quorum.

Details of the outcome of the Investor Meeting will be available on our website at <https://www.maitlandgroup.com/fund-company/somerset-capital-management/> shortly after the Investor Meeting.

If the Merger goes ahead

The Merger will be governed by the detailed Merger Terms in Part D.

If the proposal is approved, on 1 October 2021, all of the property of the Small Cap Fund will be transferred to the Discovery Fund and we will issue New Shares in place of any Shares in the Small Cap Fund. Please see Part C for information on the class of shares to be issued if the Merger proceeds.

Please note that your Small Cap Fund may deviate from its current investment policy and hold increased levels of cash in the week before the Effective Date of the Merger. This is to allow the investment manager to align the portfolio of the Small Cap Fund with that of the Discovery Fund.

If the Merger proceeds, we will take steps to terminate the Small Cap Fund.

Dealings in Shares in the Small Cap Fund (for investors in the Small Cap Fund)

In order to facilitate the Merger, dealings in the Small Cap Fund will be suspended from 12 noon on 28 September 2021. We will continue to process requests to buy, sell, switch or convert Shares in the Small Cap Fund in the normal way until 12 noon on 28 September 2021. If the Merger proceeds, we will treat any requests to deal in the Small Cap Fund after this time as applying to the New Shares issued under the Merger and they will be processed at the next dealing point in the Discovery Fund. The first dealing point in the Discovery Fund following the Merger is expected to be 4 October 2021.

We will notify investors of their new holding in the Discovery Fund within 14 days of the Effective Date. You may deal in your New Shares before you receive the letter of notification confirming the allocation of New Shares to you.

Any mandates or other standing instructions which you have given us in relation to your Shares in the Small Cap Fund will automatically apply to the New Shares issued to you under the Merger. If you do not want these mandates to be carried forward, please let us know. You can, of course, change these mandates or instructions at any time.

Treatment of income

The Small Cap Fund's investments generate income and the Shares in the Small Cap Fund have an entitlement to a share of this income.

Accumulation shares

If you hold 'accumulation shares' (sometimes labelled 'acc'), this income is reflected in the value of your shares.

To make it easier to organise the Merger, we will introduce an additional accounting date for the Small Cap Fund ending at 12.00 noon (UK time) on the Effective Date. This will allow us to allocate any income that has built up between the start of the accounting period and the Effective Date.

Accumulation shares

This income will be reflected in the value of the New Units you receive under the Merger.

Taxation

We would remind investors that the management team is not responsible or liable for any personal tax which arises in relation to Investors' dealings in Shares in the Small Cap Fund, including the Merger.

UK Investors

This is a summary of our understanding of the current UK legislation and 'HM Revenue & Customs' practice relevant to UK resident investors regarding the issue of New Shares in relation to the Merger proposal. It may be subject to change.

We do not expect a difference in the tax treatment of your Shares in the Small Cap Fund and the New Shares.

Based on our understanding of the tax legislation and confirmations from UK tax authorities, the Merger should not involve a 'disposal' of your Shares in the Small Cap Fund for capital gains tax purposes, whatever the size of your investment. New Shares issued to you under the Merger, should have the same acquisition cost and acquisition date for capital gains tax purposes as your Shares in the Small Cap Fund.

We do not expect UK stamp duty reserve tax or stamp duty or equivalent overseas taxes to be payable in respect of the transfer of the property of the Small Cap Fund to the Discovery Fund under the Merger.

Any redemption or switch is likely to be treated as a 'disposal' of your Shares in the Small Cap Fund for tax purposes and may give rise to capital gains tax on any gains arising from the redemption or switch of your Shares in the Small Cap Fund.

If you are in any doubt about your potential liability to tax, you should consult a professional advisor.

Non-UK Investors

The tax consequences of the Merger may vary depending on the law and regulations of your country of residence, citizenship or domicile.

If you are in any doubt about your potential liability to tax, you should consult a professional advisor.

Other information available to you

The following documents are all available on our website (<https://www.maitlandgroup.com/fund-company/somerset-capital-management/>):

1. the current prospectus of the Small Cap Fund and Discovery Fund;
2. the key investor information document (KIID) relating to the Small Cap Fund and Discovery Fund;
3. the latest report and accounts for the Small Cap Fund and Discovery Fund.

Subject to COVID-19 restrictions, the following documents are available for inspection during normal business hours at Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY or available by post upon request (please contact our team on 0345 026 4282) until the date of the Merger:

1. the confirmation letter from the Financial Conduct Authority to the management team's external legal advisers, Eversheds Sutherland (International) LLP;
2. the confirmation letter from HM Revenue and Customs to the management team's legal advisers, Eversheds Sutherland (International) LLP; and
3. the instrument of incorporation of the Small Cap Fund and the Discovery Fund.

Summary of the key milestones (UK time, unless stated otherwise)

31 August 2021	The date at which a person must hold shares in order to be eligible to vote (i.e. to qualify as an 'Investor', the "Qualification Date")
10am on 25 September 2021	The date by which we must receive your Voting Form
10am on 27 September 2021	Investor Meeting
27 September 2021	Outcome of the meeting published on our website
Additionally, if the Merger is approved by Investors:	
12 noon on 28 September 2021	The last point for dealing in your Shares in the Small Cap Fund
12 noon on 1 October 2021	The end of the interim accounting period of the Small Cap Fund
12:01pm on 1 October 2021	The point at which the Merger is effective
8:30am on 4 October 2021	The point at which dealing in the New Shares becomes available

Part C: Comparison of the Small Cap Fund and the Discovery Fund

In this section capitalised terms have the meanings set out in the Glossary

The following tables identify aspects of the Discovery Fund that differ from the Small Cap Fund and sets these out side-by-side.

Investment management

Below we have set out a comparison of various investment management characteristics of the Small Cap Fund and the Discovery Fund. This includes a comparison of the investment objectives and policies.

	The Small Cap Fund	The Discovery Fund
	MI Somerset Emerging Markets Small Cap Fund , a sub-fund of MI Somerset Capital Management Investment Funds ICVC	MI Somerset Emerging Markets Discovery Fund , a sub-fund of MI Somerset Capital Management Investment Funds ICVC
Fund launch date	1 November 2010	30 October 2019
Type of Fund	UK UCITS	UK UCITS
Fund size	£9,148,920 as at 31 August 2021	£10,836,335 as at 31 August 2021
Portfolio managers	Somerset Capital Management LLP	Somerset Capital Management LLP
Investment objective	The objective of the Fund is to achieve long term capital appreciation.	The Fund seeks to outperform the MSCI Emerging Markets SMID Index (with net dividends reinvested) over a 5 year period by investing at least 80% (but usually significantly more) in an actively managed portfolio of smaller and mid cap emerging and frontier market securities. There is no guarantee that this return will be achieved and investors should note that capital is at risk.
Investment policy	The Fund seeks capital appreciation by investing in an actively managed portfolio composed principally of quoted equity securities, issued by companies established or operating in emerging market countries, principally in Asia, Eastern Europe, the Middle East, Africa and Latin America and whose market capitalisation does not exceed US\$ 2.5 billion at the time of the initial investment. The Fund may also invest in other investment funds in order to gain exposure to specific markets or the expertise of specific managers. The Fund generally seeks to maintain a diversified portfolio in order to reduce its dependence on specific companies or industry sectors. The Fund may invest in cash and near cash, and in shares in other collective investment schemes subject to the limits set out in Appendix 2 (of the Prospectus), however, investment by the Fund in other Schemes will be limited to a maximum of 10% of the scheme property of the Fund.	The portfolio will consist principally of quoted equity securities, issued by companies established or operating in emerging and frontier market countries, principally in Asia, Eastern Europe, the Middle East, Africa and Latin America and whose market capitalisation does not generally exceed US\$ 15 billion at the time of the initial investment. The investment manager uses detailed research to seek to discover the best investment opportunities considering each company's specific circumstances. The Fund may also invest at the Investment Manager's discretion in other transferable securities, money market instruments, cash and near cash, depositary receipts, derivative instruments and forward transactions, deposits, and derivatives for the purpose of hedging or efficient portfolio management. The Fund may also invest in shares in other collective

	The Small Cap Fund	The Discovery Fund
	MI Somerset Emerging Markets Small Cap Fund , a sub-fund of MI Somerset Capital Management Investment Funds ICVC	MI Somerset Emerging Markets Discovery Fund , a sub-fund of MI Somerset Capital Management Investment Funds ICVC
	<p>The Company permits the use of derivatives for investment purposes by the Fund, however, this policy is not currently applied and may not be applied without giving the required 60 day notice to Shareholders. If derivatives are used for the purpose of meeting the investment objective of the Fund it is not intended that the use of derivatives would significantly raise the risk profile but this cannot be guaranteed and the risk profile may increase as a result of a change in the investment policy for derivatives.</p> <p>The Fund is permitted to invest 5% or more of its scheme property in warrants. Such investments may increase the volatility of the Fund and therefore may adversely affect its risk profile.</p>	<p>investment schemes subject to the limits set out in Appendix 2 (of the Prospectus), however, investment by the Fund in other Schemes will be limited to a maximum of 10% of the scheme property of the Fund. Use may also be made of stocklending, borrowing, cash holdings, hedging and other investment techniques permitted under applicable FCA Rules.</p> <p>The Company permits the use of derivatives for investment purposes by the Fund, however, this policy is not currently applied and may not be applied without giving the required 60 day notice to Shareholders. If derivatives are used for the purpose of meeting the investment objective of the Fund it is not intended that the use of derivatives would significantly raise the risk profile but this cannot be guaranteed and the risk profile may increase as a result of a change in the investment policy for derivatives.</p> <p>The Fund is permitted to invest no more than 5% of its scheme property in warrants. Such investments may increase the volatility of the Fund and therefore may adversely affect its risk profile.</p>
Synthetic Risk and Reward Indicator (SRRRI)	<p>B Accumulation EUR Shares – SRRRI 5</p> <p>B Accumulation GBP Shares – SRRRI 5</p> <p>B Accumulation USD Shares - SRRRI 6</p> <p>SRRRI 5 – Shares of this type have experienced medium to high rises and falls in value in the past.</p> <p>SRRRI 6 – Shares of this type have experienced high rises and falls in value in the past.</p>	<p>A Accumulation EUR Shares – SRRRI 6</p> <p>A Accumulation GBP Shares – SRRRI 6</p> <p>A Accumulation USD Shares - SRRRI 6</p> <p>SRRRI 5 – Shares of this type have experienced medium to high rises and falls in value in the past.</p> <p>SRRRI 6 – Shares of this type have experienced high rises and falls in value in the past.</p>
	Despite moving from an SRRRI of 5 in the Small Cap Fund to 6 in the Discovery Fund, the ACD considers there to be no material increase in risk for merging shareholders as the proposed move is into a larger fund which invests in larger cap stocks.	
Comparator benchmark	The Fund's performance is compared to the MSCI Emerging Markets Small Cap Total Return Net Index. This index is used to assess the Fund's performance because it is a widely available measure of the performance of emerging market company shares and therefore aligns with the investment universe of the Fund.	<p>The MSCI Emerging Markets SMID Index (with net dividends reinvested) has been chosen as a benchmark as it is made up of small and mid-cap emerging market securities which provide an appropriate representation of the performance of the market in which the Fund invests.</p> <p>The investment manager has full discretion in relation to the investments in the portfolio and is not constrained in any way by the benchmark.</p>
Performance fee	Yes	No
Investment Association sector	Global Emerging Markets	Global Emerging Markets

Share classes

In the table below, we have set out the various Shares in issue in the Small Cap Fund and the corresponding New Shares that will be issued to Investors in that class if the Merger proceeds. Any variations in eligibility criteria that are more stringent in the Discovery Fund will be waived for New Shares issued under the Merger.

	The Small Cap Fund			The Discovery Fund		
	MI Somerset Emerging Markets Small Cap Fund , a sub-fund of MI Somerset Capital Management Investment Funds ICVC			MI Somerset Emerging Markets Discovery Fund , a sub-fund of MI Somerset Capital Management Investment Funds ICVC		
Available share classes	B Shares (£)	B Shares (€)	B Shares (US\$)	A Shares (£)	A Shares (€)	A Shares (US\$)
	Accumulation	Accumulation	Accumulation	Accumulation	Accumulation	Accumulation
Minimum initial investment/ minimum holding	B Shares (£)	B Shares (€)	B Shares (US\$)	A Shares (£)	A Shares (€)	A Shares (US\$)
	£10,000	€10,000	US\$10,000	£10,000	€10,000	US\$10,000
	£10,000	€10,000	US\$10,000	£1,000	€1,000	US\$1,000
Minimum subsequent investment/ minimum redemption	B Shares (£)	B Shares (€)	B Shares (US\$)	A Shares (£)	A Shares (€)	A Shares (US\$)
	£10,000	€10,000	US\$10,000	£1,000	€1,000	US\$1,000
	£10,000	€10,000	US\$10,000	£1,000	€1,000	US\$1,000
Ongoing charges figure (latest)	2.20%			1.93%		
Annual Management Charge	B Shares (£)	B Shares (€)	B Shares (US\$)	A Shares (£)	A Shares (€)	A Shares (US\$)
	1.25%	1.25%	1.25%	0.75%	0.75%	0.75%
				The Annual Management Charge for A Shares is waived until 1 January 2022.		

Other features

For completeness we have set out a few final comparisons between the Small Cap Fund and the Discovery Fund

	The Small Cap Fund MI Somerset Emerging Markets Small Cap Fund , a sub-fund of MI Somerset Capital Management Investment Funds ICVC	The Discovery Fund MI Somerset Emerging Markets Discovery Fund , a sub-fund of MI Somerset Capital Management Investment Funds ICVC
Legal vehicle (umbrella)	MI Somerset Capital Management Investment Funds ICVC	MI Somerset Capital Management Investment Funds ICVC
Fund reference currency	GBP	GBP
Fund valuation point	12 noon	12 noon
Financial year end	30 September	30 September

Part D: Merger Terms

In this section capitalised terms have the meanings set out in the Glossary

The following section sets out the legal process for the Merger.

1. Definitions and interpretation

- 1.1 References to paragraphs are to paragraphs of these Merger Terms.
- 1.2 The Glossary is deemed to form part of these Merger Terms.
- 1.3 If there is any conflict between these Merger Terms and the Small Cap Fund's constitutional documents, then these Merger Terms will prevail.

2. Approval of Investors

- 2.1 The Merger will only take place if the Merger itself, and these Merger Terms, are approved by an extraordinary resolution of Investors.
- 2.2 If the extraordinary resolution referred to at 2.1 is passed, the Merger will be binding on all Investors (whether or not they voted in favour of it, or voted at all) and the Merger Terms will be carried out as set out in the following paragraphs.

3. Effective Date

If approved by Investors, the management team intends for the Merger to become effective on the Effective Date 1 October 2021.

4. Type of merger

The Merger is a scheme of arrangement within the meaning of Chapter 7.6 of the FCA's Collective Investment Schemes sourcebook.

5. Last dealings in the Small Cap Fund

- 5.1 The last dealing in Shares in the Small Cap Fund will be at 12 noon on 28 September 2021.
- 5.2 Any dealing instructions received after 12 noon on 28 September 2021 will be held over until the next valuation point of the Discovery Fund which will be 12 noon on 4 October 2021 and will be deemed to apply to the New Shares in the Discovery Fund.

6. Income allocation and distribution arrangements

- 6.1 The additional interim accounting period of the Small Cap Fund will end at 12 noon on the Effective Date.
- 6.2 All income (actual or estimated) that has accrued in the interim accounting period and is:
 - 6.2.1 available for allocation in relation to accumulation shares, will be transferred to the capital account of the Small Cap Fund, allocated to the accumulation shares, and reflected in the value of those shares (and used to calculate the number of the New Shares in the Discovery Fund under the Merger).
- 6.3 Any interest earned on income while held by Northern Trust as the depositary of the Small Cap Fund, will be treated as the property of the Small Cap Fund but will not increase the number of New Shares to be issued in the Discovery Fund under the Merger.

7. Calculation of the Small Cap Fund value and the Discovery Fund value

- 7.1 Based on valuations made in accordance with the respective instruments of incorporation and prospectus of the Small Cap Fund and the Discovery Fund:
 - 7.1.1 the value of the property of the Small Cap Fund will be calculated as at 12 noon on the Effective Date; and
 - 7.1.2 the value of the property of the Discovery Fund will be calculated as at 12 noon on the Effective Date.

7.2 The value of the Small Cap Fund and the value of the Discovery Fund will be used to calculate the number of New Shares to be issued to each Investor (under paragraphs 8 and 9 below).

8. Transfer of property from the Small Cap Fund to the Discovery Fund and issue of New Shares

8.1 In order to facilitate the Merger, the Small Cap Fund may hold a higher level of cash (up to 50% during the transition period) than would otherwise be permitted under its investment policy.

8.2 The management team will, in consultation with the Depositary, calculate an amount necessary to meet the actual and contingent liabilities of the Small Cap Fund after the Merger (the **Retained Amount**). The Retained Amount is to be retained by Northern Trust as depositary of the Small Cap Fund for the purposes of discharging those liabilities.

8.3 The property of the Small Cap Fund will become part of the property of the Discovery Fund in exchange and in full payment for the issue of New Shares. Northern Trust will cease to hold the property of the Small Cap Fund (less the Retained Amount) as attributable to the Small Cap Fund, and will hold the property as attributable to the Discovery Fund and Northern Trust will ensure that any necessary transfers or re-designations are carried out.

8.4 The management team will arrange New Shares to be issued to Investors (who are registered as holding Shares in the Small Cap Fund on the Effective Date) free of any initial charge. The type of New Shares to be issued is detailed in the Investor Mailing.

8.5 All Shares in the Small Cap Fund will be deemed to be cancelled and will cease to be of any value as at 12:01 p.m. on the Effective Date.

8.6 Investors will be treated as exchanging their Shares in the Small Cap Fund for New Shares.

9. Basis for the issue of New Shares

9.1 The price of New Shares to be issued under these Merger Terms will be the price based on the Discovery Fund value as at 12 noon on the Effective Date.

9.2 New Shares of the appropriate class and type (as noted in the "Information Pack" dated 7 September 2021) will be issued to each Investor invested in the Small Cap Fund in proportion to that Investor's individual entitlement to the Small Cap Fund value as at 12 noon on the Effective Date.

9.3 The formula used in calculating an Investor's entitlement to New Shares is available on request.

9.4 The number of New Shares to be issued to each Investor will (if necessary) be rounded up to the nearest denomination of shares at the expense of the management team (which will, within four business days of the Effective Date, accordingly pay into the Discovery Fund an amount equal to the value of the additional shares issued as a result of the rounding up).

10. Notification of the New Shares issued under these Merger Terms

10.1 Certificates will not be issued in respect of New Shares.

10.2 The management team intends to notify each Investor (or, in the case of joint holders, the first named holder on the register) of the number and class of New Shares in the Discovery Fund issued to that Investor within 14 days following the Effective Date.

10.3 Transfers or redemptions of New Shares in the Discovery Fund issued under these Merger Terms may be carried out from the next business day after the Effective Date.

11. Mandates and other instructions in respect of New Shares

Mandates and other instructions to the management team that are in force on the Effective Date in respect of Shares in the Small Cap Fund will be deemed to be effective in respect of shares in the Discovery Fund following the Merger. Investors may change these mandates or instructions at any time.

12. Termination of the Small Cap Fund

12.1 After the Merger has taken place, the management team will make arrangements to terminate the Small Cap Fund.

12.2 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 Northern Trust to pay any outstanding liabilities of the Small Cap Fund in accordance with the directions and instructions of the management team and the provisions of the instrument of incorporation and the Prospectus of the Small Cap Fund and any applicable laws or regulations.

- 12.3 If, on the completion of the termination of the Small Cap Fund, there are any surplus monies remaining in the Small Cap Fund, they, together with any income that has arisen, will be transferred to the Discovery Fund. No further issue of shares in the Discovery Fund will be made as a result. Northern Trust will cease to hold the Retained Amount in its capacity as depository of the Small Cap Fund and will make any transfers and re-designations as the management team may direct or instruct.
- 12.4 If the Retained Amount is insufficient to discharge all the liabilities of the Small Cap Fund, Somerset Capital LLP will pay the shortfall amount.
- 12.5 On completion of the termination of the Small Cap Fund, Northern Trust and the management team will be discharged from all their obligations and liabilities in respect of the Small Cap Fund, except those arising from a breach of duty before that time. Termination accounts in respect of the Small Cap Fund will be drawn up and will be made available to Investors on request.
- 12.6 If, after the completion of the termination of the Small Cap Fund, contingent assets arise that were not recognised (or were only partly recognised by the management team and Northern Trust at the time of the Effective Date), those assets will be transferred to the Discovery Fund less any costs that the management team or Northern Trust might incur in securing these assets for the Small Cap Fund.

13. Costs, charges and expenses

- 13.1 Up to the Effective Date, the management team will continue to receive their usual fees and expenses out of the property of the Small Cap Fund for being the manager of the Small Cap Fund. Northern Trust will also be entitled to expenses properly incurred in connection with carrying out its responsibilities under these Merger Terms.
- 13.2 The Small Cap Fund's sponsor, Somerset Capital Management LLP, will bear the costs of preparing and implementing the Merger under these Merger Terms.

14. The management team and Northern Trust to rely on register

- 14.1 The management team and Northern Trust are entitled to assume that all information contained in the register of Investors of the Small Cap Fund on the Effective Date is correct, and will use that information to calculate the number of New Shares in the Discovery Fund to be issued and registered under these Merger Terms.
- 14.2 The management team may act and rely on any certificate, opinion, evidence or information provided to it by its professional advisers or by the auditors of the Small Cap Fund in connection with these Merger Terms and will not be liable or responsible for any resulting loss.

15. Impact on the Discovery Fund

The Merger will cause the net asset value and number of New Shares in the Discovery Fund to increase. Other than this, there is no expected impact on the Discovery Fund.

16. Alterations to these Merger Terms

These Merger Terms may be amended by the management team with the consent of Northern Trust.

17. Governing law

These Merger Terms are governed by and will be construed in accordance with the laws of England and Wales.

Part E: Glossary

“Discovery Fund”	MI Somerset Emerging Markets Discovery Fund, which is a sub-fund of MI Somerset Capital Management Investment Funds ICVC
“Effective Date”	1 October 2021
“Investor”	each person who holds Shares in the Small Cap Fund (as at 31 August 2021) and who, for the purposes of the Merger Terms only, remains a shareholder until the Effective Date
“Investor Meeting”	the extraordinary general meeting of Investors described in the Meeting Notice
“Information Pack”	this document (the merger proposal information pack)
“Meeting Notice”	the meeting notice labelled “Attachment 1” calling attention to the extraordinary general meeting of Investors on 27 September 2021
“Merger”	the scheme of arrangement under which property of the Small Cap Fund is transferred to the Discovery Fund in exchange for an issue of New Shares we also refer to ‘Merged’ which has a corresponding meaning
“Merger Terms”	the technical and legal terms governing the Merger set out in Part D
“New Shares”	shares in the Discovery Fund issued under the Merger
“Northern Trust”	as the context requires, either Northern Trust Global Services SE, UK Branch: (a) as depositary of the Small Cap Fund; or (b) as depositary of the Discovery Fund.
“Operator”	Maitland Institutional Services Ltd as the authorised fund manager of the Small Cap Fund and the Discovery Fund
“Shares in the Small Cap Fund”	shares in the Small Cap Fund
“Small Cap Fund”	MI Somerset Emerging Markets Small Cap Fund, which is a sub-fund of MI Somerset Capital Management Investment Funds ICVC
“Voting Form”	the voting form included as Attachment 2
“Qualification Date”	31 August 2021 The date at which a person must hold shares in order to be eligible to vote

Attachment 1: Notice of the Investor Meeting

Please read the notes on the following page

Notice of an extraordinary general meeting of MI Somerset Emerging Markets Small Cap Fund

This document notifies you that Maitland Institutional Services Ltd will hold an extraordinary general meeting of the shareholders of MI Somerset Emerging Markets Small Cap Fund, a sub-fund of MI Somerset Capital Management Investment Funds ICVC at Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY on 27 September 2021 at 10am (UK time). The purpose of the meeting is to consider the extraordinary resolution below and, if shareholders agree, to pass it.

Extraordinary resolution:

THAT, the scheme of arrangement (the 'Merger') between **MI Somerset Emerging Markets Small Cap Fund** and **MI Somerset Emerging Markets Discovery Fund**, each a sub-fund of MI Somerset Capital Management Investment Funds ICVC, the terms of which are set out in the 'Information Pack' dated 7 September 2021, is hereby approved and that Maitland Institutional Services Ltd (as authorised corporate director) is instructed, and Northern Trust Global Services SE UK Branch (as depositary) is authorised, to implement the Merger in accordance with its terms.

Maitland Institutional Services Ltd

as authorised corporate director of MI Somerset Emerging Markets Small Cap Fund, a sub-fund of MI Somerset Capital Management Investment Funds ICVC.

Issued on 7 September 2021

PLEASE NOTE: Due to concerns surrounding the safety of shareholders in light of the COVID-19 pandemic, shareholders are not expected to attend the EGM in person and are strongly encouraged to appoint the chairperson as a proxy

Notes:

1. A shareholder who is entitled to attend and vote at the extraordinary general meeting can appoint someone to attend the meeting as their representative and vote instead of them (a proxy). The proxy does not need to be shareholder.

PLEASE NOTE: Due to concerns surrounding the safety of shareholders in light of the COVID-19 pandemic, shareholders are not expected to attend the EGM in person and are strongly encouraged to appoint the chairperson as a proxy.

2. A form of proxy (labelled 'Voting Form') is attached and shareholders are requested to complete and return it in the reply paid envelope so that it arrives via email to somersetcm@maitlandgroup.com or by post to Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY not less than 48 hours before the time appointed for the holding of the meeting. Forms of proxy will only be valid if properly and fully completed in accordance with the instructions on the form and accompanying notes.
3. In the case of joint shareholders, the vote of a senior shareholder who tenders a vote (whether at the meeting or by proxy) will be accepted to the exclusion of the votes of the other joint shareholders and for this purpose seniority will be determined by the order in which the names stand in the register of shareholders.
4. The minimum number of participants (quorum) for a meeting of shareholders is any two shareholders attending the meeting, or represented by proxy. If no quorum is present by proxy, the meeting will be adjourned to a date and time at least 7 days later. The quorum at an adjourned meeting is one Shareholder present by proxy.
5. The depository of MI Somerset Emerging Markets Small Cap Fund has appointed Patric Foley-Brickley, or, if unavailable, a duly authorised representative of the Operator, to be chairperson for the Investor Meeting. In the event of (i) a tied vote at the Investor Meeting; or (ii) the Investor Meeting being duly convened with a quorum present but at which no investors vote, the chairperson will be entitled to a casting vote. It is expected that any such casting vote would be exercised in favour of the resolution.
6. A shareholder entitled to more than one vote does not have to use any or all of their votes or cast all of their votes in the same way.
7. The majority required for the passing of the extraordinary resolution is 75 percent or more (weighted by investment value) of the total of votes cast (whether for or against the resolution).
8. At the meeting, the vote will be taken by poll. On a poll, each share's voting rights is determined by that share's price in relation to the total price of all shares.
9. If a shareholder wishes to propose a motion to adjourn during the course of the Meeting, this should be brought to our attention when returning the form of proxy.
10. The management team may, if necessary, postpone or cancel the extraordinary general meeting. If this becomes necessary, the management team will take steps to inform shareholders as relevant.
11. The quorum at any adjourned meeting is one or more Shareholders present by proxy, whatever their number and the number and the value of Units held by them. Any Forms of Proxy returned as required for the Meeting will remain valid, unless otherwise instructed, for the adjourned meeting.

Attachment 2: Voting form

Please read the notes on the following page

This voting form (or form of proxy) is for use at the meeting of shareholders of MI Somerset Emerging Markets Small Cap Fund, a sub-fund of MI Somerset Capital Management Investment Funds ICVC to be held at Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY on 27 September 2021 at 10am (UK time).

Before filling in this form read the 'Information Pack' dated 7 September 2021 and the notes on the next page.

Name (See Note 6)

Address(es) (See Note 6)

Client Account Number

Your proxy

Tick the appropriate box to choose your representative (proxy) for the meeting and at any adjournments of it (see Note 1):

The meeting Chairperson (default)

The person named below

Representative's name and address

Vote

Tick the appropriate box to indicate how your representative (proxy) should vote in respect of the resolution.

In respect of the resolution set out in the meeting notice, I direct my representative (proxy) to vote as follows (see Notes 2 and 3).

For the resolution

Against the resolution

Please complete and return this voting form to us by 10am (UK time) on 25 September 2021 via email to [somersetcm@maitlandgroup.com] or by post to Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY.

Signature(s) (see Notes 4, 5 and 6)

Date

Notes:

To participate in the Merger, this Voting Form must be properly completed and received no later than 10am (UK time) on 25 September 2021. If you do not return this form (or do not complete it properly), your representative (proxy) will not be able to vote on your behalf, and your vote may not count.

Please return the form via email to somersetcm@maitlandgroup.com or by post to Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY.

1. Please indicate whether you wish to appoint the meeting chairperson or another person as your representative (proxy) for the Investor Meeting. The person you choose does not need to be a shareholder but must attend the Investor Meeting to represent you. If you do not make a selection, by default the chairperson will be appointed as your proxy.

PLEASE NOTE: Due to concerns surrounding the safety of shareholders in light of the COVID-19 pandemic, shareholders are not expected to attend the EGM in person and are strongly encouraged to appoint the chairperson as a proxy. If you designate a person other than the chairperson as your proxy, they may not be able to attend the meeting in person and therefore your vote may not be counted.

2. Please indicate how you wish to vote in relation to the resolution. If this form is signed and returned without instructions for voting, the representative (proxy) is able to vote or abstain from voting as they see fit. The Chairperson may also exercise discretion in the event that an additional motion is proposed during the course of the Meeting/a motion to adjourn the Meeting is received.
3. Voting on the resolution will be by a 'poll' and your rights to vote relate to the value your shares bear in proportion to all of the shares in issue. You do not have to use all of your voting right or vote them all in the same way. Please contact the management team (using the contact details provided in the Information Pack sent to you) if you want to split your votes.
4. If this Voting Form is signed under an authority, we can only validate it if you provide the authority (or a notarially certified copy of it) to somersetcm@maitlandgroup.com or by post to Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY.
5. A body corporate (such as a company) must execute this Voting Form under seal or have it signed by an officer (who is authorised in writing to sign it).
6. In the case of joint shareholders, please ensure that all signatures and all names and addresses are included in the Voting Form.

Use of this Voting Form does not prevent a shareholder from attending the Investor Meeting and voting. However, in all other cases, a Voting Form may be revoked only with the consent of the management team.