

Valu-Trac Investment Management Limited

Authorised and regulated by the Financial Conduct Authority (FCA), registration number 145168.
Registered in England No. 2428648

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Orton, Moray
IV32 7QE

27 September 2024

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about the contents of this document or the action you should take you should consult a person authorised under the Financial Services and Markets Act 2000 to advise on investments of the type referred to in this document such as your stockbroker, solicitor, tax adviser, accountant or other financial adviser.

Dear Shareholder

VT Blackfinch Funds ICVC (the "Company")

VT Blackfinch Income Portfolio Fund; VT Blackfinch Balanced Portfolio Fund; VT Blackfinch Cautious Portfolio Fund and VT Blackfinch Defensive Portfolio Fund (each a "Sub-fund" and together, the "Sub-Funds")

We are writing to inform you that following careful consideration and discussions with Blackfinch Investments Limited (as the investment manager of each of the Sub-funds) and the Company's depositary, we consider it to be in the best interests of investors to close each of the Sub-funds.

Due to the relatively small size of each of the Sub-funds (particularly following recent redemptions), combined with wider challenges for funds in the face of recent market conditions, we no longer consider any of the Sub-funds to be commercially viable. In light of this, and following consideration of other available options, we believe that termination will protect investors from suffering the effects of increased ongoing charges in the event of other shareholders exercising their right to redeem and ensure an orderly wind-down is possible and so allow monies to be returned to investors in a controlled fashion. We therefore believe that the termination of the Sub-funds is in the best interests of investors.

The costs of the termination which are expected to be c. £8,000 (plus VAT and dealing costs) per Sub-fund, will be borne by each Sub-fund.

We expect to commence the process of termination on **29 November 2024 (the "Effective Date")**.

1. OPTIONS

You are free to:

1. provide instructions to redeem your investment in the Sub-fund(s) for cash prior to the commencement of termination; or

Registered Office: Level 4, Dashwood House, 69 Old Broad Street, London, EC2M 1QS

2. elect to switch your investment in the Sub-fund(s) to another fund managed by us free of any initial charge or switching charge; or
3. do nothing (in which case your investment will follow the default option which is the cash redemption of your investments upon termination).

It should be noted that:

(a) the return of proceeds (whether through redemption or switching) in the first instance will, depending on your circumstances, remain a taxable event; and

(b) prior to the commencement of termination, a dilution levy may be imposed on redemptions where this is considered to be in the interests of investors as a whole.

Any instructions in respect of Option 1 or 2 should be provided as soon as practicable, **and in any event by 28 November 2024 (this is particularly important for any ISA holders)**. Instructions should be sent in writing to us at: Valu-Trac Investment Management Limited, Mains of Orton, Orton, Moray, IV32 7QE.

Please note that if you select Option 1 (or indeed, if you decide to take no action such that Option 3 applies by default), we will also need to confirm your bank details and verify your identity prior to making any payment to you. We may also need to refresh our identity checks in the event that you select Option 2. Further detail regarding the requirements in this regard are set out in section 3 below.

Further detail regarding the process for redemption of shares is set out in the prospectus of the Company which is available at: <https://www.valu-trac.com/administration-services/clients/blackfinch/>.

The prospectus and the key investor information document for each fund which Valu-Trac manages can be found at www.valu-trac.com. You should read the key investor information document (KIID) for the fund you wish to switch into before providing any instruction.

2. FURTHER DETAIL ON TERMINATION PROCESS

Dealing in shares of each Sub-fund shall cease from 12 noon on the 28 November 2024.

We will then take steps to liquidate (i.e. sell) the remaining assets of the Sub-funds from 12 noon on the 29 November 2024 so that the proceeds of sale can be paid to you and other remaining shareholders as soon as possible. However, it should be noted that, depending on the nature of the assets and any restrictions on their sale, the liquidation process can take some time. Accordingly, in practice, payment is expected to be made to you in stages - firstly, there will be an initial payment (expected to be a substantial portion of your holding) as soon as possible after the Effective Date, with the remainder of any proceeds being paid to you as soon as they become available.

Once we are reasonably assured that all cash proceeds arising from the sale of underlying investments (and any other income, such as dividends, due in respect of each Sub-fund) has been

received, a final distribution will be made to all shareholders in the relevant Sub-fund(s) (noting that it can sometimes take a year or more for such final (typically very small) payment to be made).

If any monies subsequently fall due to a Sub-fund, it may then be necessary to make a further, smaller distribution(s) to you at a later date but if this is necessary, we will write to you again to confirm any such windfall.

Please also note:

- If you hold income shares in a Sub-fund, a final distribution of income will be paid to you separately into the last designated account that we have on file for you and a tax voucher will be issued to you.
- If you hold accumulation shares in a Sub-fund, any income on your investment will be included in the following distribution(s) of capital and a tax voucher will be issued to you at the relevant time.
- If we do not have your bank details on file or if we are awaiting verification of your identity, then settlement of any payments to you may be delayed.
- As a result of market movements between the Effective Date and the date on which the investments held by the Sub-fund are actually able to be sold, you may end up receiving more or less than the value attributable to your holding in the Sub-fund(s) on the Effective Date.

Once all proceeds have been paid out to shareholders the Sub-funds will be formally terminated.

Please also note that once the process of termination commences the sub-funds will cease to be operated in accordance with the current objective and policy (with the focus instead becoming winding down in an orderly fashion), although the FCA rules will continue to be complied with.

3. CONFIRMATION OF BANK DETAILS AND ID VERIFICATION

As noted above, in order to enable us to release proceeds of sale (whether you redeem your shares before the Effective Date or wait for shares to be redeemed by default) we require you to: (i) confirm details of the bank account you wish proceeds to be paid into; and (ii) verify your identity. **Until this is done, monies from any redemption will be held in a non-interest-bearing client money bank account for you.**

Bank account:

In order to allow us to then pay you the proceeds due to you, please send us:

- a written instruction, containing the details of the bank you wish payment to be made to, and signed by all holders; and

- a void cheque or pay-in slip for the same bank account

ID Verification:

We will also need to verify your identity.

We have recently contacted you to request that an 'Information Request Form' is completed and returned to us. If you have not already returned this to us, then please do so.

We also wrote to you about our investor identity verification process in partnership with Smartsearch, along with details on how to upload your passport, driver's licence, etc and perform the facial recognition process. Please ensure that you complete this process - if you have not already done so - to allow us to process the redemption and arrange payment of proceeds to you (or indeed, to arrange a switch to another fund).

4. SUMMARY OF KEY DATES

The following are key dates in respect of the closure of the Sub-funds:

Timetable of key dates	Date
Last direct debit date for regular savers in the Sub-funds	15 November 2024
Last withdrawal date for regular withdrawals from the Sub-funds	15 November 2024
Last date for receipt of instruction to switch your investment in a Sub-fund	28 November 2024
Last date for subscriptions to the Sub-funds	28 November 2024
Last date for redemptions from the Sub-funds	28 November 2024
Closure of the Sub-funds	12 noon on the Effective Date
Process of liquidating the Sub-funds	12.01 on the Effective Date
Initial payment of proceeds of liquidation of the Sub-funds*	Expected on/around 20 December 2024
Subsequent payment of further proceeds of liquidation of the Sub-funds*	As soon as possible following sale of relevant underlying assets

*(subject to receipt of Bank account details and ID verification)

5. IMPORTANT NOTE

As noted above, you should be aware that any options, whether it be to request a switch into another fund, redeem your shares or receive the proceeds from termination will involve a disposal of your shares in the relevant Sub-fund(s) for capital gains tax purposes, and may give rise to a capital gains tax liability. If you are in any doubt about the action you should take (or the taxation consequences of your action) (which is particularly important for ISA holders who wish to try to retain the tax benefits associated with their investment) we recommend that you speak with your financial adviser.

If you have any questions in relation to the proposed changes, please contact us on 01343 880 344 or by post to Valu-Trac Investment Management Limited, Orton, Moray, IV32 7QE. Calls may be recorded for training or monitoring purposes.

Please note Valu-Trac Investment Management Limited does not provide investment advice.

Yours faithfully

Mark Gillan

Head of Product Governance

for and on behalf of Valu-Trac Investment Management Limited

(as authorised corporate director of the Company)

