

21 May 2025

Waystone Management Company (Lux) S.A.  
19, rue de Bitbourg  
L-1273 Luxembourg  
Luxembourg

Our ref: JM/AH/AMA/T 2NSS6

Dear Directors

Infusive UCITS Fund (the “Fund”)

## **UK Reporting Fund Calculations for the period of account ended 31 December 2024.**

Please find enclosed the Fund’s Reportable Income (“RI”) calculations and supporting calculations for the above period, a completed Form CISC2 and a suggested template investor report, which includes the information required to be reported.

These documents have been prepared in accordance with the UK Offshore Funds (Tax) Regulations 2009 (“the Regulations”) and are based on the Fund’s financial statements for the year ended 31 December 2024 and on information provided by both you and The Bank of New York Mellon SA/NV, Luxembourg branch (“the Fund Administrator”).

A list of share classes within the scope of our engagement is set out in the enclosed Form CISC2.

## **Key Deadlines**

The deadline for filing the RI information with HM Revenue & Customs (“HMRC”) and reporting to investors is 30 June 2025, although the Fund will only be in technical breach of the Regulations if it fails to do this by 10 months after the period end (i.e. by 31 October 2025). However, we would recommend that the reporting and filing requirements are met by 30 June 2025 as this is the date any excess RI would be assessable to UK tax.

## **Key Action Points**

We have set out below the actions that you now need to take.

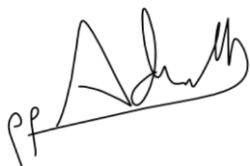
1. Please review the RI calculations carefully to ensure they are complete and correct. If you are satisfied that to the best of your knowledge they are complete and correct, please provide confirmation that you are happy for them to be submitted to HMRC.
2. Following your review and approval of the enclosed RI calculations, you will need to make available a report to 'relevant participants' – broadly UK resident persons and other offshore reporting funds – that contains the information included in the enclosed suggested template. Please provide a copy of the final investor report as this needs to be submitted to HMRC together with the RI calculations themselves. Where the Fund reports to investors via a website please also provide us with details of the website address.
3. Please review the enclosed Form CISC2 and, if you are happy with its contents, please sign and date the form and e-mail a signed copy to your Deloitte contact for our onward electronic submission to HMRC.

We have outlined at Appendix A specific points that you should consider when carrying out your review of the enclosed documents and the technical considerations upon which the RI calculations have been based. You should ensure that you read these in conjunction with your review and that you are satisfied that any assumptions are valid.

If you have any questions or comments concerning the above, please do not hesitate to contact either Adam Hart (direct line +44 1481 703 321) or myself.

We look forward to receiving the requested information as soon as possible.

Yours faithfully



Joanne Mawhinney

**Deloitte LLP**

**Appendix A –Specific points to consider when reviewing the RI calculations**

**Appendix B –Additional information on UK tax definition of an “offshore fund”**

**Enclosures:**

1. Reportable Income (“RI”) calculations for the period ended 31 December 2024.
2. Form CISC2.
3. Suggested template for investor report.
4. Suggested template for specific investor level equalisation.
5. Supporting calculations for the adjustments in respect of underlying reporting funds.

## Appendix A – Specific points to consider when reviewing the RI calculations

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### Reviewing the RI calculations

The UK operates a Self-Assessment basis of taxation, such that the signatory of the Return (Form CISC2 in this instance) may choose to outsource preparation of the tax calculation but will ultimately need to ensure they fully understand the basis on which these numbers have been prepared. Below are details of the technical considerations and assumptions we have taken in preparing the Fund's RI calculations.

Please let us know if you require further information regarding these points or if you disagree with any of the confirmations provided by the Fund Administrator or with any of our assumptions.

#### *General Assumptions*

- For UK tax purposes a distinction is drawn between trading and investing. Where the transactions undertaken by a reporting fund are treated for UK tax purposes as investing, the realised and unrealised gains/losses are treated as capital and excluded from RI. However, where the transactions are treated as trading, such gains/losses would be included as additional income in the RI calculation.
- For a UCITS (or equivalent) fund, realised and unrealised gains/losses from certain types of transactions can be treated as investing, and therefore capital, when the Genuine Diversity of Ownership ("GDO") condition is met.
- The GDO condition effectively requires that a fund is widely marketed and not restricted to a closed group of investors. Fund documentation should specify: the intended categories of investors; that the fund will be widely available; and that the fund will be marketed and made available in such a way as to reach and attract the intended categories of investor. Further, the fund must actually be marketed and made available in accordance with the undertakings in the fund documentation. Neither the specification of the intended investor categories nor any other terms governing participation in the fund should have a limiting or deterring effect.
- We have prepared the RI calculations on the basis that the Fund is a UCITS and have assumed that it meets the GDO condition.
  - If the GDO condition is not met or the investments include those outside of the "whitelist of investment transactions", it may be necessary to review the Fund's activities to ensure that it was investing (and not trading) in the period, and that the realised and unrealised gains/losses could be treated as capital.
- Based on confirmations provided by you and the Fund Administrator we have based our calculations on the following:
  - The Fund operates effective interest rate accounting, or an appropriate equivalent, in the preparation of its accounts under Luxembourg GAAP and the difference between the purchase price and expected redemption price is treated as interest income/expense in the financial statements over the expected life of the holding;

- The Fund does not have any wholly owned subsidiaries nor does it own 95% or more of any underlying company;
- The Fund did not invest in offshore funds that are non-reporting funds in the period; and,
- No distributions were made to investors in relation to the reporting fund share classes in respect of the period.

### *Dormant Share Classes*

We understand the following class was fully redeemed during 2023 but remains open for investment. We have disclosed this in Form CISC2. If the classification is incorrect, please let us know.

- LU1346073783 - Consumer AlphaTM Global Leaders Fund - Class A (GBP) acc. (hedged)

### *Inactive Share Classes*

- The Fund Administrator has confirmed that a number of reporting fund share classes were inactive during the period ended 31 December 2024. Therefore, we have not prepared any RI calculations in respect of these share classes as there was no investors during the period. This list of these dormant share classes is disclosed on the Form CISC2.

### *Reliance on the data provided by you and the Fund Administrator*

- The Fund Administrator has provided us with the allocation of the relevant statement of operations figures for each share class of the Fund. In preparation of the RI calculations we have not sought to review the information provided by you or the Fund Administrator, and have relied on the information as being accurate and complete. You should ensure that you are satisfied that the figures have been accurately allocated to each reporting fund share class on a reasonable basis.

### *Adjustments for Capital Items*

- We have treated all realised and unrealised gains/losses as capital in the calculation of RI on the basis that the transactions undertaken by the Fund are investing rather than trading.

### *Disallowable Expenditure*

- We have treated taxe d'abonnement expenses as capital in nature on the basis that it is a tax on the capital value of the Fund.
- We have not identified any other expenses that are treated as revenue in the financial statements but which fall within the definition of capital expenses per the Regulations. Please let us know if there are any balances we should consider which include any of the following:
  - Expenses directly related to the acquisition or disposal of investments;
  - Costs related to the setting up, merger or dissolution of the Fund; and

- Sums payable or allocated to the manager of the Fund calculated by reference to an increase in the net asset value of the Fund or a formula designed to reward the manager's performance (i.e. performance fees).

## *Derivatives*

- The Regulations require that the Total Comprehensive Income (or local GAAP equivalent) be adjusted to exclude any returns that would be treated as capital (as opposed to revenue) under the IMA SORP.
- In considering whether any adjustment is required under Regulation 64, we have considered both the treatment of derivatives described in the IMA SORP and also how UK funds typically apply those recommendations. Generally, UK funds would not bifurcate the revenue component of the return from derivative contracts where it would be immaterial from an audit perspective – broadly measured at approximately 0.5% of NAV. We have adopted the same approach in the preparation of the RI calculations, which is intended to be pragmatic and consistent with UK market practice.
- Where certain derivatives are held but no details are available in relation to the income yield of the underlying reference assets, we may estimate yield to determine the likely materiality of any potential adjustment. In this period we have used an estimated yield of 3%. To the extent this does not indicate a material amount of income we may not make further adjustment in calculating RI.

## **Forwards**

- Under the IMA SORP, the return from forward exchange contracts may require bifurcation of deemed income amounts where the forwards are used to generate income or to hedge particular income streams.
- You have previously confirmed that forward exchange contracts are used as part of the Fund's capital investment strategy rather than specifically for income generation purposes.
- As the fair value movement is recorded in realised/unrealised gains/losses in the financial statements, no adjustment has been made in the RI calculation in respect of forwards.

## **Contracts for Difference ("CFD")**

- Applying the principles of the IMA SORP, there may be a requirement to treat an element of the total returns from CFD as income in the RI calculation e.g. where underlying returns include dividend, interest, rental or other similar items, which are booked to a capital line in the financial statements.
- As mentioned in the financial statements, we understand that underlying income and expenses from the CFD contracts is recorded in the financial statements in net investment income within the caption Income on contracts for difference, net'. The remainder of the contracts' returns are recorded within realized /unrealised gains/losses in the financial statements. On this basis, no adjustment has been made in the RI calculation.

## **Options**

- Under the principles of the IMA SORP, premium income received in respect of options contracts that were written out of the money, may be required to be treated as revenue.

- Whilst the Fund Administrator has confirmed that options were held with a view to generating income, we were provided with an options transactions report which reflected that only a few options were written during the year and these were not significant transactions. Accordingly, we have not sought to obtain details of any options premia received for options that were written out of the money during the period (if any) as the adjustment would be below the materiality threshold set out above.

#### *Adjustments for Positions in Reporting Offshore Funds*

- It is your responsibility to identify holdings in reporting offshore funds. Additional detail on the UK tax definition of offshore fund is enclosed at Appendix B to this letter.
- The Fund Administrator has advised us that the following investment held during the period was a reporting offshore fund:
  - Morgan Stanley Liquidity Funds – US Dollar Liquidity Fund – Institutional (LU0875332040)
- As this is a low volatility NAV fund, there is no excess reportable income to include as an adjustment in the RI calculations.

#### *Adjustments for Equalisation*

- The reporting fund share classes have elected to operate full investor specific equalization for UK Reporting Fund purposes.
- We have prepared calculations of the fund level equalisation adjustments for each reporting fund share class based on information provided by the Fund Administrator. You should ensure that you are comfortable with the adjustments shown in the enclosed RI calculations. We would be happy to provide further details of our calculations on request.
- The Fund has elected to report equalisation on subscriptions to investors using the actual daily equalisation per unit. Please note that it is the Fund's responsibility to report equalisation on subscriptions to investors before or with the investor reports. We have included the equalisation per unit amounts as an appendix to the suggested template investor report, which we have calculated based on information provided by the Fund Administrator. Please ensure you are comfortable with the amounts calculated.
- Please note that we have only reported daily equalisation figures for dates that shares were in issue, and so for the seventeen share classes that closed during the year we have only reported up to the 16 February 2024 closure date.

#### *Reporting to investors in share class currency*

- You will note that the reportable income calculations are prepared in sub-fund currency in order to allow reconciliation to the financial statements and the processing of any adjustments. However, the excess reportable income per share shown on the investor report is presented in share class currency. We have converted the reportable income calculations using the average exchange rates for the reporting period. The average exchange rates we have used have been extracted from [www.ofx.com](http://www.ofx.com).

## *Distributions*

- In line with the prior periods, the Fund Administrator has confirmed that none of the distributing share classes have made distributions to investors in respect of the period, based on information provided by the Fund Administrator, we have not adjusted any amounts in the RI calculation.

## **The Report to Participants**

- You should note that the report to participants remains the responsibility of the Fund Manager. For your reference however, we have enclosed a suggested report template (which includes the information required to be reported to participants).
- The Regulations permit you to report to participants in one of the following ways:
  - By post;
  - Electronic communications;
  - Via a website that is accessible to all relevant investors and HMRC; or
  - Publishing the report in a newspaper that is published in English and readily available in the UK.
- Please ensure the Report to Participants is made available to relevant participants by the dates referred to above.

## **Form CISC2**

In signing this form, you are also signing a declaration confirming that each reporting fund has complied with the obligations and general duties of being a reporting fund as specified by Regulations 53 and 58. For your information, Regulation 53 is the regulation which covers the initial application and Regulation 58 governs the general duties of a reporting fund, which are:

1. to prepare its accounts in accordance with the undertakings in the original application (in this case under Luxembourg GAAP);
2. to provide a computation of its RI;
3. to provide reports to investors; and
4. to provide information to HMRC annually.

## Appendix B – Additional information on UK tax definition of “offshore fund”

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The UK reporting fund regime applies only to those entities that meet the definition of offshore fund for UK tax purposes. Special adjustments need to be made in the calculation of RI where there are holdings in other Offshore Funds (“OSFs”). It is necessary to first determine whether a holding constitutes an OSF entity and then consider which of the three potential adjustments is relevant to each underlying OSF.

### *Definition of an Offshore Fund for UK tax purposes*

- The definition of an offshore fund is contained in section 355, Taxation of International and Other Profits Act 2010 (“TIOPA 2010”). It is, broadly, a non-UK resident corporate, trust or contractual based scheme which is a “mutual fund”.
- A mutual fund is defined in section 356 TIOPA 2010 and has three key characteristics, namely:
  - Enables collective participation in pooled assets;
  - Participants do not retain day to day control of the assets of the scheme; and
  - A reasonable participant expects to realise their investment on a basis calculated entirely (or almost entirely) by reference to NAV or a recognised index.

### *Exceptions to the definition of an Offshore Fund for UK tax purposes*

- There are prescribed exceptions but these are generally only relevant to funds that are not open-ended securities schemes. However, for completeness we set out below the broad conditions under which an entity may be excepted from the definition of an OSF, above.
  - A reasonable participant expects only to realise their holding on the termination of the OSF; and, either
  - The OSF has no determinable end date (for termination, dissolution or liquidation); or
  - The OSF does not generate a return equivalent to money at interest and one of the following sub-conditions applies:
    - None of the underlying assets produces income (dividends, interest, rental or similar return); **or**
    - The participants have no rights to the income generated by the OSF; **or**
    - The OSF must credit or pay the income to the participants and a UK resident individual would be charged to income tax on the amounts credited or paid.

### *Implications of holding shares / units in other OSF*

- Where a position is held in another OSF that is a Reporting Fund, we will ask you to provide to us the investor reports that the underlying fund manager sends to you, so we can include any required income adjustment in the RI calculation.



- Where the underlying OSF is not a Reporting Fund, there are two potential treatments that can be adopted:
  - Realised and unrealised gains/losses in respect of the underlying OSF are treated as income (rather than capital) and included within the RI calculation. Where there are net realised/unrealised losses, it will be necessary to monitor how those losses have been offset – either in the current year or carried forward to be available for relief in future periods.
  - Alternatively, where “sufficient information” is available we may be engaged by you to perform a notional RI calculation for the underlying OSF. There is no statutory definition of “sufficient information” so this will need to be determined on a case by case basis depending on the details of the underlying OSF’s strategy when considered in light of adjustments required under the UK reporting regime. Any notional excess RI of the underlying OSF is then included in the RI calculation.

The above Appendix is designed to provide some background information as to the options available to you within your UK Self Assessment return. We have detailed above, in Appendix A the treatment adopted in the current draft calculations but are happy to discuss with you any queries or requests for alternative treatment you may have.