IMPORTANT: IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS PROSPECTUS YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER.

VT DOWNING INVESTMENT FUNDS ICVC

(An open-ended investment company with variable capital incorporated with limited liability registered in England and Wales under registered number IC000824)

PROSPECTUS

Valid as at: 4 November 2026.

This document constitutes the Prospectus for VT DOWNING INVESTMENT FUNDS ICVC which has been prepared in accordance with the Collective Investment Schemes Sourcebook of the Financial Conduct Authority's Handbook of Rules and Guidance. Copies of this Prospectus have been sent to the Financial Conduct Authority and the Depositary.

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Important information

No person has been authorised by the Company or the ACD to give any information or to make any representations in connection with the offering of Shares other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been made by the Company or the ACD. The delivery of this Prospectus (whether or not accompanied by any reports) or the issue of Shares shall not, under any circumstances, create any implication that the affairs of the Company have not changed since the date hereof.

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted. Persons into whose possession this Prospectus comes are required by the Company to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

The Shares have not been and will not be registered under the 1933 Act or the securities laws of the United States. The Shares may not be offered or sold directly or indirectly in the United States or to or for the account or benefit of any US Person or in a transaction not subject to the regulatory requirements of, the 1933 Act and any applicable state securities laws. Any re-offer or resale of any of the Funds in the United States or to US Persons may constitute a violation of US law. The Company has not been and will not be registered under the 1940 Act and investors will not be entitled to the benefit of registration.

The Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of these offering materials. Any representation to the contrary is unlawful. The Shares are subject to restrictions on transferability and resale and may not be transferred or resold in the United States or for the account or benefit of any US Person except as permitted under the 1933 Act and applicable state securities laws, pursuant to registration or exemption therefrom.

In order to ensure compliance with the restrictions referred to above, the Company is, accordingly, not open for investment by any US Persons or ERISA Plans except in exceptional circumstances and then only with the prior consent of the ACD. A prospective investor may be required at the time of acquiring Shares to represent that such investor is a qualified holder and not a US Person or acquiring Shares for the account or benefit, directly or indirectly, of a US Person or with the assets of an ERISA Plan. The granting of prior consent by the ACD to an investment does not confer on the investor a right to acquire Shares in respect of any future or subsequent application.

Potential investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters and are recommended to consult their own professional advisers concerning the acquisition, holding or disposal of Shares.

The provisions of the Instrument of Incorporation are binding on each of the Shareholders and a copy of the Instrument of Incorporation is available on request from Valu-Trac Investment Management Limited.

This Prospectus has been issued for the purpose of section 21 of the Financial Services and Markets Act 2000 by Valu-Trac Investment Management Limited.

The distribution of this Prospectus in certain jurisdictions may require that this Prospectus is translated into the official language of those countries. Should any inconsistency arise between the translated version and the English version, the English version shall prevail.

The ACD shall not divulge any confidential information concerning investors unless required to do so by law or regulation or as set out in this Prospectus or the ACD's Privacy Policy (available at www.valu-trac.com or otherwise on request). Shareholders and potential investors acknowledge that their personal data as well as confidential information contained in the application form and arising from the business relationship with the ACD may be stored, modified, processed or used in any other way by the ACD, its agents, delegates, sub-delegates and certain third parties in any country in which the ACD conducts business or has a service provider (even in countries that do not provide the same statutory protection towards investors' personal data deemed equivalent to those prevailing in the European Union) for the purpose of administering and developing the business relationship with the investor. Subject to applicable law, investors may have rights in respect of their personal data, including a right to access and rectification of their personal data and, in some circumstances, a right to object to the processing of their personal data. Further details are set out in the ACD's Privacy Policy.

This Prospectus is based on information, law and practice at the date hereof. Purchases must be made on the basis of the information contained in the most recently published Prospectus and supplementary documentation, including key investor information documents, supplementary information documents and the latest reports when issued, which are available from the registered office of the ACD. Investors should check with the ACD that this is the most recently published version of the Prospectus.

As a result of legislation in force in the UK to prevent money laundering, the ACD is responsible for compliance with anti-money laundering regulations. In order to implement these regulations, in certain circumstances investors may be asked to provide proof of identity when buying or redeeming Shares. This may involve an electronic check of information. Until satisfactory proof of identity is provided, the ACD reserves the right to refuse to issue Shares, pay the proceeds of a redemption of Shares, or pay income on Shares to the investor. In the case of a purchase of Shares where the applicant is not willing or is unable to provide the information requested within a reasonable period, the ACD also reserves the right to sell the Shares purchased and return the proceeds to the account from which the subscription was made. These proceeds may be less than the original investment. The ACD can use credit reference agencies (who will record that an enquiry has been made) and/or may check electronic databases. In the case of bodies corporate, trusts and other legal arrangements, it is also required to establish the identity of any trustees or other controllers who have greater than 25% control of the body corporate or property of the trust that are not named on the application. In addition, it is also required to establish the identity of any individuals who have a specified beneficial interest in the Shares. In the case of individuals it is required to establish the identity of any individuals who have a specified beneficial interest in the Shares that are not named on the application. The applicant retains legal title to the Shares and instructions will only be accepted from the applicant. The beneficial owner details are required for anti-money laundering purposes only. The ACD reserves the right to refuse any application to invest without providing any justification for doing so.

Neither the ACD nor any of its officers, representatives or advisers, shall be regarded as giving any advice, representation or warranty (express or implied) to any person in connection with the proposals contained in this Prospectus.

No part of this Prospectus may, be reproduced, stored in a retrieval system or transmitted in any form or any means, electronic, mechanical, photocopying, recording or otherwise without the prior written permission of the ACD.

Overseas transfers

The ACD may transfer Shareholders' personal information to countries located outside the United Kingdom.

This may happen when the ACD's servers, suppliers and/or service providers are based outside the UK. The data protection laws and other laws of these countries may not be as comprehensive as those that apply within the UK. In these instances the ACD will take steps to ensure that Shareholders' privacy rights are respected. Details relevant to a Shareholder may be provided upon request.

The Depositary

Except for the information about itself as Depositary for which the Depositary is responsible, the Depositary is not responsible for the information contained in this Prospectus and accordingly does not accept any responsibility for such information under the Regulations or otherwise.

Important: If you are in any doubt about the contents of this Prospectus you should consult your Financial Adviser.

1. DEFINITIONS

"**ACD**"	Valu Trac Investment Management Limited, the authorised corporate director of the Company holding offices pursuant to the Rules and the ACD Agreement;
"**ACD Agreement**"	an agreement between the Company and the ACD;
"**Administrator**"	Valu Trac Investment Management Limited, the administrator of the Company;

"**Approved Bank**"	(in relation to a bank account opened by the Company):
	if the account is opened at a branch in the United Kingdom:
	the Bank of England; or
	the central bank of a member state of the OECD; or
	a bank; or
	a building society; or
	a bank which is supervised by the central bank or other banking regulator of a member state of the OECD; or
	if the account is opened elsewhere:
	a bank in (a); or
	a credit institution established in an EEA State and duly authorised by the relevant Home State Regulator; or
	a bank which is regulated in the Isle of Man or the Channel Islands; or
	a bank supervised by the South African Reserve Bank, or
	any other bank that:
	is subject to regulation by a national banking regulator;
	(ii) is required to provide audited accounts;
	(iii) has minimum net assets of £5 million (or its equivalent in any other currency at the relevant time) and has a surplus revenue over expenditure for the last two financial years; and

(iv) has an annual audit report which is not materially qualified,

as such may be updated in the glossary of definitions in the FCA Handbook from time to time;

"**Auditor**"	Johnston Carmichael LLP, or such other entity as is appointed to act as auditor to the Company from time to time;
"**Business Day**"	any day which is not a Saturday, Sunday or a public holiday on which banks are ordinarily open for business in the City of London;
"**Class**" or "**Classes**"	in relation to Shares, means (according to the context) all of the Shares of a single Sub-fund or a particular class or classes of Share of a single Sub-fund;
"**COLL**"	refers to the appropriate chapter or rule in the COLL Sourcebook;
"**COLL Sourcebook**"	the Collective Investment Schemes Sourcebook issued by the FCA as amended from time to time;
"**Company**"	VT Downing Investment Funds ICVC;
"**Conversion**"	the conversion of Shares in one Class in a Sub-fund to Shares of another Class in the same Sub-fund and "Convert" shall be construed accordingly;
"**CRS**"	the common reporting standard as developed and approved by the OECD in 2014 and implemented in the UK by the International Tax Compliance Regulations 2015 with effect from 1 January 2016;
"**Dealing Day**"	any day on which banks are open for business in London and/or such other place or places and such other day or days as the ACD may determine;
"**Depositary**"	means The Bank of New York Mellon (International) Limited, or such other entity as is appointed to act as Depositary;
"**Director**" or "**Directors**"	the directors of the Company from time to time (including the ACD);
"**EEA State/EU**"	a member state of the European Union and any other state which is within the European Economic Area;

"**Efficient Portfolio Management**" or "**EPM**"	investment techniques and instruments which relate to transferable securities and approved money-market instruments and which fulfil the following criteria: they are economically appropriate in that they are realised in a cost effective way; they are entered into for one or more of the following specific aims: reduction of risk reduction of cost; generation of additional capital or income for the scheme with a risk level which is consistent with the risk profile of the scheme and the risk diversification rules laid down in COLL For further information see 0;
"**Eligible Institution**"	one of certain eligible institutions as defined in the glossary of definitions to the FCA Handbook;
"**ERISA Plan**"	any retirement plan subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended ("ERISA"); (ii) any individual retirement account or plan subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended; or (iii) an entity whose assets include plan assets by reason of a plan's investment in the entity (generally because 25% or more of a class of equity interests in the entity is owned by plans);
"**FATCA**"	the US Foreign Account Tax Compliance Act, as set out in Sections 1471 through 1474 of the US Internal Revenue Code of 1986, as amended from time to time;
"**FCA**"	the Financial Conduct Authority or any other regulatory body which may assume its regulatory responsibilities from time to time;
"**FCA Handbook**"	the FCA Handbook of Rules and Guidance, as amended from time to time;
"**FCA Register**"	the public record, as required by section 347 of the Financial Services and Markets Act 2000;

"**FFI**"	Foreign Financial Institution as defined in the Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the United States of America to Improve International Tax Compliance and to Implement FATCA, signed on 12 September 2012;
"**Home State**"	(in relation to a credit institution) the EEA State in which the credit institution has been authorised in accordance with the Banking Consolidation Directive; (in relation to an investment firm): where the investment firm is a natural person, the EEA State in which their head office is situated; where the investment firm is a legal person, the EEA State in which its registered office is situated or, if under its national law it has no registered office, the EEA State in which its head office is situated; (in relation to an insurer with an EEA right) the EEA State in which the registered office of the insurer is situated; (in relation to a market) the EEA State in which the registered office of the body which provides trading facilities is situated or, if under its national law it has no registered office, the EEA State in which that body's head office is situated; (in relation to a Treaty firm) the EEA State in which its head office is situated, in accordance with paragraph 1 of Schedule 4 to the Act (Treaty rights);
"**HMRC**"	HM Revenue and Customs, the UK tax authority;
"**ICVC**"	investment company with variable capital;
"**Instrument of Incorporation**"	the instrument of incorporation of the Company as amended from time to time;
"**Investment Manager**"	Downing LLP, the investment manager to the ACD in respect of the Company;
"**IOSCO**"	the International Organisation of Securities Commissions;

"**IRS**"	Internal Revenue Service, the US tax authority;
"**ISA**"	an individual savings account set up under the Individual Savings Regulations 2008;
"**MiFID II**"	the legislative framework instituted by the European Union to regulated financial markets and improve protections for investors;
"**Net Asset Value**" **or** "**NAV**"	the value of the Scheme Property of the Company or of any Sub-fund (as the context may require) less the liabilities of the Company (or of the Sub-fund concerned) as calculated in accordance with the Instrument of Incorporation;
"**OECD**"	Organisation for Economic Co-operation and Development;
"**OEIC Regulations**"	the Open-Ended Investment Companies Regulations 2001 as amended or re-enacted from time to time;
"**OTC**"	over the counter;
"**Register**"	the register of Shareholders of the Company;
"**Registrar**"	Valu-Trac Investment Management Limited or such other entity as is appointed to act as Registrar to the Company from time to time;
"**Regular Savings Plan**"	a regular savings plan established in respect of a Fund and/or a Class of Shares (see 0 for further details in respect of each Fund);
"**Regulated Activities Order**"	the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544);
"**Regulations**"	the OEIC Regulations and the FCA Handbook (including the COLL Sourcebook);
"**Rules**"	the FCA Handbook and any other regulations that may be made under section 626 of the Act and for the time being in force;
"**Scheme Property**"	the scheme property of the Company or a Sub-fund (as appropriate) required under the COLL Sourcebook to be given for safekeeping to the Depositary;
"**SDRT**"	stamp duty reserve tax;

"**Share**" **or** "**Shares**"	a share or shares in the Company (including larger denomination shares, and smaller denomination shares equivalent to one hundredth of a larger denomination share);
"**Shareholder**"	a holder of registered Shares in the Company;
"**Sub-fund**" **or** "**Sub-funds**"	a sub-fund of the Company (being part of the Scheme Property of the Company which is pooled separately) to which specific assets and liabilities of the Company may be allocated in accordance with the Regulations and which is invested in accordance with the investment objective applicable to such sub-fund;
"**Switch**"	the exchange where permissible of Shares of one Class or Sub-fund for Shares of another Class or Sub-fund and "Switching" shall be interpreted accordingly;
"**UCITS Directive**"	the European Parliament and Council Directive of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (No. 2009/65/EC) as amended;
"**UCITS scheme**"	a UK UCITS;
"**UK**"	the United Kingdom of Great Britain and Northern Ireland;
"**UK UCITS**"	has the meaning given to it in the FCA Handbook;
"**United States**" **or** "**US**"	the United States of America, its territories and possessions, any state of the United States, and the District of Columbia;
"**US Person**"	is a person as described in any of the following paragraphs: 1. With respect to any person, any individual or entity that would be a US Person under Regulation S of the 1933 Act. The Regulation S definition is set forth below. Even if you are not considered a US Person under Regulation S, you can still be considered a "US Person" within the meaning of this Prospectus under Paragraphs 2, 3 and 4, below; 2. With respect to any person, any individual or entity that would be excluded from the definition of "Non-United States person" in Commodity Futures Trading

Commission (“**CFTC”**) Rule 4.7. The definition of "Non-United States person" is set forth below;

3. With respect to individuals, any US citizen or "resident alien" within the meaning of US income tax laws as in effect from time to time. Currently, the term "resident alien" is defined under US income tax laws; or

4. With respect to persons other than individuals, (i) a corporation or partnership created or organised in the United States or under the law of the United States or any state, (ii) a trust where (a) a US court is able to exercise primary supervision over the administration of the trust and (b) one or more US persons have the authority to control all substantial decisions of the trust and (iii) an estate which is subject to US tax on its worldwide income from all sources;

Regulation S definition of US Person

1. Pursuant to Regulation S of the 1933 Act, “U.S. Person” means:

   any natural person resident in the United States;

   any partnership or corporation organised or incorporated under the laws of the United States;

   any estate of which any executor or administrator is a US person;

   any trust of which any trustee is a US person;

   any agency or branch of a foreign entity located in the United States;

   any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person;

   any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; or

   any partnership or corporation if:

organised or incorporated under the laws of any non-US jurisdiction; and

formed by a US Person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the 1933 Act)

who are not natural persons, estates or trusts;

2. Notwithstanding (1) above, any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non- US Person by a dealer or other professional fiduciary organised, incorporated, or (if an individual) resident in the United States shall not be deemed a “US Person”;

3. Notwithstanding (1) above, any estate of which any professional fiduciary acting as executor or administrator is a US Person shall not be deemed a "US Person" if:

   an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with respect to the assets of the estate; and

   the estate is governed by non-US law;

4. Notwithstanding (1) above, any trust of which any professional fiduciary acting as trustee is a US Person shall not be deemed a "US Person" if a trustee who is not a US Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person;

5. Notwithstanding (1) above, an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country shall not be deemed a "US Person";

6. Notwithstanding (1) above, any agency or branch of a US Person located outside the United States shall not be deemed a "US Person" if:

the agency or branch operates for valid business reasons; and

the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located;

7. The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organisations, their agencies, affiliates and pension plans shall not be deemed "US Persons".

The ACD may amend the definition of "US Person" without notice to Shareholders as necessary in order best to reflect then-current applicable US law and regulation;

"**Non-United States persons**" **definition**

CFTC Rule 4.7 currently provides in relevant part that the following persons are considered "Non-United States persons":

1. a natural person who is not a resident of the United States or an enclave of the US government, its agencies or instrumentalities;
2. a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a non-US jurisdiction and which has its principal place of business in a non-US jurisdiction;
3. an estate or trust, the income of which is not subject to US income tax regardless of source;
4. an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided, that shares/units of participation in the entity held by persons who do not qualify as Non-United States persons or otherwise as qualified eligible persons (as defined in CFTC Rule 4.7(a)(2) or (3)) represent in the aggregate less than ten per cent. of the beneficial interest in

the entity, and that such entity was not formed principally for the purpose of facilitating investment by persons who do not qualify as Non-United States persons in a pool with respect to which the operator is exempt from certain requirements of Part 4 of the CFTC's regulations by virtue of its participants being Non-United States persons; and

5. a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States;

"**Valuation Point**"	the point on a Dealing Day whether on a periodic basis or for a particular valuation, at which the ACD carries out a valuation of the Scheme Property for the Company or a Sub-fund (as the case may be) for the purpose of determining the price at which Shares of a Class may be issued, cancelled or redeemed. The current Valuation Point is 12.00 noon London time on each Dealing Day, with the exception of a bank holiday in England and Wales, or the last Business Day prior to those days annually where the valuation may be carried out at a time agreed in advance between the ACD and the Depositary;
"**VAT**"	value added tax;
"**1933 Act**"	the United States Securities Act of 1933 (as amended or re-enacted from time to time); and
"**1940 Act**"	the United States Investment Company Act of 1940 (as amended or re-enacted from time to time).

1. DETAILS OF THE COMPANY

1.1 General information

1.1.1 General

VT Downing Investment Funds ICVC is an investment company with variable capital incorporated in England and Wales under registered number IC000824, with Product Reference Number 521374, and authorised by the Financial Conduct Authority with effect from 4 June 2010. The Company has an unlimited duration.

Shareholders are not liable for the debts of the Company. A Shareholder is not liable to make any further payment to the Company after they have paid the price on purchase of the Shares.

The ACD is also the manager of certain authorised unit trusts and open-ended investment companies details of which are set out in 0.

At the date of this Prospectus, the Company only has one Sub-fund, the VT Downing Small & Mid-Cap Income Fund. The Sub-fund's Product Reference Number is set out in 0. Further Sub-funds may be established from time to time.

On 1 December 2020 the Company changed its name from MI Downing Investment Funds ICVC and the Sub-fund changed its name from MI Downing Monthly Income Fund.

1.1.2 Head Office

The head office of the Company is at Level 4, Dashwood House, 69 Old Broad Street, London EC2M 1QS.

1.1.3 Address for Service

The head office is the address of the place in the UK for service on the Company of notices or other documents required or authorised to be served on it.

1.1.4 Base Currency

The base currency of the Company and each Sub-fund is Pounds Sterling.

1.1.5 Share capital

Maximum: £100,000,000,000.00

Minimum: £1.00

Shares have no par value. The share capital of the Company at all times equals the sum of the Net Asset Values of each of the Sub-funds.

Shares in the Company may be marketed in other Member States and in countries outside the European Union and European Economic Area, subject to the Regulations, and any regulatory constraints in those countries, if the ACD so decides.

Each of the Sub-funds of the Company from time to time is designed and managed to support longer-term investment and active trading is discouraged. Short-term or excessive trading into and out of a Sub-fund may harm performance by disrupting portfolio management strategies and by increasing expenses.

The ACD may at its discretion refuse to accept applications for, or switching of, Shares, especially where transactions are deemed disruptive, particularly from possible market timers or investors who, in its opinion, have a pattern of short-term or excessive trading or whose trading has been or may be disruptive to a Sub-fund(s). For these purposes,

the ACD may consider an investor's trading history in the Sub-fund(s) or other Valu-Trac Investment Management Limited funds and accounts under common ownership or control.

1.1.6 Investment objectives and policy

The investment objective and investment policy for the Fund is set out in 0.

1.2 The structure of the Company

1.2.1 The Sub-funds

The Company is structured as an umbrella company, in that different Sub-funds may be established from time to time by the ACD with the approval of the FCA. On the introduction of any new Sub-fund or Class, a revised prospectus will be prepared setting out the relevant details of each Sub-fund or Class.

The Company is a UCITS scheme.

Each Sub-fund would be a UCITS scheme if it had a separate authorisation order.

The assets of each Sub-fund will be treated as separate from those of every other Sub-fund and will be invested in accordance with the investment objective and investment policy applicable to that Sub-fund. Investment of the assets of each of the Sub-funds must comply with the COLL Sourcebook and the investment objective and policy of the relevant Sub-fund. Details of the Sub-funds, including their investment objectives and policies, are set out in 0.

The eligible securities markets and eligible derivatives markets on which the Sub-funds may invest are set out in 0. A detailed statement of the general investment and borrowing restrictions in respect of each type of Sub-fund is set out in 0.

Each Sub-fund is a segregated portfolio of assets and, accordingly, the assets of a Sub-fund belong exclusively to that Sub-fund and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against any other person or body, including the Company and any other Sub-fund and shall not be available for any such purpose.

Subject to the above, each Sub-fund will be charged with the liabilities, expenses, costs and charges of the Company attributable to that Sub-fund, and within each Sub-fund charges will be allocated between Classes in accordance with the terms of issue of Shares of those Classes. Any assets, liabilities, expenses, costs or charges not attributable to a particular Sub-fund may be allocated by the ACD in a manner which it believes is fair to the Shareholders generally. This will normally be pro rata to the Net Asset Value of the relevant Sub-funds.

Please also see paragraph 5.5 below.

Where any changes are proposed to be made to the Company or any Sub-fund the ACD will assess whether the change is fundamental, significant or notifiable in accordance with COLL 4.3. If the change is regarded as fundamental, Shareholder approval of the Company or relevant Sub-fund will be required. If the change is regarded as significant, 60 days' prior written notice will be given to relevant Shareholders. If the change is regarded as notifiable, relevant Shareholders will receive suitable notice of the change.

1.2.2 Shares

Classes of Share within the Sub-funds

Shares will be issued in larger and smaller denominations. There are 100 smaller denomination Shares to each larger denomination Share. Smaller denomination

Shares represent what, in other terms, might be called fractions of a larger Share and have proportionate rights.

Shares have no par value and, within each Class in each Sub-fund subject to their denomination, are entitled to participate equally in the profits arising in respect of, and in the proceeds of, the liquidation of the Company or termination of a relevant Sub-fund. Shares do not carry preferential or pre-emptive rights to acquire further Shares.

Further Classes of Share may be established from time to time by the ACD with the agreement of the Depositary and in accordance with the Instrument of Incorporation and the Regulations. On the introduction of any new Sub-fund or Class a revised prospectus will be prepared setting out the details of each Sub-fund or Class.

The base currency in which each new Class of Shares will be denominated will be determined at the date of creation and set out in the prospectus issued in respect of the new Class of Shares.

The net proceeds from subscriptions to a Sub-fund will be invested in the specific pool of assets constituting that Sub-fund. The Company will maintain for each current Sub-fund a separate pool of assets, each invested for the exclusive benefit of the relevant Sub-fund. The Company as a whole will be responsible for all obligations, whichever Sub-fund such liabilities are attributable to, unless otherwise agreed with specific creditors.

To the extent that any Scheme Property, or any assets to be received as part of the Scheme Property, or any costs, charges or expenses to be paid out of the Scheme Property, are not attributable to one Sub-fund only, the ACD will allocate such Scheme Property, assets, costs, charges or expenses between Sub-funds in a manner which is fair to all Shareholders of the Company.

The Company may issue income and accumulation Shares in respect of each Sub-fund. The Share Classes that may be issued and their criteria for subscription in respect of each Sub-fund are set out in 0.

Shares in the Company are not currently listed on or dealt in on any investment exchange. Title to Shares is evidenced by the entry on the Register. Shareholders may, but need not, support an instruction to the ACD by enclosing the contract notice or the

most recent annual statement or copies of such documents. Share Certificates are not issued to Shareholders.

Holders of income Shares are entitled to be paid the distributable income attributed to such Shares on any relevant interim and annual allocation dates.

Holders of accumulation Shares are not entitled to be paid the income attributed to such Shares, but that income is automatically transferred to (and retained as part of) the capital assets of the relevant Sub-fund on the relevant interim and/or annual accounting dates. This is reflected in the price of an accumulation Share.

Where a Sub-fund has different Classes, each Class may attract different charges and so monies may be deducted from the Scheme Property attributable to such Classes in unequal proportions. In these circumstances, the proportionate interests of the Classes within a Sub-fund will be adjusted accordingly.

Shareholders are entitled (subject to certain restrictions) to Switch all or part of their Shares in a Class or a Sub-fund for Shares of another Class within the same Sub-fund or for Shares of the same or another Class within a different Sub-fund of the Company. Details of this switching facility and the restrictions are set out in paragraph 3.4 (Switching).

2. BUYING, CONVERTING, REDEEMING AND SWITCHING SHARES

The dealing office of the ACD is normally open from 9.00 a.m. to 5.00 p.m. (London time) on each Business Day to receive requests for the purchase, sale and switching of Shares. The ACD may vary these times at its discretion. Requests to deal in Shares may be made by sending clear written instructions (or an application form) to the ACD or (at the ACD's discretion). The initial purchase must, at the discretion of the ACD, be accompanied by an application form. In addition, the ACD may from time to time make arrangements to allow Shares to be bought or sold on-line or through other communication media (electronic or otherwise).

A request for dealing in Shares must be received by 12.00 noon on a particular Dealing Day in order to be processed on that Dealing Day. A dealing request received after this time will be held over and processed on the next Dealing Day, using the Net Asset Value per Share calculated as at the Valuation Point on that next Dealing Day.

The ACD may also, at its discretion, introduce further methods of dealing in Shares in the future.

In its dealings in Shares of the Sub-funds the ACD is dealing as principal. The ACD does not actively seek to make a profit from dealing in Shares as principal but does so in order to facilitate the efficient management of the Company. The ACD is not accountable to Shareholders for any profit it makes from dealing in Shares as principal.

2.1 Money laundering

As a result of legislation in force in the UK to prevent money laundering, the ACD is responsible for compliance with anti money laundering regulations. In order to implement these regulations, in certain circumstances investors may be asked to provide proof of identity when buying or redeeming Shares. This may involve an electronic check of information. Until satisfactory proof of identity is provided, the ACD reserves the right to refuse to issue Shares, pay the proceeds of a redemption of Shares, or pay income on Shares to the investor. In the case of a purchase of Shares where the applicant is not willing or is unable to provide the information requested within a reasonable period, the ACD also reserves the right to sell the Shares purchased and return the proceeds to the account from which the subscription was made. These proceeds may be less than the original investment. The ACD can use credit reference agencies (who will record that an enquiry has been made) and/or may check electronic databases. In the case of bodies corporate, trusts and other legal arrangements, it is also required to establish the identity of any trustees or other controllers who have greater than 25% control of the body corporate or property of the trust that are not named on the application. In addition, it is also required to establish the identity of any individuals who have a specified beneficial interest in the Shares. In the case of individuals it is required to establish the identity of any individuals who have a specified beneficial interest in the Shares that are not named on the application. The applicant retains legal title to the Shares and instructions will only be accepted from the applicant. The beneficial owner details are required for anti-money laundering purposes only. The ACD reserves the right to refuse any application to invest without providing any justification for doing so.

2.2 Buying Shares

2.2.1 Procedure

Shares may be bought directly from the ACD or through a professional adviser or other intermediary. For details of dealing charges see paragraph 2.7 below. Application forms may be obtained from the ACD.

Valid applications to purchase Shares in a Sub-fund will be processed at the Share price calculated, based on the Net Asset Value per Share, at the next Valuation Point following receipt of the application, except in the case where dealing in a Sub-fund has been suspended as set out in paragraph 2.12.

The ACD, at its discretion, has the right to cancel a purchase deal if settlement is materially overdue and any loss arising on such cancellation shall be the liability of the

applicant. For postal applications payment in full must accompany the instruction. At the ACD's discretion, payment for large purchases of Shares may be made by telegraphic transfer.

A purchase of Shares in writing or any other communication media made available is a legally binding contract. Applications to purchase, once made, are, except in the case where cancellation rights are applied, irrevocable. However, subject to its obligations under the Regulations, the ACD has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for Shares in whole or part, and in this event the ACD will return any money sent, or the balance of such monies, at the risk of the applicant.

Any subscription monies remaining after a whole number of Shares have been issued will not be returned to the applicant. Instead, smaller denomination Shares will be issued. A smaller denomination Share is equivalent to one hundredth of a larger denomination Share.

Payment in full should be made no later than the fourth Business Day after the date of purchase, and the ACD reserves the right to require payment in advance.

The ACD may charge £50 each time a trade is not fulfilled by the end of the Business Day on the settlement date. The ACD also reserves the right to apply interest charges at 4% above the Bank of England Base Rate on the value of any settlement not received by the end of the Business Day on the settlement date and thereafter. No interest will be paid on funds held prior to investment. Shares that have not been paid for cannot be redeemed.

Applicants who have received advice may have the right to cancel their application to buy Shares at any time during the 14 days after the date on which they receive a cancellation notice from the ACD. If an applicant decides to cancel the contract, and the value of the investment has fallen at the time the ACD receives the completed cancellation notice, they will not receive a full refund as an amount equal to any fall in value will be deducted from the sum originally invested. Investors who invest through the Regular Savings Plan will be entitled to receive back the full amount they invested if they cancel. The ACD may extend cancellation rights to other investors but is under no obligation to do so.

2.2.2 Documents the buyer will receive

A confirmation giving details of the number and price of Shares bought will be issued no later than the end of the Business Day following the Valuation Point by reference to which the price is determined, together with, where appropriate, a notice of the applicant's right to cancel.

Registration of Shares can only be completed by the ACD upon receipt of any required registration details. These details may be supplied in writing to the ACD or by returning to the ACD the properly completed registration form and copy of the confirmation.

Settlement is due within 4 Business Days of the Valuation Point. An order for the purchase of Shares will only be deemed to have been accepted by the ACD once it is in receipt of cleared funds for the application. If settlement is not made within a reasonable period, then the ACD has the right to cancel any Shares issued in respect of the application.

Share certificates will not be issued in respect of Shares. Ownership of Shares will be evidenced by an entry on the Register. Tax certificates in respect of periodic distributions on Shares will show the number of Shares held by the recipient.

2.2.3 Minimum subscriptions and holdings

The minimum initial subscriptions, subsequent subscriptions and holdings levels for each Class of Share in a Sub-fund are set out in 0.

The ACD may at its sole discretion accept subscriptions and/or holdings lower than the minimum amount(s).

If following a redemption, Switch or transfer, a holding in any Class of Share should fall below the minimum holding for that Class, the ACD has the discretion to effect a redemption of that Shareholder's entire holding in that Class of Share. The ACD may use this discretion at any time. Failure not to do so immediately after such redemption, Switch or transfer does not remove this right.

2.3 Redeeming Shares

2.3.1 Procedure

Every Shareholder is entitled on any Dealing Day to redeem its Shares, which shall be purchased by the ACD dealing as principal.

Valid instructions to the ACD to redeem Shares in a Sub-fund will be processed at the Share price calculated, based on the Net Asset Value per Share, at the next Valuation Point following receipt of the instruction, except in the case where dealing in a Sub-fund has been suspended as set out in paragraph 2.12.

A redemption instruction in respect of Shares in writing or any other communication media made available is a legally binding contract. However, an instruction to the ACD to redeem Shares, although irrevocable, may not be settled by either the Company or the ACD if the redemption represents Shares where the money due on the earlier purchase of those Shares has not yet been received or if insufficient documentation or anti-money laundering information has been received by the ACD.

Shareholders are entitled to Switch, transfer and redeem Shares at any time, however, as principal the ACD will acquire Shares on a first in first out basis.

For details of dealing charges see paragraph 2.7 below.

2.3.2 Documents a redeeming Shareholder will receive

A confirmation giving details of the number and price of Shares redeemed will be sent to the redeeming Shareholder (or the first named Shareholder, in the case of joint Shareholders) together with (if sufficient written instructions have not already been given) a form of renunciation for completion and execution by the Shareholder (or, in the case of a joint holding, by all the joint Shareholders) no later than the end of the Business Day following the later of the request to redeem Shares or the Valuation Point by reference to which the price is determined.

Payment of redemption proceeds will normally be made to the first named Shareholder (at their risk) via telegraphic transfer in accordance with any instruction received (the ACD may recover any bank charge levied on such transfers). Instructions to make payments to third parties (other than intermediaries associated with the redemption) will not normally be accepted.

Such payment will be made within four Business Days of the later of (a) receipt by the ACD of the form of renunciation (or other sufficient written instructions) duly signed and completed by all the relevant Shareholders together with any other documentation and appropriate evidence of title and any required anti-money laundering related documentation, and (b) the Valuation Point following receipt by the ACD of the request to redeem.

2.3.3 Minimum redemption

Part of a Shareholder's holding may be redeemed but the ACD reserves the right to refuse a redemption request if the value of the Shares of any Sub-fund to be redeemed

is less than the minimum stated in respect of the appropriate Class in the Sub-fund in question (see 0).

2.3.4 Deferred Redemption

If a Shareholder requests the redemption of Shares equal to 10% or more of the number of Shares of a particular Sub-fund in issue on any Dealing Day, the Company may at its absolute discretion, hold over or defer the redemption of such numbers of Shares as exceeds 10%. If the Company refuses to redeem Shares for this reason, the redemption request shall be reduced accordingly and the Shares to which such request relates which are not redeemed shall be redeemed on the subsequent Dealing Day in priority to any redemption request received thereafter, subject to the same 10% limit, until all of the Shares to which the original redemption request related have been redeemed.

In times of high levels of redemption, the ACD may, with the prior agreement of the Depositary, or shall if the Depositary so requires, permit deferral of redemptions to the next valuation point where the total value of the redemptions requested together represent over 10% of the relevant Sub-fund's net asset value. Subject to sufficient liquidity being raised at the next valuation point all redemption requests relating to the earlier valuation point will be completed before those relating to the later valuation point.

2.4 **Conversion and Switching**

Subject to any restrictions on the eligibility of investors for a particular Share Class, a Shareholder in a Sub-fund may at any time:

2.4.1 Convert all or some of their shares of one Class in a Sub-fund for another Class in the same Sub-fund; or

2.4.2 Switch all or some of their Shares of one Class in a Sub-fund for Shares in another Sub-fund in the Company.

2.5 **Conversions**

Conversions will be effected by the ACD recording the change of Share Class on the Register of the Company.

If a Shareholder wishes to Convert Shares they should apply to the ACD in the same manner as for a sale as set out below.

Conversions will be effected at the next Valuation Point following receipt of instructions to Convert from a Shareholder.

Conversions will not be treated as a disposal for capital gains tax purposes.

2.6 **Switches**

Subject to any restrictions on the eligibility of investors for a particular Share Class, a Shareholder in a Sub-fund may at any time Switch all or some of their Shares of one Class in a Sub-fund ("Original Shares") for Shares of another Class in another Sub-fund ("New Shares") in the Company. The number of New Shares issued will be determined by reference to the respective prices of New Shares and Original Shares at the Valuation Point applicable at the time the Original Shares are redeemed and the New Shares are issued.

A request to Switch may be made in writing to the dealing office of the ACD. Shareholders are required to provide written switching instructions to the ACD (which, in the case of joint Shareholders, must be signed by all the joint Shareholders) before Switching is effected.

The ACD may at its discretion make a charge on the Switching of Shares between Sub-funds or Conversion between Classes. Any such charge on Switching or Conversion does not constitute a separate charge payable by a Shareholder, but is rather the application of any redemption charge on the Original Shares and any initial charge on the New Shares, subject to certain waivers. For details of the charges on Switching currently payable, please see paragraph 2.7.3 "Charges on Switching and Conversion".

If a partial Switch would result in the Shareholder holding a number of Original Shares or New Shares of a value which is less than the minimum holding in the Class concerned, the ACD may, if it thinks fit, convert the whole of the applicant's holding of Original Shares to New Shares (and make a charge on Switching on such conversion) or refuse to effect any Switch of the Original Shares. Save as otherwise specifically set out, the general provisions on procedures relating to redemption will apply equally to a Switch. Written instructions must be received by the ACD before the Valuation Point on a Dealing Day in the Sub-fund or Sub-funds concerned to be dealt with at the prices at the Valuation Point on that Dealing Day or at such other Valuation Point as the ACD at the request of the Shareholder giving the relevant instruction may agree. Switching

requests received after a Valuation Point will be held over until the next day which is a Dealing Day in each of the relevant Sub-fund or Sub-funds.

The ACD may adjust the number of New Shares to be issued to reflect the application of any charge on Switching together with any other charges or levies in respect of the application for the New Shares or redemption of the Original Shares as may be permitted pursuant to the COLL Sourcebook.

Please note that under UK tax law a Switch of Shares in one Sub-fund for Shares in any other Sub-fund is treated as a redemption of the Original Shares and a purchase of New Shares and will, for persons subject to taxation, be a realisation of the Original Shares for the purposes of capital gains taxation, which may give rise to a liability to tax, depending upon the Shareholder's circumstances.

A Shareholder who Switches Shares in one Sub-fund for Shares in any other Sub-fund (or who Switches between Classes of Shares) will not be given a right by law to withdraw from or cancel the transaction.

2.7 Dealing Charges

The price per Share at which Shares are bought, redeemed or Switched is the Net Asset Value per Share. Any initial charge or redemption charge is payable in addition to the price or deducted from the proceeds and is taken from the gross subscription or redemption monies.

2.7.1 Initial charge

The ACD may impose a charge on the purchase of Shares in each Class. The current initial charge is calculated as a percentage of the amount invested by a potential Shareholder in respect of each Sub-fund as set out in 0. The ACD may waive or discount the initial charge at its discretion.

The initial charge (which is deducted from subscription monies) is payable by the Shareholder to the ACD.

The current initial charge of a Class may only be increased in accordance with the Regulations.

From the initial charge received, or out of its other resources, the ACD may pay a commission to relevant intermediaries including the Investment Manager and its Associates.

2.7.2 Redemption charge

The ACD does not currently make a charge on the redemption of Shares in any Class.

The ACD may only introduce a redemption charge in accordance with the Regulations. Also, if such a charge was introduced, it would not apply to Shares issued before the date of the introduction (i.e., those not previously subject to a redemption charge).

2.7.3 Charges on Switching and Conversion

On the Switching or Conversion of Shares between Sub-funds or Classes in the Company, the Instrument of Incorporation authorises the Company to impose a charge on Switching or Conversion. If a redemption charge is payable in respect of the

Original Shares, this may become payable instead of, or as well as, the then prevailing initial charge for the New Shares. The charge on Switching or Conversion is payable by the Shareholder to the ACD.

The ACD's current policy is to only levy a charge on Switching or Conversion between Sub-funds that is no more than the excess of the initial charge applicable to New Shares over the initial charge applicable to the Original Shares. There is currently no charge for Switching or Converting Shares in one Class of a Sub-fund for Shares in another Class of the same Sub-fund.

2.7.4 Dilution Adjustment

The basis on which the Sub-funds' investments are valued for the purpose of calculating the price of Shares as stipulated in the Regulations and the Instrument of Incorporation is summarised in paragraph 3.2. Shares in the Sub-funds are single priced, meaning the Sub-funds apply a single mid-market price which will apply to both the purchase and redemption of Shares.

However, the actual cost of purchasing or selling investments for a Sub-fund may deviate from the mid-market value used in calculating the price of Shares in the Sub-fund due to dealing costs such as broking charges, taxes, and any spread between the buying and selling prices of the underlying investments. These dealing costs can have an adverse effect on the value of the Sub-fund, known as "dilution". For example, as a result of Shareholders redemptions, Shares would be cancelled at the mid-market price. Investments may be sold from the Sub-fund to accommodate such redemptions and the market bid price, less costs, is received. That difference in price is suffered by the Sub-fund and not those investors who redeemed their Shares.

It is not, however, possible to predict accurately whether dilution will occur at any point in time.

The Regulations allow the cost of dilution to be met directly from a Sub-fund's assets or to be recovered from investors on the purchase or redemption of Shares by means of a dilution adjustment to the dealing price (also known as swinging single pricing). The ACD has adopted dilution adjustment as its mechanism to protect investors from the impacts of dilution. The ACD shall comply with COLL 6.3.8 in its application of any such dilution adjustment. The ACD's policy is designed to minimise the impact of dilution on the Sub-funds.

The dilution adjustment for the Sub-funds will be calculated by reference to the estimated costs of dealing in the underlying investments of a Sub-fund, including any dealing spreads, commissions and transfer taxes. The ACD may, at its absolute discretion, apply a dilution adjustment on the issue and redemption of such Shares if, in its opinion, the existing Shareholders (for sales) or remaining Shareholders (for redemptions) might be adversely affected, and if in applying a dilution adjustment, so far as practicable, it is fair to all Shareholders and potential Shareholders.

The ACD reserves the right to make a dilution adjustment on every Dealing Day where the ACD is of the opinion that it is in the best interest of Shareholders to do so.

Unless the ACD considers it would be detrimental to Shareholders, in specie transfers will not be taken into account when determining any dilution adjustment and any incoming portfolio will be valued on the same basis as each Sub-fund is priced (i.e. offer plus notional dealing charges, mid, or bid less notional dealing charges). When a dilution adjustment is not applied there may be a dilution of the assets of a Sub-fund which may constrain the future growth of that Sub-fund.

The ACD may alter its current dilution adjustment policy in accordance with the Regulations.

The ACD reserves the right to adjust the price by a lesser amount (subject to the rate of dilution being greater than 0%) but will always make such an adjustment in a fair manner solely to reduce dilution and not for the purpose of creating a profit or avoiding a loss for the account of the ACD or an associate of the ACD. It should be noted that as dilution is related to inflows and outflows of monies and the purchase and sale of investments it is not possible to predict accurately if and when dilution will occur and to what extent.

The dilution adjustment methodology has been in place since 15 May 2026 and so there is no historical data on how often a dilution adjustment has been applied to the Sub-funds. The ACD expects that the average dilution adjustment applied to the Sub-funds will be between 0.2% and 1.25% increase or decrease on the mid-market value in normal market conditions, however, the actual rate applied could be higher or lower than this.

Further information on the dilution adjustment in relation to the Sub-funds is available from the ACD on request.

2.7.5 Stamp duty reserve tax ("SDRT")

The SDRT charge on the surrender of Shares in the Company applies only to in specie redemptions made otherwise than on a pro rata basis. A surrender of Shares to the Company will therefore generally be exempt from SDRT. Any SDRT arising in connection with a non-pro rata in specie redemption will be treated as a cost of that redemption and borne by the relevant redeeming Shareholder.

2.8 Transfers

Shareholders are entitled to transfer their Shares to another person or body. All transfers must be in writing in the form of an instrument of transfer approved by the ACD for this purpose. Completed instruments of transfer must be returned to the ACD in order for the transfer to be registered by the ACD. The ACD may refuse to register a transfer unless any provision for SDRT due has been paid.

2.9 Restrictions, Compulsory Transfer, Redemption and Conversion

The ACD may from time to time impose such restrictions as it may think necessary for the purpose of ensuring that no Shares are acquired or held by any person in breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory or which would result in the Company incurring any liability to taxation which the Company is not able to recoup itself or suffering any other adverse consequence. In

this connection, the ACD may, inter alia, reject in its discretion any application for the purchase, redemption, transfer or Switching of Shares.

If it comes to the notice of the ACD that any Shares ("**affected Shares**"):

2.9.1 are owned directly or beneficially in breach of any law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or

2.9.2 would result in the Company incurring any liability to taxation which the Company would not be able to recoup itself or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory); or

2.9.3 are held in any manner by virtue of which the Shareholder or Shareholders in question is/are not qualified to hold such Shares or if it reasonably believes this to be the case; or

2.9.4 are owned by a Shareholder who is registered in a jurisdiction (where the Company is not a registered or recognised by the relevant competent authority) whereby communication with that Shareholder by the ACD, on behalf of the Company, might constitute a breach of the regulations in that jurisdiction (unless specific action is taken by the ACD to prevent such a communication constituting a breach);

the ACD may give notice to the Shareholder(s) of the affected Shares requiring the transfer of such Shares to a person who is qualified or entitled to own them or that a request in writing be given for the redemption of such Shares in accordance with the COLL Sourcebook. If any Shareholder upon whom such a notice is served does not within 30 days after the date of such notice transfer their affected Shares to a person qualified to own them or submit a written request for their redemption to the ACD or establish to the satisfaction of the ACD (whose judgement is final and binding) that they or the beneficial owner is qualified and entitled to own the affected Shares, they shall be deemed upon the expiry of that 30 day period to have given a request in writing for the redemption or cancellation (at the discretion of the ACD) of all the affected Shares.

A Shareholder who becomes aware that they are holding or own affected Shares shall immediately, unless they have already received a notice as set out above, either transfer all their affected Shares to a person qualified to own them or submit a request in writing to the ACD for the redemption of all their affected Shares.

Where a request in writing is given or deemed to be given for the redemption of affected Shares, such redemption will (if effected) be effected in the same manner as provided for in the COLL Sourcebook.

Subject to any restrictions on the eligibility of investors for a particular Share Class, with the agreement of the Depositary the ACD may effect a mandatory Conversion of all or some of a Shareholder's shares in one Share Class in a Sub-fund for shares of another Share Class in the same Sub-fund if this is in the best interests of Shareholders. Shareholders are expected to be provided with 60 days' prior notice of any such Conversion.

2.10 **Issue of Shares in exchange for in specie assets**

The ACD may arrange for the Company to issue Shares in exchange for assets other than cash, but will only do so where the Depositary has taken reasonable care to determine that the Company's acquisition of those assets in exchange for the Shares concerned is not likely to result in any material prejudice to the interests of Shareholders.

The ACD will ensure that the beneficial interest in the assets is transferred to the Company with effect from the issue of the Shares.

The ACD will not issue Shares in any Sub-fund in exchange for assets the holding of which would be inconsistent with the investment objective or policy of that Sub-fund.

2.11 **In specie redemptions**

If a Shareholder requests the redemption of Shares the ACD may, where it considers that deal to be substantial in relation to the total size of a Sub-fund or in some way detrimental to the Sub-fund, arrange for Scheme Property having the appropriate value to be transferred to the Shareholder (an "**in specie transfer**"), in place of payment for the Shares in cash. Before the redemption is effected, the ACD must give written notice to the Shareholder of the intention to make an in specie transfer, so that the Shareholder can require the net proceeds from the sale of the relevant Scheme Property (rather than the Scheme Property itself) if the Shareholder so desires.

The ACD will select the property to be transferred in consultation with the Depositary. The ACD and Depositary must ensure that the selection is made with a view to achieving no more advantage or disadvantage to the Shareholder requesting the redemption than to the continuing Shareholders.

The ACD may retain out of the property to be transferred property or cash of a value equivalent to any stamp duty or stamp duty reserve tax to be paid on the redemption of the Shares.

2.12 **Suspension of dealings in Shares**

The ACD may, with the prior agreement of the Depositary, and must without delay if the Depositary so requires temporarily suspend the issue, cancellation, sale and redemption of Shares in any or all of the Sub-funds where due to exceptional circumstances it is in the interests of all the Shareholders in the relevant Sub-fund or Sub-funds.

The ACD and the Depositary must ensure that the suspension is only allowed to continue for as long as is justified having regard to the interests of Shareholders.

The ACD or the Depositary (as appropriate) will immediately inform the FCA of the suspension and the reasons for it and will follow this up as soon as practicable with written confirmation of the suspension and the reasons for it to the FCA and the regulator in each EEA state where Shares are offered for sale.

The ACD will notify Shareholders as soon as is practicable after the commencement of the suspension, including details of the exceptional circumstances which have led to the suspension, in a clear, fair and not misleading way and giving Shareholders details of how to find further information about the suspension.

Where such suspension takes place, the ACD will publish details on its website or other general means, sufficient details to keep Shareholders appropriately informed about the suspension, including, if known, its possible duration.

During the suspension none of the obligations in COLL 6.2 (Dealing) will apply but the ACD will comply with as much of COLL 6.3 (Valuation and Pricing) during the period of suspension as is practicable in light of the suspension.

Suspension will cease as soon as practicable after the exceptional circumstances leading to the suspension have ceased but the ACD and the Depositary will formally review the suspension at least every 28 days and will inform the FCA of the review and any change to the information given to Shareholders.

The ACD may agree during the suspension to deal in Shares in which case all deals accepted during and outstanding prior to the suspension will be undertaken at a price calculated at the first Valuation Point after the restart of dealings in Shares.

2.13 **Electronic Communications**

At present, transfer or renunciation of title to Shares by electronic communication is not accepted.

2.14 **Electronic Verification**

Under The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, The Proceeds of Crime Act, The FCA Senior Management Arrangements Systems & Controls Sourcebook and the guidance in the Joint Money Laundering Steering Group Guidance Notes (which are updated from time to time), the ACD state that the ACD must check an applicant's identity and, in certain circumstances, the source of the money invested. The ACD may also request verification documents from the applicant or parties associated with the applicant. In some cases, documentation may be required for officers performing duties on behalf of applicants who are bodies corporate. The checks may include an electronic search of information held about the applicant (or an associated party) on the electoral role and using credit reference agencies. The credit reference agency may check the details the applicant (or an associated party) supplies against any particulars on any database (public or otherwise) to which they have access and may retain a record of that information although that is only to verify identity and will not affect the applicant's (or an associated party's) credit rating. They may also use the applicant's (or an associated party's) details in the future to assist other companies verification purposes. In applying for Shares an applicant is giving the ACD permission to ask for this information in line with the Data Protection Act 2018.

2.15 **Client Money**

The ACD will make use of the revised 'delivery versus payment' (DvP) exemption as set out in the FCA Rules, which provides for a one Business Day window during which money held for the purposes of settling a transaction in Shares is not treated as 'client money'. Specifically, under the DvP exemption, money received by the ACD from an investor, or money due to be paid to an investor by the ACD, need not be treated as client money if: (i) the ACD receives the money from an investor for the subscription of Shares and the money is passed to the Depositary for the purpose of creating Shares by close of business on the Business Day following receipt of money from the investor; or (ii) the ACD holds the money in the course of redeeming Shares provided that the proceeds of that redemption are paid to an investor by close of business on the Business Day following receipt from the Depositary.

Accordingly under the exemption when investors are buying Shares the ACD will protect investor money in a client money account if it does not pass the investor's money onto the Depositary by the close of the Business Day following receipt. Similarly when Shareholders sell shares in a Sub-fund, the ACD will protect their money in a client money account if it does not pass their money to them by the close of the Business Day following receipt from the Depositary. No interest is payable by the ACD on moneys credited to this account.

2.16 **Governing law**

All deals in Shares are governed by the law of England and Wales.

3. VALUATION OF THE COMPANY

3.1 General

The price of a Share is calculated by reference to the Net Asset Value of the Sub-fund to which it relates. The Net Asset Value per Share of a Sub-fund is currently calculated at 12.00 noon (London time) (this being the Valuation Point) on each Dealing Day.

The ACD may at any time during a Business Day carry out an additional valuation if it considers it desirable to do so. The ACD shall inform the Depositary of any decision to carry out any such additional valuation. Valuations may be carried out for effecting a scheme of amalgamation or reconstruction which do not create a Valuation Point for the purposes of dealings. Where permitted and subject to the Regulations, the ACD may, in certain circumstances (for example where a significant event has occurred since the closure of a market) substitute a price with a more appropriate price which in its opinion reflects a fair and reasonable price for that investment.

The ACD will, upon completion of each valuation, notify the Depositary of the price of Shares of each Class of each Sub-fund and the amount of any dilution adjustment applicable in respect of any purchase or redemption of Shares.

A request for dealing in Shares must be received by the Valuation Point on a particular Dealing Day in order to be processed on that Dealing Day. A dealing request received after this time will be held over and processed on the next Dealing Day, using the Net Asset Value per Share calculated as at the Valuation Point on that next Dealing Day.

3.2 Calculation of the Net Asset Value

The value of the Scheme Property shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions:

3.2.1 All the Scheme Property (including receivables) is to be included, subject to the following provisions.

3.2.2 Scheme Property which is not cash (or other assets dealt with in paragraph 3.2.2(d) below) or a contingent liability transaction shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:

(a) Units or shares in a collective investment scheme:

(i) if a single price for buying and redeeming units or shares is quoted, at that price; or

(ii) if separate buying and redemption prices are quoted, at the average of the two prices provided the buying price has been reduced by any initial charge included therein and the redemption price has been increased by any exit or redemption charge attributable thereto; or

(iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists or if the most recent price available does not reflect the ACD's best

estimate of the value of the units or shares, at a value which, in the opinion of the ACD, is fair and reasonable;

(b) Any other transferable security:

(i) if a single price for buying and redeeming the security is quoted, at that price; or

(ii) if separate buying and redemption prices are quoted, at the average of the two prices; or

(iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists or if the most recent price available does not reflect the ACD's best estimate of the value of the security, at a value which, in the opinion of the ACD, is fair and reasonable;

(c) Scheme Property other than that described in paragraphs 3.2.2(a) and 3.2.2(b) above, at a value which, in the opinion of the ACD, is fair and reasonable;

(d) Cash and amounts held in current and deposit accounts and in other time related deposits shall be valued at their nominal values.

3.2.3 Scheme Property which is a contingent liability transaction shall be treated as follows:

(a) if it is a written option (and the premium for writing the option has become part of the Scheme Property), deduct the amount of the net valuation of premium receivable. If the Scheme Property is an off exchange option the method of valuation shall be agreed between the ACD and the Depositary;

(b) if it is an off exchange future, include it at the net value of closing out in accordance with a valuation method agreed between the ACD and the Depositary;

(c) if it is any other form of contingent liability transaction, include it at the net value of margin on closing out (whether as a positive or negative value). If the Scheme Property is an off exchange derivative, include it at a valuation method agreed between the ACD and the Depositary.

3.2.4 In determining the value of the Scheme Property, all instructions given to issue or cancel Shares shall be assumed to have been carried out (and any cash paid or received) whether or not this is the case.

3.2.5 Subject to paragraphs 4.2.6 and 4.2.7 below, agreements for the unconditional sale or purchase of Scheme Property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and if, in the opinion of the ACD, their omission will not materially affect the final net asset amount.

3.2.6 Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph 4.2.5.

3.2.7 All agreements are to be included under paragraph 4.2.5 which are, or ought reasonably to have been, known to the person valuing the Scheme Property.

3.2.8 Deduct an estimated amount for anticipated tax liabilities at that point in time including (as applicable and without limitation) capital gains tax, income tax, corporation tax, VAT, stamp duty, SDRT and any foreign taxes or duties.

3.2.9 Deduct an estimated amount for any liabilities payable out of the Scheme Property and any tax or duty thereon, treating periodic items as accruing from day to day.

3.2.10 Deduct the principal amount of any outstanding borrowings whenever repayable and any accrued but unpaid interest on borrowings.

3.2.11 Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.

3.2.12 Add any other credits or amounts due to be paid into the Scheme Property.

3.2.13 Add a sum representing any interest or any income accrued due or deemed to have accrued but not received.

3.2.14 Currencies or values in currencies other than Sterling shall be converted at the relevant Valuation Point at a rate of exchange that is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders.

3.3 **Price per Share in each Sub-fund and each Class**

The price per Share at which Shares are bought or are redeemed is the Net Asset Value per Share. Any initial charge or redemption charge is payable in addition to the price or deducted from the proceeds and is taken from the gross subscription or redemption monies.

Each allocation of income made in respect of any Sub-fund at a time when more than one Class is in issue in respect of that Sub-fund shall be done by reference to the relevant Shareholder's proportionate interest in the income property of the Sub-fund in question calculated in accordance with the Instrument of Incorporation.

3.4 **Pricing basis**

The ACD deals on a forward pricing basis. A forward price is the price calculated at the next Valuation Point after the purchase or redemption is deemed to be accepted by the ACD. Shares in the Company are single priced.

3.5 **Publication of Prices**

The prices of all Shares are published on the website of the ACD: www.valu-trac.com. As the ACD deals on a forward pricing basis, the price that appears in these sources will not necessarily be the same as the one at which investors can currently deal. The ACD may also, at its sole discretion, decide to publish certain Share prices in other third party websites or publications but the ACD does not accept responsibility for the accuracy of the prices published in, or for the non- publication of prices by, these sources for reasons beyond the control of the ACD. The prices of Shares may also be obtained by calling 0330 678 4760 during the ACD's normal business hours. Please note that telephone calls may be recorded.

4. RISK FACTORS

Potential investors should consider the following risk factors before investing in the Company (or in the case of specific risks applying to specific Sub-funds, in those Sub-funds).

4.1 General

The investments of the Company are subject to normal market fluctuations and other risks inherent in investing in securities. There can be no assurance that any appreciation in the value of investments will occur. The value of investments and the income derived from them may fall as well as rise and investors may not recoup the original amount they invest in the Company. There is no certainty that the investment objective of the Sub-funds will actually be achieved and no warranty or representation is given to this effect. The level of any yield for a Sub-fund may be subject to fluctuations and is not guaranteed.

The entire market of a particular asset class or geographical sector may fall, having a more pronounced effect on funds heavily invested in that asset class or region. There will be a variation in performance between funds with similar objectives due to the different assets selected.

4.2 Effect of Initial Charge or Redemption Charge

Where an initial charge or redemption charge is imposed, an investor who realises their Shares may not (even in the absence of a fall in the value of the relevant investments) realise the amount originally invested.

In particular, where a redemption charge is payable, investors should note that the percentage rate at which the redemption charge is calculated is based on the market value rather than the initial value of the Shares. If the market value of the Shares has increased the redemption charge will show a corresponding increase. Currently there is no redemption charge levied on Shares.

The Shares therefore should be viewed as medium to long term investments.

4.3 Dilution

A Sub-fund may suffer a reduction in the value of its Scheme Property due to dealing costs incurred when buying and selling investments. To offset this dilution effect the ACD may apply a dilution adjustment to the price of Shares when bought or sold.

4.4 Suspension of Dealings in Shares

Investors are reminded that in certain circumstances their right to redeem Shares (including a redemption by way of Switching) may be suspended.

4.5 Liabilities of the Company

Each Sub-fund is a segregated portfolio of assets and, accordingly, the assets of a Sub-fund belong exclusively to that Sub-fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the Company, or any other Sub- fund, and shall not be available for any such purpose.

Whilst the provisions of the OEIC Regulations provide for segregated liability between Sub-funds, the concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known how those foreign courts will react to regulations 11A and 11B of the OEIC Regulations.

Although each Sub-fund will be treated as bearing the liabilities, expenses, costs and charges attributable to it, in the event that assets or liabilities are not attributable to any particular Sub-fund, the Company may allocate such amounts between the Sub-funds of the Company in a manner which it believes is fair to the Shareholders generally.

A Shareholder is not liable to make any further payment to the Company or Sub-fund after they have paid the price on purchase of the Shares.

4.6 **Currency Exchange Rates**

Currency fluctuations may adversely affect the value of a Sub-fund's investments and the income thereon and, depending on an investor's currency of reference, currency fluctuations may adversely affect the value of their investment in Shares.

4.7 **Derivatives and volatility**

The prices of derivative instruments, including futures, options and swap prices, can be highly volatile. Price movements of forward contracts, futures contracts and other derivative contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly markets in currencies and interest rate related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, amongst other things, interest rate fluctuations. The use of these techniques and instruments also involves certain special risks, including (1) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates, (2) imperfect correlation between the price movements of the derivatives and price movements of related instruments, (3) the fact that skills needed to use these instruments are different from those needed to select the securities owned by the Company, (4) the possible absence of a liquid market for any particular instrument at any particular time; which may result in possible impediments to effective portfolio management or the ability to meet redemption. The Company may invest in certain derivative instruments, which may involve the assumption of obligations as well as rights and assets. Assets deposited as margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy.

The Company may from time to time utilise both exchange-traded and over-the-counter credit derivatives, such as credit default swaps as part of its investment policy and for hedging purposes. These instruments may be volatile, involve certain special risks and expose investors to a high risk of loss. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage. As a result, a relatively small movement in the price of a contract may result in a profit or a loss that is high in proportion to the amount of the funds actually placed as initial margin and may result in unlimited further loss exceeding any margin deposited. Furthermore, when used for hedging purposes there may be an imperfect correlation between these instruments and the investment or market sectors being hedged. Transactions in over-the- counter derivatives, such as credit derivatives, may involve additional risk as there is no exchange market on which to close out an open position.

Unless otherwise stated in 0 in respect of a Sub-fund, it is intended that each of the Sub-funds can use derivatives in accordance with the Rules for the purpose of meeting their investment objective and for EPM (including hedging). The use of derivatives and forward transactions for the purpose of meeting a Sub-fund's investment objectives may increase the risk profile of that Sub-fund.

4.8 **Derivative Techniques**

The COLL Sourcebook permits the ACD to use certain techniques when investing in derivatives in order to manage a Sub-fund's exposure to particular counterparties and in relation to the use of collateral to reduce overall exposure to over the counter ("**OTC**") derivatives; for example a Sub- fund may take collateral from counterparties with whom it has an OTC derivative position and use that collateral to net off against the exposure it has to the counterparty under that OTC derivative position, for the purposes of complying with counterparty spread limits. The COLL Sourcebook also permits a Sub-fund to use derivatives to effectively short sell (agree to deliver the relevant asset without holding it in the scheme) under certain conditions.

4.9 **Counterparty and Settlement**

The Company will be subject to the risk of the inability of any counterparty to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes. In particular, it should be noted that transactions may not always be settled by delivery versus payment and this may expose the Company to greater counterparty risk and potentially to loss in excess of the counterparty's obligations to the Company.

4.10 **Counterparty Risk in Over-the-Counter Markets**

A Sub-fund may enter into transactions in over-the-counter markets, which will expose the Sub-fund to the credit of its counterparties and their ability to satisfy the terms of such contracts. For example, the Sub-fund may enter into agreements or use other derivative techniques, each of which expose the Sub-fund to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Sub-fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Company seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. In such circumstances, investors may be unable to cover any losses incurred.

4.11 **Equity swaps**

An equity swap, often referred to as a contract for difference or 'CFD', is a contract between two parties, buyer and seller, stipulating that the seller will pay to the buyer the positive difference between the current value of an asset (a security, instrument, basket or index) and its value when the contract was first entered into. If the difference is negative, then the buyer pays this amount to the seller. Equity swaps allow investors to take synthetic long or synthetic short positions with a variable margin, which, unlike futures contracts, have no fixed expiry date. Unlike shares, with equity swaps, the buyer is potentially liable for more than the amount they paid on margin. The Sub-fund will therefore employ risk management techniques to ensure it can dispose of the necessary assets at any time in order to pay redemption proceeds resulting from redemption

requests and to meet its obligations resulting from equity swaps and other techniques and instruments.

4.12 **Short sales**

A short sale involves the sale of a security that the Sub-fund does not physically own in the expectation of purchasing the same security at a later date at a lower price to secure a profit. The COLL Sourcebook prohibits the short selling of physical securities but allows the creation of synthetic-short positions through the use of cash settled derivatives such as equity swaps (or CFDs), as long as any exposure created is covered by the assets of the Sub-fund. The establishment and maintenance of a synthetic short position in equities can involve greater risks than would be the case with a long position. These include the possibility of unlimited loss due to potentially unlimited price appreciation in the securities concerned, problems associated with the cost or availability of stock to borrow for the purposes of short selling and possible difficulties in purchasing stock to cover short positions in certain market conditions.

4.13 **Market risk**

Each Sub-fund will be diversified, however, the underlying investments of a Sub-fund will be subject to normal market fluctuations and to the risks inherent in investments in collective investment schemes.

4.14 **Emerging Markets**

Investments in emerging markets may be more volatile than investments in more developed markets. Some of these markets may have relatively unstable governments, economies based on only a few industries and securities markets that trade only a limited number of securities.

Many emerging markets do not have well developed regulatory systems and disclosure standards may be less stringent than those of developed markets.

The risks of expropriation, nationalisation and social, political and economic instability are greater in emerging markets than in more developed markets.

The following is a brief summary of some of the more common risks associated with emerging markets investment:

Fraudulent Securities – Given the lack of a regulatory structure it is possible that securities in which investments are made may be found to be fraudulent. As a result, it is possible that loss may be suffered.

Currency Fluctuations – Significant changes in the currencies of the countries in which investments are made in respect of the currency of denomination of the relevant Sub-fund may occur following the investment of the Company in these currencies. These changes may impact the total return of the Sub-fund to a significant degree. In respect of currencies of certain emerging countries, it is not possible to undertake currency hedging techniques.

Settlement and Custody Risks – Settlement and custody systems in emerging markets are not as well developed as those in developed markets. Standards may not be as high and supervisory and regulatory authorities not as sophisticated. As a result there may be risks that settlement may be delayed and that cash or securities could be disadvantaged.

Investment and Remittance Restrictions – In some cases, emerging markets may restrict the access of foreign investors to securities. As a result, certain equity securities may not always be

available to a Sub-fund because the maximum permitted number of or investment by foreign shareholders has been reached. In addition, the outward remittance by foreign investors of their share of net profits, capital and dividends may be restricted or require governmental approval. The Company will only invest in markets in which it believes these restrictions to be acceptable. However, there can be no guarantee that additional restrictions will not be imposed.

Accounting – Accounting, auditing and financial reporting standards, practices and disclosure requirements applicable to companies in emerging markets differ from those applicable in more developed markets in respect of the nature, quality and timeliness of the information disclosed to investors and, accordingly, investment possibilities may be difficult to properly assess.

The Company may invest in such markets.

4.15 **Credit and Fixed Interest Securities**

Fixed interest securities are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of capital may fall, and vice versa. Inflation will also decrease the real value of capital.

The value of a fixed interest security will fall in the event of the default or reduced credit rating of the issuer. Generally, the higher the rate of interest, the higher the perceived credit risk of the issuer. High yield bonds with lower credit ratings (also known as sub-investment grade bonds) are potentially more risky (higher credit risk) than investment grade bonds. A sub-investment grade bond has a Standard & Poor's credit rating of below BBB or equivalent.

4.16 **Liquidity**

In extreme market conditions it may be difficult for a Sub-fund to realise an investment at short notice without suffering a discount to market value. In such circumstances the investor may suffer a delay in realising their investment or such realisation may be subject to a dilution adjustment.

Depending on the types of assets the Sub-funds invest in, there may be occasions where there is an increased risk that a position cannot be liquidated in a timely manner at a reasonable price.

4.17 **Leverage**

A proportion of the capital may be leveraged. While leverage presents opportunities for increasing the capital return, it has the effect of potentially increasing losses as well. Any event which adversely affects the underlying vehicles would be magnified to the extent the capital is leveraged. The cumulative effect of the use of leverage in a market that moves adversely to the underlying investment vehicles could result in a substantial loss to capital that would be greater than if capital were not leveraged.

4.18 **Tax**

Tax laws currently in place may change in the future which could affect the value of your investments. See section 9 headed 'Taxation' for further details about taxation of the Sub-funds.

4.19 **Inflation and interest rates**

The real value of any returns that an investor may receive from the Sub-funds could be affected by interest rates and inflation over time.

4.20 **Custody**

Where the assets of the Sub-funds are held in custody, there may be a risk of loss that could result from the insolvency, negligence or fraudulent action of a custodian or sub-custodian.

4.21 **Investment into a fund which then invests into other funds**

Where a Sub-fund's investment strategy includes making investments into other underlying target funds, fees (including performance fees) are usually charged by the manager of the underlying component funds. The underlying manager's fees are deducted from the underlying fund prior to the assets of the fund being valued. Consequently, any fees deducted by the manager of any chosen underlying fund are excluded from the published fee calculations for the fund of funds.

4.22 **Structured Products**

The Sub-funds may invest in structured products in accordance with COLL. For the purposes of the FCA's rules, structured products may be regarded as either transferable securities, collective investment schemes or derivatives depending on the product in question. The common feature of these products is that they are designed to combine the potential upside of market performance with limited downside. Structured products typically are investments which are linked to the performance of one or more underlying instruments or assets such as market prices, rates, indices, securities, currencies and commodities and other financial instruments that may introduce significant risk that may affect the performance of the Sub-funds.

It is not intended to use structured products in the context of the Sub-funds. However, in addition to providing exposure to the asset classes described in the investment objective, it is anticipated that, if such use did take place, it should assist with keeping the volatility levels of the Sub-funds relatively low.

4.23 **Cyber Security**

As the use of technology has become more prevalent in the course of business, investment vehicles have become more susceptible to operational and financial risks associated with cyber security, including: theft, loss, misuse, improper release, corruption and destruction of, or unauthorised access to, confidential or highly restricted data relating to the company and the Shareholders and compromises or failures to systems, networks, devices and applications relating to the operations of the Company and its service providers. Cyber security risks may result in financial losses to the Company and the Shareholders; the inability of the Company to transact business with the Shareholders; delays or mistakes in the calculation of the Net Asset Value or other materials provided to Shareholders; the inability to process transactions with Shareholders or the parties; violations of privacy and other laws; regulatory fines, penalties and reputational damage; and compliance and remediation costs, legal fees and other expenses. The Company's service providers (including but not limited to the ACD and the Depositary and their agents), financial intermediaries, companies in which a Sub-fund invests and parties with which the Company engages in portfolio or other transactions also may be adversely impacted by cyber security risks in their own business, which could result in losses to the Company or the Shareholders. While measures have been developed which are designed to reduce the risks associated with cyber security, there is no guarantee that those measures will be effective, particularly since the Company does not directly control the cyber security defences or plans of its service providers, financial intermediaries and companies in which the Sub-fund invests or with which it does business.

4.24 **Epidemic/Pandemics**

Occurrences of epidemics/pandemics (such as COVID-19), depending on their scale, may cause damage to national and local economies which will have an impact on investments. Global economic conditions may be disrupted by widespread outbreaks of infectious or contagious diseases, and such disruption may adversely affect funds, may increase volatility, impair liquidity and potential returns and make assets difficult to value. During such epidemics investment management practices that have worked well in the past, or are accepted ways of addressing certain conditions, could prove ineffective. Custody, trading and settlements may also be affected. As a result there may be a negative impact on the value of funds.

4.25 **Risks associated with the UK leaving the European Union ("Brexit")**

Following the UK's departure from the European Union (informally known as "Brexit"), the UK's political, economic and legal landscape continues to evolve. In particular, the UK's laws and regulations concerning funds now diverge from those of the European Union and may diverge further in the future. This may lead to changes in the operation of the Company or the rights of investors or the territories in which the Shares of the Company may be promoted and sold.

4.26 **Political Risks**

The value of the Company's investments may be affected by uncertainties such as international political developments, civil conflicts and war, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investments may be made. For example, assets could be compulsorily re-acquired without adequate compensation.

5. MANAGEMENT AND ADMINISTRATION

5.1 Regulatory Status

The ACD and the Investment Manager are authorised and regulated by the Financial Conduct Authority of 12 Endeavour Square, London, E20 1JN. The Depositary is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

5.2 Authorised Corporate Director

5.2.1 General

The ACD is Valu-Trac Investment Management Limited which is a private company limited by shares incorporated in England and Wales on 3 October 1989 with company number 02428648.

The directors of the ACD and their significant business activities (if any) not connected with the business of the ACD are as set out in 0.

Registered Office:	Level 4, Dashwood House, 69 Old Broad Street, London EC2M 1QS
Principal Place of Business:	Mains of Orton, Orton, Moray, IV32 7QE
Share Capital:	It has a share capital of £3,398,295 ordinary shares of £1 each issued and paid up.
Ultimate Holding Company:	Valu-Trac Limited, a company incorporated in Bermuda.

The ACD is responsible for managing and administering the Company's affairs in compliance with the COLL Sourcebook. The ACD may delegate its management and administration functions, but not responsibility, to third parties, including associates subject to the rules in the COLL Sourcebook.

It has therefore delegated to the Investment Manager the function of managing and acting as the investment adviser for the investment and reinvestment of the assets of the Sub-funds (as further explained in paragraph 6.4.2 (below)). The ACD has, in terms of a separate distribution agreement, delegated to the Investment Manager the responsibilities for distribution and marketing of the Shares (hereafter the "**Distributor**"), and pursuant to which the Distributor has the right to appoint sub-distributors upon terms acceptable to the ACD.

5.2.2 Terms of Appointment

The appointment of the ACD has been made under an agreement between the Company and the ACD, as amended from time to time (the "**ACD Agreement**"). A copy of the Agreement is available to investors and will be sent on request.

Pursuant to the ACD Agreement, the ACD manages and administers the affairs of the Company in accordance with the Regulations, the Instrument of Incorporation and this Prospectus. The ACD Agreement incorporates detailed provisions relating to the ACD's responsibilities.

The appointment of the ACD may be terminated either by resolution of the Company in a general meeting at any time upon 6 months' prior written notice to the ACD (provided that no such notice takes effect until the appointment of a successor authorised corporate director), or if the ACD ceases for any reason to be the Company's authorised corporate director. The appointment of the ACD may be terminated earlier upon the happening of certain specified events.

The ACD Agreement contains detailed provisions relating to the responsibilities of the ACD and excludes it from any liability to the Company or any Shareholder for any act or omission except in the case of negligence, wilful default, fraud, bad faith, breach of duty or breach of trust in relation to the Company on its part.

The ACD Agreement provides indemnities to the ACD to the extent allowed by the Regulations and other than for matters arising by reason of its negligence, wilful default, fraud, bad faith, breach of duty or breach of trust in the performance of its duties and obligations.

Subject to certain limited exceptions set out in the Regulations, the ACD may retain the services of any person to assist it in the performance of its functions.

Details of the fees payable to the ACD are set out in paragraph 6.1 "Charges payable to the ACD" below.

The ACD is under no obligation to account to the Company for any profit it makes in connection with any business similar to, or in competition with, the Company.

The Company has no directors other than the ACD. The ACD is the manager of certain authorised unit trusts and open-ended investment companies, details of which are set out in 0.

5.3 **The Depositary**

5.3.1 General

The Bank of New York Mellon (International) Limited is the Depositary of the Company and, for the avoidance of doubt, acts as the global custodian to the Company.

The Depositary is a private company limited by shares incorporated in England and Wales on 9 August 1996. Its ultimate holding company is The Bank of New York Mellon Corporation, a public company incorporated in the United States.

The registered office address is at 160 Queen Victoria Street, London, EC4V 4LA.

The principal business activity of the Depositary is the provision of custodial, banking and related financial services. The Depositary is authorised by the Prudential Regulation Authority and is dual-regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

5.3.2 Duties of the Depositary

The Depositary is responsible for the safekeeping of all the Scheme Property, monitoring the cash flows of the Company, and must ensure that certain processes carried out by the ACD are performed in accordance with the applicable rules and constitutive documents of the Company.

5.3.3 Terms of Appointment

The Depositary was appointed under a depositary agreement between the ACD, the Company and the Depositary, effective 17 April 2026 (the "Depositary Agreement").

Under the Depositary Agreement, the Depositary is free to render similar services to others and the Depositary, the Company and the ACD are subject to a duty not to disclose confidential information.

The powers, duties, rights and obligations of the Depositary, the Company and the ACD under the Depositary Agreement shall, to the extent of any conflict, be overridden by the FCA Rules.

Under the Depositary Agreement the Depositary will be liable to the Company for any loss of financial instruments held in custody or for any liabilities incurred by the Company as a result of the Depositary's negligent or intentional failure to fulfil its obligations.

It also provides that the Company will indemnify the Depositary for any loss suffered in the performance or non-performance of its obligations except in the case of the Depositary's breach of its duties under the Depositary Agreement, fraud, bad faith, negligence, or intentional failure.

The Depositary Agreement may be terminated on three months' notice by the Company or the Depositary or earlier on certain breaches or the insolvency of a party. However, termination of the Depositary Agreement will not take effect, nor may the Depositary retire voluntarily, until the appointment of a new Depositary.

Details of the fees payable to the Depositary are given in paragraph 6.3.

5.3.4 Delegation of Safekeeping Functions

The Depositary acts as global custodian and may delegate safekeeping to one or more global sub-custodians (such delegation may include the powers of sub-delegation). The Depositary has delegated safekeeping of the assets of the Company to The Bank of New York Mellon SA/NV and/or The Bank of New York Mellon (the "Global Sub-Custodians").

The Global Sub-Custodians may sub-delegate safekeeping of assets in certain markets in which the Company may invest to various sub-delegates. A list of the sub-delegates is set out in 0. Investors should note that, except in the event of material changes requiring a prompt update of this Prospectus, the list of sub-delegates is updated only at each Prospectus review. An up to date list of sub-delegates may be obtained from the ACD on request.

5.3.5 Conflicts of Interest

(i) Definitions relevant to Depositary conflicts of interest

For the purposes of this section, the following definitions shall apply:

"BNY Affiliate" means any entity in which The Bank of New York Mellon Corporation (a Delaware corporation with registered office at 240 Greenwich St, New York, New York

10286, U.S.A) controls (directly or indirectly) an interest of no less than 30% in the voting stock or interests in such entity.

"Link" means a situation in which two or more natural or legal persons are either linked by a direct or indirect holding in an undertaking which represents 10% or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of the undertaking in which that holding subsists.

"Group Link" means a situation in which two or more undertakings or entities belong to the same group within the meaning of Article 2(11) of Directive 2013/34/EU, as implemented or given direct effect in the UK, or international accounting standards adopted in accordance with Regulation (EC) No. 1606/2002, as it forms part of the law of the UK by virtue of the EU Withdrawal Act 2018, as amended, modified and reinstated from time to time, and any succeeding UK law or regulation which becomes enforceable by law from time to time.

(ii) Company, ACD and investors

The following conflicts of interests may arise between the Depositary, the Company and the ACD:

- A Group Link where the ACD has delegated administrative functions to The Bank of New York Mellon (International) Limited or any BNY Affiliate.

The Depositary shall ensure that policies and procedures are in place to identify all conflicts of interests arising from such Group Link and shall take all reasonable steps to avoid such conflicts of interests. Where such conflicts of interests cannot be avoided, the Depositary and the ACD will ensure that such conflicts of interests are managed, monitored and disclosed in order to prevent adverse effects on the interests of the Company and its investors.

If a Link exists between the Depositary and any investors in the Company, the Depositary shall take all reasonable steps to avoid conflicts of interests arising from such Link, and ensure that its functions comply with Article 23 of the UCITS V Regulations as applicable.

(iii) Delegation

The following conflicts of interests exist as a result of the delegation arrangements relating to safekeeping outlined above:

- A Group Link where the Depositary has delegated, or where any Global Sub-Custodian has sub-delegated, the safekeeping of the Scheme Property to a BNY Affiliate.

The Depositary shall ensure that policies and procedures are in place to identify all conflicts of interests arising from such Group Link and shall take all reasonable steps to avoid such conflicts of interests. Where such conflicts of interests cannot be avoided, the Depositary will ensure that such conflicts of interests are managed, monitored and disclosed in order to prevent adverse effects on the interests of the Company and its investors.

The Depositary may, from time to time, act as the depositary of other open-ended investment companies with variable capital and as trustee or custodian of other collective investment schemes.

Up-to-date information stated above with regards to the Depositary will be made available to unitholders on request.

(iv) Depositary Conflicts of interest

The Depositary or any BNY Affiliates may have an interest, relationship or arrangement that is in conflict with or otherwise material in relation to the services it provides to the ACD and the Company. Conflicts of interest may also arise between the Depositary's different clients.

As a global financial services provider, one of the Depositary's fundamental obligations is to manage conflicts of interest fairly and transparently. As a regulated business, the Depositary is required to prevent, manage and, where required, disclose information regarding any actual or potential conflict of interest incidents to relevant clients.

The Depositary is required to and does maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps designed to prevent conflicts of interest from adversely affecting the interests of its clients.

The Depositary maintains an EMEA Conflicts of Interest Policy (the "Conflicts Policy"). The Conflicts Policy (in conjunction with associated policies):

a) identifies the circumstances which constitute or may give rise to a conflict of interest entailing a risk of damage to the interests of one or more clients;

b) specifies the procedures or measures which should be followed or adopted by the Depositary in order to prevent or manage and report those conflicts of interest;

c) sets out effective procedures to prevent or control the exchange of information between persons engaged in activities involving a risk of a conflict of interest where the exchange of that information may harm the interests of one or more clients;

d) includes procedures to ensure the separate supervision of persons whose principal functions involve carrying out activities with or for clients and whose interests may conflict, or who otherwise represent different interests that may conflict, including with the interests of the Depositary;

e) includes procedures to remove any direct link between the remuneration of individuals principally engaged in one activity and the remuneration of, or revenues generated by, different individuals principally engaged in another activity, where a conflict of interest may arise in relation to those activities;

f) specifies measures to prevent or limit any person from exercising inappropriate influence over the way in which an individual carries out investment or ancillary services or activities; and

g) sets out measures to prevent or control the simultaneous or sequential involvement of an individual in separate investment or ancillary services or

activities where such involvement may impair the proper management of conflicts of interest.

Disclosure of conflicts of interest to clients is a measure of last resort to be used by the Depositary to address its regulatory obligations only where the organisational and administrative arrangements established by the Depositary (and any BNY Affiliates where applicable) to prevent or manage its conflicts of interest are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of clients will be prevented.

The Depositary must assess and review the Conflicts Policy at least once per year and take all appropriate measures to address any deficiencies.

The Depositary shall make available to its competent authorities, on request, all information which it has obtained while performing its services and which may be required by the competent authorities of the Company.

5.4 **The Investment Manager**

5.4.1 General

The ACD has appointed the Investment Manager, Downing LLP, to provide investment management services to the ACD. The Investment Manager is authorised and regulated by the Financial Conduct Authority.

The Investment Manager's registered office is at 6th Floor St Magnus House, 3 Lower Thames Street, London, England, EC3R 6HD.

The principal activity of the Investment Manager is the provision of portfolio management services and investment advice.

5.4.2 Terms of Appointment

The terms of each Investment Management Agreement between the ACD and the Investment Manager (where the ACD does not perform the role of investment manager itself) provide that the Investment Manager has authority to make decisions on behalf of the ACD on a discretionary basis in respect of day to day investment management of the Scheme Property including authority to place purchase orders and sale orders. Subject to the agreement of the ACD, the Investment Manager may appoint sub-investment advisers to discharge some or all of these duties. The Agreement may be terminated by either party on not less than six months' written notice or earlier upon the happening of certain specified events.

The Investment Manager will receive a fee paid by the ACD out of its remuneration received each month from the Company.

5.5 **The Registrar**

The ACD acts as registrar to the Company. The register will be kept at the offices of the ACD, where it can be inspected by Shareholders during normal business hours.

5.6 **The Auditors**

The auditors of the Company are Johnston Carmichael LLP, whose principal place of business is at Strathlossie House, Elgin Business Park, Kirkhill Avenue, Elgin IV30 8DE.

5.7 **Conflicts of Interest**

The ACD, the Investment Manager and other companies within the ACD's and/or the Investment Manager's group may, from time to time, act as managers, investment managers or advisers to other funds or sub-funds which follow similar investment objectives to those of the Sub-funds. It is therefore possible that the ACD and/or the Investment Manager may in the course of their business have potential conflicts of interest with the Company or a particular Sub-fund. Each of the ACD and the Investment Manager will, however, have regard in such event to its obligations under the ACD Agreement and the Investment Management Agreement respectively and, in particular, to its obligation to act in the best interests of the Company so far as practicable, having regard to its obligations to other clients, when undertaking any investment business where potential conflicts of interest may arise.

The Depositary may act as the depositary of other open-ended investment companies and as trustee or custodian of other collective investment schemes.

5.8 **The Sponsor**

Querns Investments Limited acts as sponsor to the Company. The sponsor has been involved in the design of the Company and the Sub-fund. The role of the sponsor is expected to be largely passive, however, it will be consulted on key decisions involving the Company (such as any change in service providers) and the ACD will (albeit at all times subject to its regulatory responsibilities) take into account the views and requests of the sponsor in this regard. The sponsor does not receive remuneration in respect of its role as sponsor.

6. FEES AND EXPENSES

6.1 Charges payable to the ACD

In payment for carrying out its management duties and responsibilities the ACD is entitled to take an annual fee out of each Sub-fund as set out in 0. The annual management charge will accrue on a daily basis in arrears by reference to the Net Asset Value of the Sub-fund on the immediately preceding Dealing Day and the amount due for each month is payable on the last Dealing Day of each month.

The current annual management charges for the Sub-funds (expressed as a percentage per annum of the Net Asset Value of each Sub-fund) are set out in 0.

The fees payable to the Investment Manager are payable by the ACD out of its own fee income.

The ACD is also entitled to all reasonable, properly documented, out of pocket expenses incurred in the performance of its duties as set out above, including stamp duty, stamp duty reserve tax on transactions in shares and expenses incurred (both one-off and ongoing) in effecting regulatory changes to the Company.

The ACD is also entitled to be paid out of the Scheme Property any fees, expenses and disbursement in respect of the administration of the Company or a Sub-fund, including in respect of the provision of transfer agency services as follows:

Registration fee:	£10 per shareholder per annum
Transaction charge:	£2.75 per STP (automated) trade
	£10 per manual trade

The Registration fee shall be calculated based on the number of shareholders on the shareholder register on the last business day of the previous month. Such transfer agency fees shall accrue daily during the current month and shall be payable on the first business day of the following month.

VAT is payable on the charges or expenses mentioned above, where appropriate.

If a Class's expenses in any period exceed its income the ACD may take that excess from the capital property attributable to that Class.

6.2 Increase in the Charges payable to the ACD

Any increase in the ACD's charges will be carried out in accordance with the Regulations. The ACD will give Shareholders at least 60 days' notice of any material increases in fees.

6.3 Depositary's fee and expenses

The Depositary is entitled to a fee payable monthly from the Scheme Property for its services as depositary. The Depositary receives for its own account a periodic fee which will accrue daily and is due monthly on the last Valuation Point in each calendar month in respect of that day and the period since the last Valuation Point in the preceding month and is payable within seven days after the last Valuation Point in each month. The rate of the periodic fee is agreed between the ACD and the Depositary from time to time and is based on the value of each Sub-fund:

- Up to £100 million – 1.75 bps (0.0175%) per annum
- £100 million to £250 million – 1.0 bps (0.01%) per annum
- £250 million to £500 million – 0.75 bps (0.0075%) per annum
- Thereafter – 0.5 bps (0.005%) per annum

The Depositary's annual fee is subject to a minimum of £10,000 (plus VAT) per Sub-fund for each of the first three years of the Depositary's appointment.

These rates can be varied from time to time in accordance with the OEIC Regulations and the Rules.

The first accrual in relation to any Sub-fund will take place in respect of the period beginning on the day on which the first valuation of that Sub-fund is made and ending on the last Business Day of the month in which that day falls.

In addition to the periodic fee referred to above, the Depositary shall also be entitled to be paid transaction and custody charges in relation to transaction handling and safekeeping of the Scheme Property as follows:

Item	**Range**
Transaction Charges	£2 to £100 per transaction.
Custody Charges	0.001% to 0.25%.

These charges vary from country to country depending on the markets and the type of transaction involved. Transaction charges accrue at the time the transactions are effected and are payable as soon as is reasonably practicable, and in any event not later than the last Business Day of the month when such charges arose or as otherwise agreed between the Depositary and the ACD. Custody charges accrue and are payable as agreed from time to time by the ACD and the Depositary.

Where relevant, the Depositary may make a charge for its services in relation to: distributions, proxy voting, related tax services, the provision of banking services, holding money on deposit, lending money, or engaging in stock lending or derivative transactions, in relation to a Sub-fund and may purchase or sell or deal in the purchase or sale of Scheme Property, provided always that the services concerned and any such dealing are in accordance with the provisions of the COLL Sourcebook.

The Depositary will also be entitled to payment and reimbursement of all costs, liabilities and expenses properly incurred in the performance of, or arranging the performance of, functions conferred on it by the Instrument, the COLL Sourcebook or by the general law.

On a winding up of a Sub-fund, the Depositary will be entitled to its pro rata fees, charges and expenses to the date of winding up, the termination, or the redemption (as appropriate) and

any additional expenses necessarily realised in settling or receiving any outstanding obligations.

Any value added tax on any fees, charges or expenses payable to the Depositary will be added to such fees, charges or expenses.

In each such case such payments, expenses and disbursements may be payable to any person (including the ACD or any associate or nominee of the Depositary or of the ACD) who has had the relevant duty delegated to it pursuant to the COLL Sourcebook by the Depositary.

6.4 **Other Expenses**

The following expenses may also be paid out of the Scheme Property of the Company or each Sub-fund (as the case may be) so far as permitted by the COLL Sourcebook:

6.4.1 any costs and expenses incurred in incorporating and authorising any Sub-funds and Share Classes at and after the initial establishment. Such costs will be apportioned on a straight line basis over the first accounting year of the Sub-funds and where there is more than one Sub-fund or Share Class, apportioned according to the appropriate Sub- fund or Share Class;

6.4.2 broker's commission, fiscal charges and other disbursements (including stamp duty and/or stamp duty reserve tax) which are necessary to be incurred in effecting transactions for the Sub-funds and normally shown in contract notes, confirmation notes and difference accounts as appropriate;

6.4.3 any costs incurred in or about the listing of Shares in the Company on any Stock Exchange, and the creation, conversion and cancellation of Shares;

6.4.4 any costs incurred by the Company in publishing the price of the Shares in a national or other newspaper or any other form of media;

6.4.5 any cost incurred in producing and dispatching payments made by the Company or a Sub-fund (as the case may be), or the yearly and half yearly reports of the Company;

6.4.6 any costs incurred in preparing, translating, producing (including printing), distributing and modifying any instrument of incorporation, any prospectus, any key investor information document (apart from the cost of distributing the key investor information document), or reports, accounts, statements, contract notes and other like documentation or any other relevant document required under the Regulations;

6.4.7 any costs incurred as a result of periodic updates of or changes to any prospectus, key investor information document or instrument of incorporation;

6.4.8 any fees, expenses or disbursements of any legal or other professional adviser of the Company;

6.4.9 any costs incurred in taking out and maintaining an insurance policy in relation to the Company and the ACD;

6.4.10 any costs incurred in respect of meetings of Shareholders convened for any purpose;

6.4.11 any liability arising after the transfer of property to another authorised fund in consideration of units or shares in such other fund in accordance with COLL 6.7.15R;

6.4.12 interest on permitted borrowings and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;

6.4.13 taxation and duties payable in respect of the Scheme Property or the issue or redemption of Shares;

6.4.14 the audit fees of the Auditors (including VAT) and any expenses of the Auditors;

6.4.15 periodic fees of the FCA, together with any corresponding fees of any regulatory authority in a country or territory outside the UK in which Shares in the Sub-funds are or may be marketed;

6.4.16 any expense incurred in relation to company secretarial duties including the cost of maintenance of minute books and other documentation required to be maintained by the Company;

6.4.17 any expense incurred in relation to each dealing transaction of Shares of the Company by way of example, including the cost of telephone, fax, postage and bank charges required to process a dealing transaction;

6.4.18 any payment otherwise due by virtue of a change to the Regulations;

6.4.19 any costs incurred which are associated with independent risk monitoring or daily "value at risk" or "VaR" calculations (part of the risk monitoring process);

6.4.20 any costs incurred in amending the Instrument of Incorporation or this Prospectus including costs in respect of meetings of shareholders and/or directors convened for the purposes which include the purpose of amending the Instrument of Incorporation or this Prospectus;

6.4.21 payments or costs in relation to the preparation of the key investor information document (either in respect of the Company or a Sub-fund);

6.4.22 any fees of any stocklending agent in relation to the entry into stocklending arrangement or repurchase/reverse repurchase contracts for the account of a Fund in accordance with the FCA Rules;

6.4.23 any VAT or similar tax relating to any charge or expense set out herein; and

6.4.24 any other payment permitted to be paid out of the Scheme Property under the Regulations as provided for in the Instrument of Incorporation of the Company.

The ACD is also entitled to be paid by the Company out of the Scheme Property any expenses incurred by the ACD or its delegates of the kinds described above.

The establishment costs of any Sub-fund launched after the issue of this Prospectus may be borne by that Sub-fund.

Value Added Tax will be added to all these payments, where applicable.

Further charges for taxation may be paid out of the Scheme Property as described in Section 0 below.

6.5 **Charges to income or capital**

Expenses are allocated between capital and income in accordance with the Regulations. The applicable policy for each Sub-fund is set out in 0. Where expenses are deducted in the first

instance from income if, and only if, this is insufficient, deductions will be made from capital (save for any charge made in respect of SDRT under paragraph 2.7.5 "Stamp Duty Reserve Tax"). If deductions were made from capital, this could have an adverse effect on a Sub-fund's capital and constrain growth.

If a Class's expenses in any period exceed its income the ACD may take that excess from the capital property attributable to that Class.

6.6 **Allocation of fees and expenses between Sub-funds**

All the above fees, duties and charges (other than those borne by the ACD) will be charged to the Sub-fund in respect of which they were incurred. This includes any charges and expenses incurred in relation to the Register, except that these will be allocated and charged to each class of Shares on a basis agreed between the ACD and the Depositary.

Where an expense is not considered to be attributable to any one Sub-fund, the expense will normally be allocated in a manner which the ACD considers fair to Shareholders generally. This will normally be pro rata to the Net Asset Value of the relevant Sub-funds.

7. INSTRUMENT OF INCORPORATION

The Instrument of Incorporation is available for inspection at the ACD's offices at Mains of Orton, Orton, Moray, IV32 7QE.

8. SHAREHOLDER MEETINGS AND VOTING RIGHTS

8.1 Class, Company and Sub-fund Meetings

The Company has dispensed with the requirement to hold annual general meetings.

The provisions below, unless the context otherwise requires, apply to Class meetings and meetings of Sub-funds as they apply to general meetings of the Company, but by reference to Shares of the Class or Sub-fund concerned and the Shareholders and value and prices of such Shares.

8.2 Requisitions of Meetings

The ACD may requisition a general meeting at any time.

Shareholders may also requisition a general meeting of the Company. A requisition by Shareholders must state the objects of the meeting, be dated, be signed by Shareholders who, at the date of the requisition, are registered as holding not less than one tenth in value of all Shares then in issue and the requisition must be deposited at the head office of the Company. The ACD must convene a general meeting no later than eight weeks after receipt of such requisition.

8.3 Notice and Quorum

Shareholders will receive at least 14 days' notice of a general meeting and are entitled to be counted in the quorum and vote at such meeting either in person or by proxy. The quorum for a meeting is two Shareholders, present in person or by proxy. The quorum for an adjourned meeting is one person entitled to be counted in a quorum. Notices of meetings and adjourned meetings will be sent to Shareholders at their registered addresses.

8.4 Voting Rights

At a general meeting, on a show of hands every Shareholder who (being an individual) is present in person or (being a corporation) is present by its representative properly authorised in that regard, has one vote.

On a poll vote, a Shareholder may vote either in person or by proxy. The voting rights attaching to each Share are such proportion of the voting rights attached to all the Shares in issue that the price of the Share bears to the aggregate price of all the Shares in issue at a reasonable date, before the notice of meeting is sent out, such date to be decided by the ACD.

A Shareholder entitled to more than one vote need not, if they vote, use all their votes or cast all the votes they use in the same way.

In the case of joint Shareholders, the vote of the most senior Shareholder who votes, whether in person or by proxy, must be accepted to the exclusion of the votes of the other joint Shareholders. For this purpose seniority must be determined by the order in which the names stand in the Register.

Except where the COLL Sourcebook or the Instrument of Incorporation require an extraordinary resolution (which needs at least 75% of the votes cast at the meeting to be in favour if the resolution is to be passed) any resolution required by the COLL Sourcebook will be passed by a simple majority of the votes validly cast for and against the resolution.

The ACD may not be counted in the quorum for a meeting and neither the ACD nor any associate (as defined in the COLL Sourcebook) of the ACD is entitled to vote at any meeting

of the Company except in respect of Shares which the ACD or associate holds on behalf of or jointly with a person who, if the registered Shareholder, would be entitled to vote and from whom the ACD or associate has received voting instructions.

Where all the Shares in a Sub-fund are registered to, or held by, the ACD or its associates and they are therefore prohibited from voting and a resolution (including an extraordinary resolution) is required to conduct business at a meeting, it shall not be necessary to convene such a meeting and a resolution may, with the prior written agreement of the Depositary, instead be passed with the written consent of Shareholders representing 50% or more, or for an extraordinary resolution 75% or more, of the Shares in issue.

"**Shareholders**" in this context means Shareholders entered on the register at a time to be determined by the ACD and stated in the notice of the meeting which must not be more than 48 hours before the time fixed for the meeting.

8.5 **Variation of Class or Sub-fund rights**

The rights attached to a Class or Sub-fund may be varied in accordance with the COLL Sourcebook.

Fundamental changes to the Company can only be made with the passing of an extraordinary resolution of Shareholders. A fundamental change is a change or event which changes the purposes or nature of the Company or the Sub-funds, or may materially prejudice a Shareholder, or alters the risk profile of the Company or a Sub-fund, or introduces any new type of payment out of the scheme property. Any change may be fundamental depending on its degree of materiality and effect on the Company or a Sub-fund and its Shareholders.

9. TAXATION

9.1 General

The information below is a general guide based on current United Kingdom law and HMRC practice, all of which are subject to change. It is not intended to be exhaustive and there may be other tax considerations which may be relevant to prospective investors. It summarises the tax position of the Company and of investors who are United Kingdom resident individuals and hold Shares as investments. The regime for taxation of income and capital gains received by individual investors depends on the tax law applicable to their personal circumstances and/or the place where the Scheme Property is invested. The following tax summary is not a guarantee to any investor of the tax results of investing in the Company. Prospective investors who are in any doubt about their tax position, or who may be subject to tax in a jurisdiction other than the United Kingdom, are recommended to take professional advice.

9.2 The Company

Each Sub-fund will be treated, for tax purposes, as a separate entity.

The Company is generally exempt from tax on capital gains on the disposal of investments (including interest-bearing securities and derivatives, but excluding offshore income gains).

The Company is generally exempt from tax on UK and overseas dividends received. Any other income, after deduction of the Company's management costs and expenses as well as interest distributions where these are paid, is liable to corporation tax at 20%.

The Company pays dividend distributions, except where more than 60% of its investments are interest-bearing and economically equivalent investments throughout a distribution period, in which case it will make interest distributions.

Distributions will be paid to Shareholders or accumulated, depending on the class, and Shareholders will be liable to tax on the amount of the distribution in either case.

9.3 Shareholders

9.3.1 Income distributions

Any income distribution made by the Company, unless designated by the Company as an interest distribution, will be treated as if it were a dividend from a UK company. No deduction of UK income tax is made from a dividend distribution.

Corporate Shareholders within the charge to UK corporation tax receive this income distribution as franked investment income to the extent that the distribution relates to underlying franked investment income (before deduction of expenses, but net of UK corporation tax) for the period in respect of which the distribution is made. Any part of the distribution which is not received as franked investment income is taxable as if it were an annual payment in the hands of the Shareholder and is subject to corporation tax.

9.3.2 Capital gains

Shareholders who are resident in the UK for tax purposes may be liable to capital gains tax or, where the Shareholder is a company, corporation tax in respect of gains arising from the sale, exchange or other disposal of Shares (including

Switches between Sub-funds but not Switches between Classes in respect of the same Sub-fund).

Capital gains made by individual Shareholders on disposals from all chargeable sources of investment will be tax free if the net gain (after deduction of allowable losses) falls within an individual's annual capital gains exemption.

Shareholders chargeable to UK corporation tax must include all chargeable gains realised on the disposal of Shares in their taxable profits.

Special provisions apply to a UK corporate Shareholder which invests in a bond fund. Where this is the case, the corporate Shareholder's Shares in the Sub-fund are treated for tax purposes as rights under a creditor loan relationship. This means that the increase or decrease in value of the Shares during each accounting period of the corporate Shareholder is treated as a loan relationship credit or debit, as appropriate and constitutes income (as opposed to a capital gain) for tax purposes and, as such, is taxed in the year that it arises.

The amount representing the income equalisation element of the Share price is a return of capital and is not taxable as income in the hands of Shareholders. This amount should be deducted from the cost of Shares in computing any capital gain realised on a subsequent disposal.

9.3.3 Income Equalisation

The first income allocation received by an investor after buying Income Shares may include an amount of income equalisation, which will be shown on the issued tax voucher. This is effectively a repayment of the income equalisation paid by the investor as part of the purchase price. It is a return of capital, and is not taxable. Rather it should be deducted from the acquisition cost of the Shares for capital gains tax purposes.

9.3.4 Reporting of tax information

The Company and the ACD are subject to obligations which require them to provide certain information to relevant tax authorities about the Company, investors and payments made to them.

Under the Automatic Exchange of Information (AEOI) Regime the Sub-fund is obliged to share certain information in relation to investors with HMRC which will be shared with other tax authorities. AEOI refers to US Foreign Account Tax Compliant Act ("FATCA") and associated inter- governmental agreements and OECD's Common Reporting Standard ("CRS") as applicable in participating jurisdictions.

Failure to comply with these requirements will subject a Fund to US withholding taxes on certain US-sourced income and gains under FATCA and various penalties as applicable in different participating jurisdictions for being non-compliant with CRS regulations.

Shareholders may be asked to provide additional information to the ACD to enable the Sub-fund to satisfy these obligations. Failure to provide requested information under FATCA may subject a Shareholder to liability for any resulting US withholding

taxes, US tax information reporting and/or mandatory redemption, transfer or other termination of the Shareholder's interest in a Sub-fund.

To the extent a Sub-fund is subject to withholding tax as a result of:

- a Shareholder failing (or delaying) to provide relevant information to the ACD;
- a Shareholder failing (or delaying) to enter into a direct agreement with the IRS;
- the Sub-fund becoming liable under FATCA or any legislation or regulation to account for tax in any jurisdiction in the event that a Shareholder or beneficial owner of a Share receives a distribution, payment or redemption, in respect of their Shares or disposes (or be deemed to have disposed) of part or all of their Shares in any way;

(each a "**Chargeable Event**"),

the ACD may take any action in relation to a Shareholder's or beneficial owner's holding to ensure that such withholding is economically borne by the relevant Shareholder or beneficial owner, and/or the ACD and/or its delegate or agent shall be entitled to deduct from the payment arising on a

Chargeable Event an amount equal to the appropriate tax. The action by the ACD may also include, but is not limited to, removal of a non-compliant Shareholder from the Company or the ACD or its delegates or agents redeeming or cancelling such number of Shares held by the Shareholder or such beneficial owner as are required to meet the amount of tax. Neither the ACD nor its delegate or agent, will be obliged to make any additional payments to the Shareholder or beneficial owner in respect of such withholding or deduction.

Each investor agrees to indemnify the Company, each Sub-fund and/or the ACD and its delegates/agents for any loss caused by such investor arising to the Company, a Sub-fund and/or ACD and/or its delegates/agents by reason of them becoming liable to account for tax in any jurisdiction on the happening of a Chargeable Event.

The foregoing statements are based on UK law and HMRC practice as known at the date of this Prospectus, which is subject to change, are intended to provide general guidance only. Shareholders and applicants for Shares are recommended to consult their professional advisers if they are in any doubt about their tax position. No liability is accepted by the ACD for such interpretation.

10. WINDING UP OF THE COMPANY OR A SUB-FUND

The Company will not be wound up except as an unregistered company under Part V of the Insolvency Act 1986 or under the COLL Sourcebook. A Sub-fund may be terminated under the COLL Sourcebook or wound up under Part V of the Insolvency Act 1986 (as modified by regulation 33C of the OEIC Regulations) as an unregistered company.

Where the Company or a Sub-fund is to be wound up or terminated under the COLL Sourcebook, such winding up or termination may only be commenced following approval by the FCA. The FCA may only give such approval if the ACD provides a statement (following an investigation into the affairs of the Company or Sub-fund) either that the Company or Sub-fund will be able to meet its liabilities within 12 months of the date of the statement or that the Company or Sub-fund will be unable to do so. The Company or Sub-fund may not be wound up or terminated under the COLL Sourcebook if there is a vacancy in the position of ACD at the relevant time.

The Company shall be wound up or a Sub-fund must be terminated under the COLL Sourcebook:

10.1 if an extraordinary resolution to that effect is passed by Shareholders; or

10.2 when the period (if any) fixed for the duration of the Company or a particular Sub-fund by the Instrument of Incorporation expires, or any event occurs on the occurrence of which the Instrument of Incorporation provides that the Company or a particular Sub-fund is to be wound up; or

10.3 on the date stated in any agreement by the FCA to a request by the ACD for the revocation of the authorisation order in respect of the Company or for the termination of the relevant Sub-fund;

10.4 on the effective date of a duly approved scheme of arrangement which is to result in the Company or Sub-fund ceasing to hold any Scheme Property; or

10.5 on the date on which all of the Sub-funds of the Company fall within 11.4 or have otherwise ceased to hold any Scheme Property, notwithstanding that the Company may have assets and liabilities that are not attributable to any particular Sub-fund.

On the occurrence of any of the above:

10.6 COLL 6.2 (Dealing), COLL 6.3 (Valuation and Pricing) and COLL 5 (Investment and borrowing powers) will cease to apply to the Company or the relevant Sub-fund;

10.7 the Company will cease to issue and cancel Shares in the Company or the relevant Sub-fund and the ACD shall cease to sell or redeem Shares or arrange for the Company to issue or cancel them for the Company or the relevant Sub-fund;

10.8 no transfer of a Share shall be registered and no other change to the Register shall be made without the sanction of the ACD;

10.9 where the Company is being wound up, the Company shall cease to carry on its business except in so far as it is beneficial for the winding up of the Company;

10.10 the corporate status and powers of the Company, and subject to 11.6 to 11.9 above, the powers of the Depositary shall continue until the Company is dissolved.

The Company may be wound up or a Sub-fund terminated, at the ACD's discretion, if the Share capital of the Company or (in relation to any Sub-fund) the Net Asset Value of the Sub-fund is

below £5 million, or if a change in the laws or regulations of any country means that, in the ACD's opinion, it is desirable to terminate the Sub-fund.

The ACD shall, as soon as practicable after the Company or the Sub-fund falls to be wound up or terminated, realise the assets and meet the liabilities of the Company or the Sub-fund and, after paying out or retaining adequate provision for all liabilities properly payable and retaining provision for the costs of winding up, arrange for the Depositary to make one or more interim distributions out of the proceeds to Shareholders proportionately to their rights to participate in the Scheme Property. If the ACD has not previously notified Shareholders of the proposal to wind up the Company or terminate the Sub-fund, the ACD shall, as soon as practicable after the commencement of winding up of the Company or the termination of the Sub-fund, give written notice of the commencement to Shareholders. When the ACD has caused all of the Scheme Property to be realised and all of the liabilities of the Company or the particular Sub-fund to be realised, the ACD shall arrange for the Depositary to make a final distribution to Shareholders on or prior to the date on which the final account is sent to Shareholders of any balance remaining in proportion to their holdings in the Company or the particular Sub-fund.

As soon as reasonably practicable after completion of the winding up of the Company or the termination of a particular Sub-fund, the Depositary shall notify the FCA that the winding up or termination has been completed.

On completion of a winding up of the Company, the Company will be dissolved and any money (including unclaimed distributions) still standing to the account of the Company, will be paid into court by the ACD within one month of the dissolution.

Following the completion of a winding up of the Company or the termination of a Sub-fund, the ACD must prepare a final account showing how the winding up or termination took place and how the Scheme Property was distributed. The auditors of the Company shall make a report in respect of the final account stating their opinion as to whether the final account has been properly prepared. This final account and the auditors' report must be sent to the FCA and to each Shareholder (or the first named of joint Shareholders) on the Register within four months of the completion of the winding up or termination.

As the Company is an umbrella company, each Sub-fund may be terminated as if it were a separate open-ended investment company. Any liabilities attributable or allocated to a particular Sub-fund under the COLL Sourcebook shall be met out of the Scheme Property attributable or allocated to that particular Sub-fund.

11. GENERAL INFORMATION

11.1 Accounting Periods

The annual accounting period of the Company ends each year on 31 March (the accounting reference date) with an interim accounting period ending on 30 September.

The ACD may even out the payments of income within an accounting period by carrying forward income otherwise distributable with a view to augmenting amounts to be paid out at a later date. Details of the Sub-funds for which this policy is currently considered are set out in 0.

11.2 Notice to Shareholders

All notices or other documents to be served upon a Shareholder will be duly served if such notice or other document is sent by the ACD to the Shareholder by normal post to the last address notified in writing to the Company by the Shareholder.

Any notice or document served by post is deemed to have been served on the second Business Day following the day on which it is posted. Any document left at a registered address or delivered other than by post is deemed to have been served on that day.

11.3 Income Allocations

Some Sub-funds may have interim and final income allocations and other Sub-funds may have quarterly or monthly income allocations and some Sub-funds may only have final income allocation dates (see 0). For each of the Sub-funds income is allocated by the ACD in accordance with the Instrument of Incorporation and either paid, reinvested or accumulated to those Shareholders who are entitled to the distribution by evidence of their holding on the Register at the previous accounting date.

In relation to income Shares, distributions of income for each Sub-fund in which income Shares are issued are paid by bank/telegraphic transfer directly into a Shareholder's bank account on or before the relevant income allocation date in each year as set out in 0.

For Sub-funds in which accumulation Shares are issued, income will become part of the capital property of the Sub-fund and will be reflected in the price of each such accumulation Share as at the end of the relevant accounting period.

If a distribution made in relation to any income Shares remains unclaimed for a period of six years after it has become due, it will be forfeited and will revert to the relevant Sub-fund.

The amount available for distribution in any accounting period is calculated by taking the aggregate of the income received or receivable for the account of the relevant Sub-fund in respect of that period, and deducting the charges and expenses of the relevant Sub-fund paid or payable out of income in respect of that accounting period. The ACD then makes such other adjustments as it considers appropriate (and after consulting the Company's auditors as appropriate) in relation to taxation, income equalisation, income unlikely to be received within 12 months following the relevant income allocation date, income which should not be accounted for on an accrual basis because of lack of information as to how it accrues, transfers between the income and capital account and other matters.

11.4 Annual Reports

The annual accounting period of the Company ends on 31 March in each year (the "**accounting reference date**") and the interim accounting period ends on 30 September (the "**interim accounting reference date**") or such other date as the ACD may determine.

The Company's annual report incorporating audited financial statements will be published within four months, and normally within two months, after the end of the financial year and the interim report within two months of the end of the interim accounting period.

Copies of the interim and annual reports will be available on request from the ACD.

Copies of all reports to Shareholders will be available for inspection by the general public at the ACD's offices at Mains of Orton, Orton, Moray, IV32 7QE.

11.5 **Remuneration Policy**

FCA Rules require that the ACD applies remuneration policies and practices that are consistent with, and promote, effective risk management for certain categories of staff (namely those whose activities have a material impact on the risk profile of the ACD or the UCITS funds that it manages ("**Code Staff**")). The ACD, taking account of the principle of proportionality, has in place a remuneration policy (the "**Remuneration Policy**") which is reviewed at least annually.

The ACD considers the Remuneration Policy to be appropriate to the size, internal operations, nature, scale and complexity of the Sub-fund and in line with the risk profile, risk appetite and the strategy of the Sub-fund.

The Remuneration Policy will apply to the fixed and variable (if any) remuneration received by the Code Staff.

In respect of any investment management delegates, the ACD requires that: (i) the entities to which such activities have been delegated are subject to regulatory requirements on remuneration that are equally as effective as those applicable under the FCA Handbook; or (ii) appropriate contractual arrangements are put in place with entities to which such activities have been delegated in order to ensure that there is no circumvention of the remuneration rules set out in the FCA Handbook.

The ACD's remuneration policy requires, amongst other items, that the remuneration practices within the ACD:

11.5.1 are consistent with and promote sound and effective risk management;

11.5.2 do not encourage risk taking which is inconsistent with the risk profiles or the instrument constituting the fund or the prospectus, as applicable, of the UCITS it manages;

11.5.3 do not impair the ACD's compliance with its duty to act in the best interests of the UCITS it manages; and

11.5.4 include fixed and variable components of remuneration, including salaries and discretionary pension benefits.

Up-to-date details of the ACD's remuneration policy, including but not limited to (i) a description of how remuneration and benefits are calculated; and (ii) the identities of persons responsible for awarding the remuneration and benefits including the composition

of the remuneration committee, where such a committee exists, can be found at www.valu-trac.com. Shareholders may obtain a paper copy of the full remuneration policy, free of charge, on request from the ACD.

11.6 **Data Protection Notice**

Investors should note that all personal data contained in any document provided by Shareholders or any further data collected in the course of business with the Fund or provided personally to Valu-Trac Investment Management Limited ("Valu-Trac") constitute personal data within the meaning of the Data Protection Act 2018, the General Data Protection Regulation (Regulation (EU) 2016/679), the EU ePrivacy Directive 2002/58/EC (as amended) and any relevant transposition of, or successor or replacement to, those laws (together the "Data Protection Legislation").

Such personal data will be used by the Company for the purposes of administration, transfer agency, statistical analysis, research and disclosure to the Sub-fund, its delegates, and agents. Such processing of personal data is required for the performance of tasks that are necessary for the performance of the contract between the Investor and the Company, for compliance with certain legal obligations to which the Company or a Fund is subject or is carried out on as Valu- Trac considers it is within its legitimate interests to do so (the "**Grounds for Processing**"). Valu-

Trac follow strict security procedures as to how prospective investors' personal information is stored and used, and who sees it, to help stop any unauthorised person accessing it.

Investors acknowledge that such personal data are disclosed by the Company, its delegates and its or their duly authorised agents and any of their respective related, associated or affiliated companies on the basis of the above Grounds for Processing and that such entities (the "**Fund Partners**") may further process (including obtaining, holding, using, disclosing and otherwise processing) the personal data on the basis of the same Grounds for Processing for any one or more of the following purposes:

- to manage and administer the investor's holding in the Company and any related accounts on an ongoing basis;
- to carry out statistical analysis and market research;
- to comply with legal, regulatory and taxation obligations applicable to the investor and the Company; or
- for disclosure or transfer, whether in the United Kingdom or countries outside of the United Kingdom, including, but without limitation, the United States (which may not have the same data protection laws as the United Kingdom), to third parties, including financial advisors, regulatory bodies, auditors and technology providers or to the Company and its delegates and its or their duly appointed agents and any of their respective related, associated or affiliated companies for the purposes specified above.

The Company and the Fund Partners may also process investors' personal information where it or they consider there are other legitimate business interests of the Company (including fraud prevention) to necessitate the processing or for any other specific purposes where the investor has given specific consent to the processing (in advance). If an investor has provided explicit consent for their personal data to be processed, the investor shall be

entitled to withdraw their consent at any time by contacting Valu-Trac at 0330 678 4760. Please note, in particular, in order to comply with the Common Reporting Standard (Please see the section of this Prospectus entitled "Taxation – Reporting of tax information"), as implemented in the United Kingdom by the International Tax Compliance Regulations 2015, an investor's personal data (including financial information) may be shared with HM Revenue & Customs and other tax authorities.

They in turn may exchange information (including personal data and financial information) with foreign tax authorities (including foreign tax authorities located outside the European Economic Area). Please consult the AEOI (Automatic Exchange of Information) webpage on www.gov.uk for further information in this regard.

Please note that your personal data will be retained by the Company for as long as necessary to fulfil the purposes Valu-Trac collected it for, which, in general terms, is likely to be for the duration of the relevant investment and otherwise in accordance with the Company's legal obligations (e.g. 7 years in the UK). Pursuant to the Data Protection Legislation, investors have a right of access to their personal data kept by the Company, the right to amend and rectify any inaccuracies in their personal data held by the Company and the right to data portability of their personal data by making a request to the Company at 0330 678 4760. For further information in relation to your data protection rights refer to the website of the Information Commissioner's Office at https://ico.org.uk/ and search for "Individual Rights".

Valu-Trac reserve the right to change, modify, add or remove portions of this notice from time to time in our sole discretion, but will inform investors of all material changes. If you have any questions or concerns regarding this notice or Defined Term's practices please contact Valu-Trac.

11.7 **Documents of the Company**

The following documents may be inspected free of charge during normal business hours on any Business Day at the offices of the ACD at Mains of Orton, Orton, Moray, IV32 7QE:

11.7.1 the most recent annual and half yearly reports of the Company;

11.7.2 the Instrument of Incorporation (and any amending documents); and

11.7.3 this Prospectus or the most recent version of the Prospectus.

Shareholders may obtain copies of the above documents from the ACD. The ACD may make a charge at its discretion for copies of documents (apart from the most recent versions of the Prospectus and annual and half yearly reports of the Company which are available free of charge to anyone who requests them).

11.8 **Material Contracts**

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company and are, or may be, material:

11.8.1 the ACD Agreement between the Company, and the ACD; and

11.8.2 the Depositary Agreement between the Company, the ACD and the Depositary.

Details of the above contracts are given under section 0 "Management and Administration".

11.9 **Provision of Investment Advice**

All information concerning the Company and about investing in Shares of the Company is available from the ACD at Mains of Orton, Orton, Moray, IV32 7QE. The ACD is not authorised to give investment advice and persons requiring such advice should consult a professional financial adviser. All applications for Shares are made solely on the basis of the current prospectus of the Company, and investors should ensure that they have the most up to date version.

11.10 **Telephone Recordings**

Please note that the ACD may record telephone calls for training and monitoring purposes and to confirm investors' instructions.

11.11 **Complaints**

Complaints concerning the operation or marketing of the Company may be referred to the Head of Compliance at the ACD at Mains of Orton, Orton, Moray, IV32 7QE or, if you subsequently wish to take your complaint further, direct to the Financial Ombudsman Service at Exchange Tower, London E14 9SR. The website of the Financial Ombudsman Service is at www.financial- ombudsman.org.uk.

The Financial Services Compensation Scheme offers compensation when an authorised firm is unable to pay claims against it, usually because the firm has gone out of business. The ACD is covered by the Financial Services Compensation Scheme. Investors may be entitled to compensation from the scheme if the ACD cannot meet its obligations. Most types of investment business are covered for 100% of the first £85,000 only. Further information is available from the Financial Services Compensation Scheme (FSCS) by contacting the FSCS Limited at PO Box 300, Mitcheldean GL17 1DY or via telephone: on 0800 678 1100 or 020 7741 4100. The website of the FSCS is at www.fscs.org.uk.

11.12 **Risk Management**

The ACD will provide upon the request of a Shareholder further information relating to:

11.12.1 the quantitative limits applying in the risk management of any Sub-fund;

11.12.2 the methods used in relation to 12.12.1; and

11.12.3 any recent development of the risk and yields of the main categories of investment.

11.13 **Indemnity**

The Instrument of Incorporation contains provisions indemnifying the Directors, other officers and the Company's auditors or the Depositary against liability in certain circumstances otherwise than in respect of their negligence, default, breach of duty or breach of trust, and indemnifying the Depositary against liability in certain circumstances otherwise than in respect of its failure to exercise due care and diligence in the discharge of its functions in respect of the Company.

11.14 **Genuine diversity of ownership**

Shares in, and information on, the Company are and will continue to be marketed and made easily and widely available to reach the intended categories of investors and in a manner appropriate to attract those categories of investors. The intended categories of investors are retail investors and non-retail, professional investors.

APPENDIX 1
SUB-FUND DETAILS

Name:	VT Downing Small & Mid-Cap Income Fund
Type of Sub-fund:	UCITS Scheme
Product Reference Number:	635484
Investment Objective and Policy:	The investment objective of the Fund is to achieve income, with the potential for capital growth over the long term (5+ years). The Fund seeks to achieve its investment objective by investing at least 80% in equities listed on UK markets (including the London Stock Exchange, AIM and the ICAP Securities and Derivatives Exchange (ISDX)). The Investment Manager will be seeking to invest in shares of small and medium sized companies which are listed in the UK and which the Investment Manager considers to have the ability to increase returns over time. The Investment Manager characterises small and medium-sized listed companies as those companies outside the largest 100 UK listed companies by market capitalisation. The Fund may also invest in other transferable securities (for example, without limitation, of non-small and medium sized companies and/or international equities) (including investment trusts), collective investment schemes, money market instruments, deposits, cash and near cash. Derivatives may be used for the purposes of efficient portfolio management (although it is expected that use of derivatives will be limited). The Fund is actively managed. No more than 10% of the Scheme Property of the Fund will be invested in other collective investment schemes (although such collective investment schemes could include those managed and/or operated by the ACD or Investment Manager). The Fund will not have any particular industry or economic sector focus and as such weightings in these may vary as required.
Use of Derivatives	Derivatives may be used for the purposes of efficient portfolio management. **The use of derivatives for efficient portfolio management will generally not increase the risk profile of the Fund.**

Performance Assessment:	Many funds sold in the UK are grouped into sectors by the Investment Association (the "**IA**") (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics. The Fund is not managed to or constrained by a benchmark. The ACD does, however, assess the performance of the Fund against the IA UK Smaller Companies Sector, which includes a selection of funds which have broadly similar characteristics, particularly in terms of investment objective and time horizons. Some independent data providers prepare and publish performance data on the funds in this sector and investors can use this to assess the Fund's performance. This information can be found on the IA website or Morningstar website.
Final accounting date:	31 March
Interim accounting date:	30 June, 30 September and 31 December
Income distribution dates:	By 31 May (final) By 31 August, 30 November and the last day of February (interim)
Treatment of income:	The ACD may even out the payments of income within an accounting period by carrying forward income otherwise distributable with a view to augmenting amounts to be paid out at a later date prior to or at the end of the same accounting period.
Shares Classes and type of Shares:	Income Shares I Income Shares Accumulation Shares I Accumulation Shares
Regular Savings Plan:	Accumulation Shares
Initial charge:	0%
Redemption charge:	None
Switching charge:	Please refer to section 2.4

Annual management charge:	£67,056.21[1] per annum plus (a) 0.75% per annum of the Net Asset Value of the Sub-fund attributable to the Income Share Class or Accumulation Share Class; or (b) 0.55% per annum of the Net Asset Value of the Sub-fund attributable to the I Income Share Class or I Accumulation Share Class, Plus: a. up to £100 million Net Asset Value – 0.015% per annum b. £100 million to £250 million Net Asset Value – 0.0075% per annum; c. £250 million to £500 million Net Asset Value – 0.005% per annum; d. above £500 million Net Asset Value – 0.0025% per annum; (plus VAT if applicable).
Charges taken from Income or capital:	Capital
Investment minima*:	
Initial Investment	Accumulation and Income share class: £1,000 Accumulation and I Income share class: £100,000 £500 £100 per month
Subsequent Investment Regular Savings Plan	Accumulation and Income share class: £1,000 Accumulation and I Income share class: £100,000
Holding	N/A (provided minimum holding is maintained)
Redemption	

* The ACD may waive the minimum levels at its discretion.

Investor profile

A retail or institutional investor, with an investment horizon of at least 5 to 10 years, who is prepared to accept some risk and whose primary goal is the receipt of a high level of income but who also wishes to have long term capital growth. The investor understands that the value of their investment and the income from it will fluctuate as an investment in equity markets will always involve an element of risk.

[1] The fixed element of the fee shall rise annually in line with the rate of inflation (calculated in accordance with the Consumer Prices Index) on 1 January each year. The stated fee is accurate as of 1 January 2026. In the event of negative inflation, this fee will remain unchanged.

APPENDIX 2

ELIGIBLE SECURITIES MARKETS AND ELIGIBLE DERIVATIVE MARKETS

All Sub-funds may deal through securities markets established in the UK and EEA States on which transferable securities admitted to official listing in the UK or EEA State are dealt in or traded.

For the purposes only of determining the value of the assets of a Sub-fund, the term "Eligible Market" shall be deemed to include, in relation to any futures or options contract utilised by the Sub-fund for the purposes of efficient portfolio management or to provide protection against exchange rate risk, any organised exchange or market on which such futures or options contract is regularly traded.

Each Sub-fund may also deal through the securities and derivatives markets indicated below:

Eligible Securities Markets:

United States of America	NYSE Euronext New York The NASDAQ Stock Market (NASDAQ) NYSE Amex Equities
	Chicago Mercantile Exchange (CME)
	Chicago Board of Trade (CBOT)
	The market in transferable securities issued by or on behalf of the United States of America conducted through those persons for the time being recognised and supervised by the Federal Reserve Bank of New York and known as primary dealers
Australia	Australian Securities Exchange (ASX)
Canada	Toronto Stock Exchange (TSX)
	TSX Venture Exchange
Cyprus	Cyprus Stock Exchange
Hong Kong	Hong Kong Stock Exchange
Iceland	Nasdaq Iceland
India	National Stock Exchange of India (NSE)
Indonesia	Indonesian Stock Exchange
Japan	Tokyo Stock Exchange
	Nagoya Stock Exchange
Korea	Korea Exchange (KRX)
Malaysia	Bursa Malaysia Securities Bhd
Mexico	Bolsa Mexicana de Valores (BMV)

Norway	Oslo Stock Exchange
New Zealand	New Zealand Stock Exchange (NZX)
Philippines	Philippine Stock Exchange
Singapore	Singapore Exchange (SGX)
South Africa	JSE Limited
Switzerland	SIX Swiss Exchange (SWX)
Taiwan	Taiwan Stock Exchange
Thailand	The Stock Exchange of Thailand (SET)
Turkey	Borsa Istanbul
Eligible Derivatives Markets:	
United Kingdom	The London International Financial Futures and Options Exchange (NYSE LIFFE)

APPENDIX 3
INVESTMENT AND BORROWING POWERS OF THE COMPANY

1. General

1.1 The property of each Sub-fund will be invested with the aim of achieving the investment objective of that Sub-fund subject to the limits on investment set out in this Prospectus, in Chapter 5 of the FCA Handbook, Individual Savings Regulations 2008 (where applicable) and the relevant Sub-fund's investment policy. These limits apply to each Sub-fund as summarised below.

1.2 The ACD must ensure that, taking account of the investment objectives and policy of each Sub-fund, the Scheme Property of each Sub-fund aims to provide a prudent spread of risk.

1.3 The rules in this section relating to spread of investments do not apply until the expiry of a period of six months after the date on which the authorisation order of the relevant Sub-fund takes effect or on which the initial offer commenced, if later, provided that the Sub-fund aims to provide a prudent spread of risk during such period.

2. UCITS schemes - general

2.1 The Scheme Property of each Sub-fund, subject to its investment objective and policy and except where otherwise provided in COLL 5 only consist of any or all of:

(A) transferable securities;

(B) approved money market instruments;

(C) permitted derivatives and forward transactions;

(D) permitted deposits;

(E) permitted units in collective investment schemes; and

(F) movable and immovable property that is necessary for the direct pursuit of the Company's business.

2.2 Transferable securities and approved money market instruments held within a Sub-fund must (subject to paragraph 2.3) be:

(A) admitted to or dealt in on an eligible market as described in paragraphs 3.1 and 3.2; or

(B) for an approved money market instrument not admitted to or dealt in on an eligible market, within paragraph 9.1: or

(C) recently issued transferable securities (provided that the terms of issue include an undertaking that application will be made to be admitted to an eligible market; and such admission is secured within a year of issue).

2.3 Not more than 10% in value of the Scheme Property is to consist of transferable securities and approved money market instruments (other than those that are referred to in paragraph 2.2).

2.4 It is not intended that any Sub-fund will have an interest in any immovable property or tangible movable property.

3. Eligible markets requirements

3.1 A market is eligible for the purposes of the paragraph 2.2 if it is:

(A) a regulated market (as defined for the purposes of the FCA Handbook);

(B) a market in the UK or an EEA State which is regulated, operates regularly and is open to the public; or

(C) any market within 3.2.

3.2 If a market does not fall within paragraph 3.1 it may be eligible if the ACD, after consultation and notification with the Depositary, decides that:

(A) the market is appropriate for investment of, or dealing in, the Scheme Property;

(B) the market is included in a list in the Prospectus; and

(C) the Depositary has taken reasonable care to determine that adequate custody arrangements can be provided for the investment dealt in on that market and all reasonable steps have been taken by the ACD in deciding whether that market is eligible.

3.3 In paragraph 3.2 a market must not be considered appropriate unless it is regulated, operates regularly, is recognised as a market or exchange or as a self regulating organisation by an overseas regulator, is open to the public, is adequately liquid and has adequate arrangements for unimpeded transmission of income and capital to or to the order of investors.

3.4 The eligible securities and derivatives markets for each Sub-fund of the Company are set out in 0.

3.5 New eligible securities markets may be added to the existing list in accordance with the FCA Handbook.

4. Transferable securities

4.1 A transferable security is an investment falling within the following articles of the Regulated Activities Order:

(A) article 76 (Shares etc.);

(B) article 77 (Instruments creating or acknowledging indebtedness);

(C) article 78 (Government and public securities);

(D) article 79 (Instruments giving entitlement to investments); or

(E) article 80 (Certificate representing certain securities).

4.2 An investment is not a transferable security if the title to it cannot be transferred, or can be transferred only with the consent of a third party.

4.3 In applying paragraph 4.2 to an investment which is issued by a body corporate, and which is an investment falling within paragraphs 4.1(A) or 4.1(B), the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored.

4.4 An investment is not a transferable security unless the liability of the holder of it to contribute to the debts of the issuer is limited to any amount for the time being unpaid by the holder of it in respect of the investment.

5. Investment in transferable securities

5.1 A Sub-fund may invest in a transferable security only to the extent that the transferable security fulfils the following criteria:

(A) the potential loss which the Sub-fund may incur with respect to holding the transferable security is limited to the amount paid for it;

(B) its liquidity does not compromise the ability of the ACD to comply with its obligation to redeem shares at the request of any qualifying shareholder under COLL 6.2;

(C) reliable valuation is available for it as follows:

in the case of a transferable security admitted to or dealt in on an eligible market, where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers;

in the case of a transferable security not admitted to or dealt in on an eligible market, where there is a valuation on a periodic basis which is derived from information from the issuer of the transferable security or from competent investment research;

(D) appropriate information is available for it as follows:

in the case of a transferable security admitted to or dealt in on an eligible market, where there is regular, accurate and comprehensive information available to the market on the transferable security or, where relevant, on the portfolio of the transferable security;

in the case of a transferable security not admitted to or dealt in on an eligible market, where there is regular and accurate information available to the ACD on the transferable security or, where relevant, on the portfolio of the transferable security;

(E) it is negotiable; and

(F) its risks are adequately captured by the risk management process of the ACD.

5.2 Unless there is information available to the ACD that would lead to a different determination, a transferable security which is admitted to or dealt in on an eligible market shall be presumed:

(A) not to compromise the ability of the ACD to comply with its obligation to redeem Shares at the request of any qualifying Shareholder; and

(B) to be negotiable.

6. Closed end funds constituting transferable securities

6.1 A unit in a closed end fund shall be taken to be a transferable security for the purposes of investment by a Sub-fund, provided it fulfils the criteria for transferable securities set out in paragraph 5 (investment in transferable securities), and either:

(A) where the closed end fund is constituted as an investment company or a unit trust:

it is subject to corporate governance mechanisms applied to companies; and

where another person carries out asset management activity on its behalf, that person is subject to national regulation for the purpose of investor protection; or

(B) where the closed end fund is constituted under the law of contract:

it is subject to corporate governance mechanisms equivalent to those applied to companies; and

it is managed by a person who is subject to national regulation for the purpose of investor protection.

7. Transferable securities linked to other assets

7.1 A Sub-fund may invest in any other investment which shall be taken to be a transferable security for the purposes of investment by the Sub-fund provided the investment:

(A) fulfils the criteria for transferable securities set out in paragraph 5 (investment in transferable securities); and

(B) is backed by or linked to the performance of other assets, which may differ from those in which the Sub-fund can invest.

7.2 Where an investment in paragraph 7.1 contains an embedded derivative component the requirements of this section with respect to derivatives and forwards will apply to that component.

8. Approved money market instruments

8.1 An approved money-market instrument is a money-market instrument which is normally dealt in on the money market, is liquid and has a value which can be accurately determined at any time.

8.2 A money-market instrument shall be regarded as normally dealt in on the money market if it:

(A) has a maturity at issuance of up to and including 397 days;

(B) has a residual maturity of up to and including 397 days;

(C) undergoes regular yield adjustments in line with money market conditions at least every 397 days; or

(D) has a risk profile, including credit and interest rate risks, corresponding to that of an instrument which has a maturity as set out in paragraphs 8.2(A) or 8.2(B) or is subject to yield adjustments as set out in paragraph 8.2(C).

8.3 A money-market instrument shall be regarded as liquid if it can be sold at limited cost in an adequately short time frame, taking into account the obligation of the ACD to redeem Shares at the request of any qualifying Shareholder.

8.4 A money-market instrument shall be regarded as having a value which can be accurately determined at any time if accurate and reliable valuations systems, which fulfil the following criteria, are available:

(A) enabling the ACD to calculate a net asset value in accordance with the value at which the instrument held in the portfolio could be exchanged between knowledgeable willing parties in an arm's length transaction; and

(B) based either on market data or on valuation models including systems based on amortised costs.

8.5 A money-market instrument that is normally dealt in on the money market and is admitted to or dealt in on an eligible market shall be presumed to be liquid and have a value which can be accurately determined at any time unless there is information available to the ACD that would lead to a different determination.

9. Money-market instruments with a regulated issuer

9.1 In addition to instruments admitted to or dealt in on an eligible market, a Sub-fund may invest in an approved money-market instrument provided it fulfils the following requirements:

(A) the issue or the issuer is regulated for the purpose of protecting investors and savings;

(B) the instrument is issued or guaranteed in accordance with paragraph 10 (Issuers and guarantors of money market instruments); and

(C) the issuer is a company whose capital and reserves amount to at least EUR 10 million and which presents and publishes its annual accounts in accordance with the requirements of the Companies Act 2006 applicable to public companies limited by shares or by guarantee, or private companies limited by shares or by guarantee, or, for companies incorporated in the EEA, Directive 2013/34/EU, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

9.2 The issue or the issuer of a money-market instrument, other than one dealt in on an eligible market, shall be regarded as regulated for the purpose of protecting investors and savings if:

(A) the instrument is an approved money-market instrument;

(B) appropriate information is available for the instrument (including information which allows an appropriate assessment of the credit risks related to investment in it), in accordance with paragraph 11 (Appropriate information for money market instruments); and

(C) the instrument is freely transferable.

10. Issuers and guarantors of money-market instruments

10.1 A Sub-fund may invest in an approved money-market instrument if it is:

(A) issued or guaranteed by any one of the following:

a central authority of the United Kingdom or an EEA State or, if the EEA State is a federal state, one of the members making up the federation;

a regional or local authority of the United Kingdom or an EEA State;

the Bank of England, the European Central Bank or a central bank of an EEA State;

the European Union or the European Investment Bank;

a non-EEA State or, in the case of a federal state, one of the members making up the federation;

a public international body to which the United Kingdom or one or more EEA States belong; or

(B) issued by a body, any securities of which are dealt in on an eligible market; or

(C) issued or guaranteed by an establishment which is:

subject to prudential supervision in accordance with criteria defined by UK or EU law; or

subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by UK or EU law.

10.2 An establishment shall be considered to satisfy the requirement in paragraph 10.1(C)(2) if it is subject to and complies with prudential rules, and fulfils one or more of the following criteria:

(A) it is located in the European Economic Area;

(B) it is located in an OECD country belonging to the Group of Ten;

(C) it has at least investment grade rating;

(D) on the basis of an in-depth analysis of the issuer, it can be demonstrated that the prudential rules applicable to that issuer are at least as stringent as those laid down by UK or EU law.

11. Appropriate information for money-market instruments

11.1 In the case of an approved money-market instrument within paragraph 10.1(B) or issued by a body of the type referred to in COLL 5.2.10E(G); or which is issued by an authority within paragraph 10.1(A)(2) or a public international body within paragraph 10.1(A)(6) but is not guaranteed by a central authority within paragraph 10.1(A)(1), the following information must be available:

(A) information on both the issue or the issuance programme, and the legal and financial situation of the issuer prior to the issue of the instrument, verified by appropriately qualified third parties not subject to instructions from the issuer;

(B) updates of that information on a regular basis and whenever a significant event occurs; and

(C) available and reliable statistics on the issue or the issuance programme.

11.2 In the case of an approved money-market instrument issued or guaranteed by an establishment within paragraph 10.1(C), the following information must be available

(A) information on the issue or the issuance programme or on the legal and financial situation of the issuer prior to the issue of the instrument;

(B) updates of that information on a regular basis and whenever a significant event occurs; and

(C) available and reliable statistics on the issue or the issuance programme, or other data enabling an appropriate assessment of the credit risks related to investment in those instruments.

11.3 In the case of an approved money-market instrument:

(A) within paragraphs 10.1(A)(1), 10.1(A)(4) or 10.1(A)(5); or

(B) which is issued by an authority within paragraph 10.1(A)(2) or a public international body within paragraph 10.1(A)(6) and is guaranteed by a central authority within paragraph 10.1(A)(1);

information must be available on the issue or the issuance programme, or on the legal and financial situation of the issuer prior to the issue of the instrument.

12. Spread: general

12.1 This paragraph 12 on spread does not apply to government and public securities.

12.2 For the purposes of this requirement companies included in the same group for the purposes of consolidated accounts as defined in accordance with section 399 of the Companies Act 2006, Directive 83/349/EEC or in the same group in accordance with international accounting standards are regarded as a single body.

12.3 Not more than 20% in value of the Scheme Property is to consist of deposits with a single body.

12.4 Not more than 5% in value of the Scheme Property is to consist of transferable securities or approved money market instruments issued by any single body, except that the limit of 5% is raised to 10% in respect of up to 40% in value of the Scheme Property. Covered bonds need not be taken into account for the purposes of applying the limit of 40%. For these purposes certificates representing certain securities are treated as equivalent to the underlying security.

12.5 The limit of 5% in paragraph 12.4 is raised to 25% in value of the Scheme Property in respect of covered bonds, provided that when a Sub-fund invests more than 5% in covered bonds issued by a single body, the total value of covered bonds must not exceed 80% in value of the Scheme Property.

12.6 Not more than 20% in value of the Scheme Property is to consist of the units of any one collective investment scheme.

12.7 Not more than 20% in value of the Scheme Property may consist of transferable securities and approved money market instruments issued by the same group (as referred to in paragraph 12.2).

12.8 The exposure to any one counterparty in an OTC derivative transaction or efficient portfolio management technique must not exceed 5% in value of the Scheme Property. This limit is raised to 10% where the counterparty is an Approved Bank.

12.9 In applying the limits in paragraphs 12.3, 12.4, 12.6, 12.7 and 12.8, and subject to paragraph 12.5, not more than 20% in value of the Scheme Property is to consist of any combination of two or more of the following:

(A) transferable securities or approved money market instruments issued by; or

(B) deposits made with; or

(C) exposures from OTC derivatives transactions or efficient portfolio management techniques made with;

a single body.

12.10 The Sub-fund's counterparty risk arising from OTC derivative transactions or efficient portfolio management techniques is subject to the limits set out in paragraphs 12.8 and 12.9 above.

12.11 For the purposes of calculating the exposure to any one counterparty for the purposes of 12.8 above:

(A) the ACD must use the positive mark-to-market value of the OTC derivative contract with that counterparty;

(B) OTC derivative positions with the same counterparty may be netted provided that there are in place with that counterparty netting agreements:

that the ACD is able legally to enforce against that counterparty on behalf of the Sub- fund; and

that do not apply to any other exposures that the Sub-fund may have with that same counterparty.

(C) collateral received by the ACD that is sufficiently liquid that it can be sold quickly at a price close to its pre-sale valuation can be used by the ACD to reduce the exposure of the Scheme Property of a Sub-fund to the counterparty to an OTC derivative transaction entered into by that Sub-fund;

(D) where the ACD passes collateral to a counterparty to an OTC derivative transaction, it must take that collateral into account in calculating its exposure to that counterparty; and

(E) collateral passed to the counterparty to an OTC derivative transaction in accordance with paragraph (D) above can be taken into account on a net basis only if the ACD is able legally to enforce netting agreements with that counterparty on behalf of the Sub-fund.

12.12 For the purposes of the issuer concentration limits in this section 12, the underlying exposure of a Sub-fund to a counterparty created through the use of OTC derivatives must be calculated using the "commitment approach" described in COLL 5.3.

12.13 For the purposes of paragraph 12.9 above, any counterparty risk relating to OTC derivative transactions must be included in the calculation of exposures arising under such OTC derivative transactions.

13. Spread: Government and public securities

13.1 The following section applies in respect of a transferable security or an approved money-market instrument ("Public Securities") that is issued by:

(A) the United Kingdom or an EEA State;

(B) a local authority of the United Kingdom or an EEA State;

(C) a non-EEA State; or

(D) a public international body to which the UK or one or more EEA States belong.

13.2 Save as set out below, no more than 35% in value of the Scheme Property of a Sub-fund may be invested in Public Securities issued by any one body. Subject to this restriction, there is no limit on the amount which may be invested in Public Securities or in Public Securities issued by any one issuer or of any one issue.

13.3 The Company or a Sub-fund may invest more than 35% in value of the Scheme Property in Public Securities issued by any one body provided that:

(A) the ACD has before any such investment is made consulted with the Depositary and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objectives of the relevant Sub-fund;

(B) no more than 30% in value of the Scheme Property consists of such securities of any one issue;

(C) the Scheme Property includes such securities issued by that or another issuer, of at least six different issues;

(D) the disclosures required by the FCA have been made.

13.4 In giving effect to the foregoing object more than 35% of the property of the Company may be invested in Government and other public securities issued by or on behalf of or guaranteed by any one or more of:

(a) the government of or a local authority in the United Kingdom of Great Britain and Northern Ireland; or the Scottish Administration; or the Executive Committee of the Northern Ireland Assembly; or the National Assembly for Wales; or

(b) the government of any of the following countries or territories outside the United Kingdom: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Portugal, Poland, Romania, Slovakia, Slovenia, Spain and Sweden; or

(c) Australia, Canada, Japan, New Zealand, Switzerland and the United States of America.

13.5 In relation to Public Securities:

(a) issue, issued and issuer include guarantee, guaranteed and guarantor; and

(b) an issue differs from another if there is a difference as to repayment date, guarantor or other material terms of the issue.

Notwithstanding paragraph 12.1 and subject to paragraphs 12.2 and 12.3, in applying the 20% limit in paragraph 12.9 with respect to a single body, Public Securities issued by that body shall be taken into account.

14. Collective Investment Schemes

14.1 A Sub-fund may invest in units in a collective investment scheme including for the avoidance of doubt Shares in other Sub-funds of the Company provided that no more than 30% of the value of

that investing scheme is invested in collective investment schemes which are not UCITS schemes and only if the second scheme complies with the following requirements:

(A) is a UK UCITS or is a scheme which complies with the conditions necessary for it to enjoy the rights conferred by the UCITS Directive as implemented in the EEA; or

(B) be recognised under the provisions of s.272 of the Financial Services and Markets Act 2000 (individually recognised overseas schemes) that is authorised by the supervisory authorities of Guernsey, Jersey or the Isle of Man (provided the requirements of COLL 5.2.13AR are met); or

(C) is authorised as a non-UCITS retail scheme (provided the requirements of COLL 5.2.13AR(1), (3) and (4) are met); or

(D) is authorised in an EEA State (provided the requirements of article 19(1)(e) of the UCITS Directive are met); or

(E) is authorised by the competent authority of an OECD Country (other than an EEA State) which has:

signed the IOSCO Multilateral Memorandum of Understanding; and

approved the scheme's management company, rules and depositary/custody arrangements (provided the requirements of COLL 5.2.13AR are met);

(F) it is a scheme which complies where relevant with paragraph 14.5 below; and

(G) it is a scheme which has terms which prohibit more than 10% in value of its scheme property consisting of units in collective investment schemes.

14.2 Unless otherwise specified in paragraph 14.8 below, up to 100% of the Scheme Property of any Sub-fund may consist of units in collective investment schemes.

14.3 For the purposes of paragraphs 14.1 and 14.2 each sub-fund of an umbrella scheme is to be treated as if it were a separate scheme. A Sub-fund may invest in or dispose of Shares of another sub-fund (the Second Fund) only if the following conditions are satisfied:

(A) the Second Fund does not hold units in any other sub-fund of the same umbrella scheme;

(B) the conditions 14.4 and 14.5 are complied with; and

(C) the investing or disposing sub-fund must not be a feeder UCITS to the Second Fund.

14.4 In accordance with COLL 5.2.15R each of the Sub-funds may invest in units in collective investment schemes managed or operated by (or, if it is an open-ended investment company, has as its authorised corporate director), the ACD or an Associate of the ACD.

14.5 The Sub-funds must not invest in or dispose of units in another collective investment scheme (the "second scheme"), which is managed or operated by (or in the case of an open-ended investment company, has as its authorised corporate director), the ACD, or an Associate of the ACD, unless:

(A) there is no charge in respect of the investment in or the disposal of units in the second scheme; or

(B) the ACD is under a duty to pay to the Sub-fund the following amount by the close of business on the fourth Business Day next after the agreement to invest in or dispose of shares in the second scheme:

(1) on investment, either:

(a) any amount by which the consideration paid by the Sub-fund for the units in the second scheme exceeds the price that would have been paid for the benefit of the second scheme had the units been newly issued or sold by it; or

(b) if such price cannot be ascertained by the ACD, the maximum amount of any charge permitted to be made by the seller of units in the second scheme;

(2) on disposal, the amount of any charge made for the account of the authorised fund manager or operator of the second scheme or an associate of any of them in respect of the disposal.

14.6 In paragraph 14.5 above, references to "second scheme" are to be taken to be references to the Second Fund where the Sub-fund in question is investing in another Sub-fund of the Company

14.7 In paragraphs 14.5(A) and 14.5(B) above:

(A) any addition to or deduction from the consideration paid on the acquisition or disposal of units in the second scheme, which is applied for the benefit of the second scheme and is, or is like, a dilution levy or dilution adjustment, is to be treated as part of the price of the units and not as part of any charge; and

(B) any switching charge made in respect of an exchange of units in one sub-fund or separate part of the second scheme for units in another sub-fund or separate part of that scheme is to be included as part of the consideration paid for the units.

14.8 Notwithstanding paragraph 14.2 no more than 10% of the value of the Scheme Property of the VT Downing Small & Mid-Cap Income Fund may be invested in other collective investment schemes.

15. Investment in nil and partly paid securities

A transferable security or an approved money market instrument on which any sum is unpaid may be held provided that it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Sub-fund, at any time when payment is required without contravening the FCA Handbook.

16. Investment in Deposits

A Sub-fund may only invest in deposits with an Approved Bank and which are repayable on demand, or have the right to be withdrawn, and maturing in no more than 12 months.

17. Significant Influence

17.1 The Company must not acquire transferable securities issued by a body corporate and carrying rights to vote (whether or not on substantially all matters) at a general meeting of that body corporate if:

(A) immediately before the acquisition, the aggregate of any such securities held by the Company gives the Company power to significantly influence the conduct of business of that body corporate; or

(B) the acquisition gives the Company that power.

17.2 For the purposes of paragraph 17.1, the Company is to be taken to have power significantly to influence the conduct of business of a body corporate if it can, because of the transferable securities held by it, exercise or control the exercise of 20% or more of the voting rights in that body corporate (disregarding for this purpose any temporary suspension of voting rights in respect of the transferable securities of that body corporate).

18. Concentration

18.1 Each Sub-fund of the Company must not:

(A) acquire transferable securities other than debt securities which:

(1) do not carry rights to vote on any matter at a general meeting of that body corporate that issued them; and

(2) represent more than 10% of these securities issued by that body corporate;

(B) acquire more than 10% of the debt securities issued by any single body;

(C) acquire more than 10% of the approved money market instruments issued by any single body; and

(D) need not comply with the limits in sub-paragraphs (1)(B) and (1)(C) above if, at the time of acquisition, the net amount in issue of the relevant investment cannot be calculated.

19. Cash and Near Cash

19.1 Cash or near cash must not be retained in the Scheme Property except to the extent that this may reasonably be regarded as necessary in order to enable:

(A) the pursuit of that Sub-fund's investment objective;

(B) the redemption of Shares in that Sub-fund;

(C) efficient management of the Sub-fund in accordance with its investment objective;

(D) a purpose which may reasonably be regarded as ancillary to the investment objectives of that Sub-fund.

19.2 During the period of the initial offer the Scheme Property may consist of cash and near cash without limitation. Within the context of the ACD's policy of active asset allocation, the liquidity of each Sub- fund may vary in response to market conditions.

20. EPM Techniques

20.1 A Sub-fund may enter into stock lending arrangements and/or repurchase/reverse repurchase contracts ("EPM techniques").

20.2 The entry into stocklending arrangements or repurchase/reverse repurchase contracts for the account of a Sub-fund is permitted for the generation of additional income for the benefit of the Sub- fund, and hence for its investors.

20.3 The stock lending arrangements and repurchase/reverse repurchase contracts permitted by this section may be exercised by a Sub-fund when it reasonably appears to the Company to be appropriate to do so with a view to generating additional income for the Sub-fund with an acceptable degree of risk.

20.4 The Company or the Depositary at the request of the Company may enter into a repurchase/reverse repurchase contract or a stock lending arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992 (without extension by section 263C), but only if:

(A) all the terms of the agreement under which securities are to be reacquired by the Depositary for the account of the Company are in a form which is acceptable to the Depositary and are in accordance with good market practice;

(B) the counterparty is:

- an authorised person; or
- a person authorised by a Home State regulator; or
- a person registered as a broker-dealer with the Securities and Exchange Commission of the United States of America; or
- a bank, or a branch of a bank, supervised and authorised to deal in investments as principal, with respect to OTC derivatives by at least one of the following federal banking supervisory authorities of the United States of America: the Office of the Comptroller of the Currency; the Federal Deposit Insurance Corporation; the Board of Governors of the Federal Reserve System; and the Office of Thrift Supervision; and

(C) collateral is obtained to secure the obligation of the counterparty under the terms referred to in 20.3.1 and the collateral is:

- acceptable to the Depositary;
- adequate; and
- sufficiently immediate.

20.5 The counterparty for the purpose of paragraph 20.4 is the person who is obliged under the agreement referred to in paragraph 20.4(A) to transfer to the Depositary the securities transferred by the Depositary under the stock lending arrangement or securities of the same kind.

20.6 Paragraph 20.4(C) does not apply to a stock lending transaction made through Euroclear Bank SA/NV's Securities Lending and Borrowing Programme.

20.7 There is no limit on the value of the Scheme Property which may be the subject of repurchase/reverse repurchase arrangements or stock lending transactions.

20.8 The Company will have the right to terminate a stock lending arrangement at any time and demand the return of any or all of the securities loaned.

20.9 In the case that the Company enters into a reverse repurchase agreement, it will have the right to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued or a mark-to market basis at any time. Where the cash is recallable at any time on a

mark-to market basis, the mark-to-market value of the reverse repurchase agreement shall be used for the purposes of the calculation of the net asset value of the Sub-fund.

20.10 In the case that the Company enters into repurchase agreements, the Company will have the right to recall any securities subject to the agreement or to terminate the repurchase agreement at any time.

20.11 Fixed term repurchase and reverse repurchase contracts which do not exceed seven days shall be regarded as arrangements on terms which allow the assets to be recalled at any time by the Company.

20.12 All the revenues arising from EPM techniques shall be returned to the relevant Sub-fund following the deduction of any direct and indirect operational costs and fees arising. Such direct and indirect operational costs and fees shall include fees and expenses payable to repurchase/reverse repurchase agreements counterparties and/or securities lending agents engaged by the Company from time to time. Such fees and expenses of any repurchase/reverse repurchase agreements counterparties and/or securities lending agents engaged by the Company, which will be at normal commercial rates together with VAT, if any, thereon, will be borne by the Company or the relevant Sub-fund in respect of which the relevant party has been engaged.

21. Treatment of collateral for stock lending and repurchase/reverse repurchase transactions ("EPM techniques")

21.1 Collateral obtained by a Sub-fund in the context of EPM techniques must be:

(A) transferred to the Depositary or its agent;

(B) at least equal in value, at the time of the transfer to the Depositary, to the value of the securities transferred by the Depositary plus a premium; and

(C) in the form of one or more of:

- cash; or
- a certificate of deposit; or
- a letter of credit; or
- a readily realisable security; or
- commercial paper with no embedded derivative content; or
- a qualifying money market fund.

21.2 Where the collateral is invested in units in a qualifying money market fund managed or operated by (or, for an ICVC, whose authorised corporate director is) the ACD or an associate of the ACD, the conditions in paragraph 14.5 must be complied with.

21.3 Collateral is sufficiently immediate for the purposes of this paragraph if:

(A) it is transferred before or at the time of the transfer of the securities by the Depositary; or

(B) the Depositary takes reasonable care to determine at the time referred to in paragraph 21.3(A) that it will be transferred at the latest by the close of business on the day of the transfer.

21.4 The Depositary must ensure that the value of the collateral at all times is at least equal to the value of the securities transferred by the Depositary plus a premium.

21.5 The duty in paragraph 21.4 may be regarded as satisfied in respect of collateral the validity of which is about to expire or has expired where the Depositary takes reasonable care to determine that sufficient collateral will again be transferred at the latest by the close of business on the day of expiry.

21.6 Any agreement for transfer at a future date of securities or of collateral (or of the equivalent of either) under this paragraph may be regarded, for the purposes of valuation and pricing of the Company or this Appendix, as an unconditional agreement for the sale or transfer of property, whether or not the property is part of the property of the authorised fund.

21.7 Collateral transferred to the Depositary is part of the Scheme Property for the purposes of the FCA Handbook, except in the following respects:

(A) it does not fall to be included in any calculation of NAV or this Appendix, because it is offset under paragraph 21.6 by an obligation to transfer; and

(B) it does not count as Scheme Property for any purpose of this Appendix other than this paragraph.

21.8 Paragraphs 21.6 and 21.7 do not apply to any valuation of collateral itself for the purposes of this paragraph.

22. Collateral received for OTC derivative transactions and EPM techniques

22.1 To the extent collateral is posted by a counterparty for the benefit of a Sub-fund, it will be taken into account as reducing the exposure to such counterparty. Each Sub-fund will require receipt of the necessary level of collateral so as to ensure counterparty exposure limits are not breached. Counterparty risk may be reduced to the extent that the value of the collateral received, in conjunction with paragraph 26.1, corresponds with the value of the amount exposed to counterparty risk at any given time.

22.2 Collateral used to reduce counterparty risk exposure will comply with the following criteria, or as otherwise required under the FCA Handbook or applicable law:

(A) Liquidity - collateral (other than cash) will be highly liquid and traded on a regulated market or multi-lateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation. Collateral will comply with the provisions of COLL (as summarised in paragraph 18 above).

(B) Valuation - collateral will be valued on a daily basis and assets that exhibit high price volatility will not be accepted as collateral unless suitably conservative haircuts are in place.

(C) Issuer credit quality - collateral will be of high quality.

(D) Correlation – collateral will be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.

(E) Diversification - collateral will be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Sub-fund receives from a counterparty of EPM and OTC derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of the Sub-fund's Net Asset Value. When the Sub-fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer.

22.3 All assets received by the Sub-funds in the context of OTC derivative transactions and EPM techniques will be considered as collateral and will comply with the criteria above. Risks linked to the management of collateral, including operational and legal risks, are identified and mitigated by risk management procedures employed by the Company.

22.4 Where there is a title transfer, the collateral received will be held by the Depositary or a delegate thereof. For other types of collateral arrangement the collateral may be held by a third party custodian which is subject to prudential supervision and which is unrelated to the provider of the collateral.

22.5 Collateral received will be capable of being fully enforced by the Company at any time without reference to or approval from the counterparty.

23. Permitted types of collateral for OTC derivative transactions and EPM techniques

23.1 It is proposed that the Company will accept collateral of any of the following types (subject, in the case of EPM techniques, to compliance with paragraph 21.1 above):

(A) cash; or

(B) government or other public securities; or

(C) certificates of deposit issued by Approved Banks; or

(D) bonds/commercial paper issued by Approved Banks or by non-bank issuers where the issue or the issuer are rated A1 or equivalent; or

(E) letters of credit with a residual maturity of three months or less, which are unconditional and irrevocable and which are issued by Approved Banks; or

(F) equity securities traded on a stock exchange in the EEA, Switzerland, Canada, Japan, the United States, Jersey, Guernsey, the Isle of Man, Australia or New Zealand.

24. Reinvestment of Collateral

24.1 Cash received as collateral for OTC derivatives and EPM techniques may not be invested or used other than as set out below:

(A) placed on deposit with Approved Banks;

(B) invested in high-quality government securities;

(C) used for the purpose of reverse repurchase transactions, provided that the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on an accrued basis; or

(D) invested in a "Short Term Money Market Fund" as defined by the European Securities and Markets Authority's guidelines on a Common Definition of European Money Market Funds.

24.2 Re-invested cash collateral will be diversified in accordance with the diversification requirements outlined above in paragraph 22.2(E).

24.3 Invested cash collateral may not be placed on deposit with, or invested in securities issued by, the counterparty or a related entity.

24.4 The reinvestment of cash collateral leads to certain risks such as counterparty risk (e.g. borrower default) and market risk (e.g. decline in value of the collateral received or of the reinvested cash collateral) and these risks need to be monitored. The risk related to the reinvestment of cash collateral, which is not indemnified by the lending agent, is mitigated by investing cash collateral in highly liquid and diversified money market funds or in reverse repurchase agreements.

24.5 Non-cash collateral received cannot be sold, re-invested or pledged.

25. Stress testing of Collateral

25.1 In the event that the Company receives collateral for at least 30% of the Net Asset Value of a Sub- fund, it will implement regular stress tests carried out under normal and exceptional liquidity conditions in order to allow it to assess the liquidity risk attached to collateral.

26. Haircut policy

26.1 To the extent that collateral is received by the Sub-funds from a counterparty, it may be offset against counterparty exposure provided it meets a range of standards, including those for liquidity, valuation, issuer credit quality, correlation and diversification.

26.2 To the extent that the Company enters into an OTC derivative transaction or EPM technique which results in the Company receiving collateral in respect of a Sub-fund, the Company will ensure that it has in place a haircut policy in respect of each class of assets received as collateral in respect of the Sub-funds. Such a policy shall take account of the characteristics of the relevant asset class, including the credit standing of the issuer of the collateral, the price volatility of the collateral and the results of any stress tests which may be performed in accordance with the stress testing policy. In offsetting exposure, where the Company considers appropriate, the value of collateral may be reduced by a percentage (haircut) which provides, amongst other things, a buffer for short term fluctuations in the value of the exposure and of the collateral.

27. Counterparty exposure reporting

27.1 The annual report of the Company will contain details of (i) the counterparty exposure obtained through EPM techniques as well as exposure to OTC derivative transactions, (ii) counterparties to EPM techniques and OTC derivative transactions, (iii) the type and amount of collateral received by the Sub-funds to reduce counterparty exposure and (iv) revenues arising from EPM techniques for the reporting period, together with direct and indirect costs and fees incurred and to which entity these have been paid.

28. Underwriting and Stock Placings

28.1 Any power in COLL 5 to invest in transferable securities may be used for the purpose of entering into transactions to which this section applies, subject to compliance with any restriction in the Instrument of Incorporation.

28.2 This section applies, subject to paragraph 28.3, to any agreement or understanding which:

(A) is an underwriting or sub-underwriting agreement; or

(B) contemplates that securities will or may be issued or subscribed for or acquired for the account of the Sub-fund.

28.3 Paragraph 28.2 does not apply to:

(A) an option; or

(B) a purchase of a transferable security which confers a right to:

- to subscribe for or acquire a transferable security; or
- to convert one transferable security into another.

(C) The exposure of the Sub-fund to agreements and understandings within paragraph 28.2 must, on any Business Day:

- be covered in accordance with the requirements of rule COLL 5.3.3R (see paragraph 39); and
- be such that, if all possible obligations arising under them had immediately to be met in full, there would be no breach of any limit in COLL 5.

29. Borrowing powers

29.1 The Company may, subject to the FCA Handbook, borrow money from an Eligible Institution or an Approved Bank for the use of the Company on the terms that the borrowing is to be repayable out of the Scheme Property.

29.2 Borrowing must be on a temporary basis and must not be persistent and in any event must not exceed three months without the prior consent of the Depositary, which may be given only on such conditions as appear appropriate to the Depositary to ensure that the borrowing does not cease to be on a temporary basis.

29.3 The ACD must ensure that borrowing does not, on any business day, exceed 10% of the value of the Scheme Property. For these purposes borrowing includes, as well as borrowing in a conventional manner, any other arrangement (including a combination of derivatives) designed to achieve a temporary injection of money into the Scheme Property in the expectation that the sum will be repaid.

29.4 These borrowing restrictions do not apply to "back to back" borrowing for cover for transactions in derivatives and forward transactions (see paragraph 40).

29.5 The Company must not issue any debenture unless it acknowledges or creates a borrowing that complies with paragraphs 29.1 and 29.2.

30. Derivatives: general

30.1 Sub-funds, if any, which may use derivatives in pursuit of their investment objectives, as well as Sub-funds which may use derivatives for efficient portfolio management purposes, must do so in accordance with the following rules.

30.2 The use of derivatives for efficient portfolio management will generally not increase the risk profile of a Sub-fund (see paragraph 45 for further details on efficient portfolio management). In adverse situations, however, a Sub-fund's use of derivatives may become ineffective in hedging or efficient portfolio management and a Sub-fund may suffer significant loss as a result. A Sub-fund's ability to use derivatives for efficient portfolio management may be limited by market conditions, regulatory limits and tax considerations. The use of derivatives for investment purposes may increase the risk profile of a Sub-fund.

30.3 A transaction in derivatives or a forward transaction must not be effected for a Sub-fund unless:

(A) the transaction is of a kind specified in paragraph 31 below (Permitted transactions (derivatives and forwards)); and

(B) the transaction is covered, as required by paragraph 39 (Cover for transactions in derivatives and forward transactions).

30.4 Where a Sub-fund invests in derivatives, the exposure to the underlying assets must not exceed the limits in paragraphs 12 (Spread: general) and paragraphs 13 (Spread: government and public securities) save as provided in 30.8.

30.5 Where a transferable security or money-market instrument embeds a derivative, this must be taken into account for the purposes of complying with this section.

30.6 A transferable security or an approved money-market instrument will embed a derivative if it contains a component which fulfils the following criteria:

(A) by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or approved money-market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, and therefore vary in a way similar to a stand-alone derivative;

(B) its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and

(C) it has a significant impact on the risk profile and pricing of the transferable security or approved money-market instrument.

30.7 A transferable security or an approved money-market instrument does not embed a derivative where it contains a component which is contractually transferable independently of the transferable security or the approved money-market instrument. That component shall be deemed to be a separate instrument.

30.8 Where a Sub-fund invests in an index based derivative, provided the relevant index falls within paragraph 41.4 – 41.8 (Relevant indices) the underlying constituents of the index do not have to be taken into account for the purposes of paragraphs 12 and 13.

30.9 The relaxation in 30.8 is subject to the ACD taking account of paragraph 1.2 (Prudent spread of risk).

31. Permitted transactions (derivatives and forwards)

31.1 A transaction in a derivative must:

(A) be in an approved derivative; or

(B) be one which complies with paragraph 35 (OTC transactions in derivatives).

31.2 The underlying of a transaction in a derivative must consist of any one or more of the following to which the Sub-fund is dedicated:

(A) transferable securities permitted under paragraphs 2.2(A) and 2.2(C);

(B) money-market instruments permitted under paragraph 8;

(C) deposits permitted under paragraph 16;

(D) derivatives permitted under this rule;

(E) collective investment scheme units permitted under paragraph 14;

(F) financial indices which satisfy the criteria set out in COLL 5.2.20 A R;

(G) interest rates;

(H) foreign exchange rates; and

(I) currencies.

31.3 A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market as set out in 0.

31.4 A transaction in a derivative must not cause a Sub-fund to diverge from its investment objectives as stated in the Instrument of Incorporation and this Prospectus.

31.5 A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more transferable securities, money-market instruments, units in collective investment schemes or derivative provided that a sale is not to be considered as uncovered if the conditions in COLL 5.2.22R (3) (Requirement to cover sales) are satisfied.

31.6 Any forward transaction must be made with an Eligible Institution or an Approved Bank.

31.7 The Company will not undertake transactions in derivatives on commodities.

32. Financial indices underlying derivatives

32.1 The financial indices referred to in paragraph 31.2 are those which satisfy the following criteria:

(A) the index is sufficiently diversified;

(B) the index represents an adequate benchmark for the market to which it refers; and

(C) the index is published in an appropriate manner.

32.2 A financial index is sufficiently diversified if:

(A) it is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;

(B) where it is composed of assets in which a Sub-fund is permitted to invest, its composition is at least diversified in accordance with the requirements with respect to spread and concentration set out in this section; and

(C) where it is composed of assets in which a Sub-fund cannot invest, it is diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration set out in this section.

32.3 A financial index represents an adequate benchmark for the market to which it refers if:

(A) it measures the performance of a representative group of underlyings in a relevant and appropriate way;

(B) it is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers, following criteria which are publicly available; and

(C) the underlyings are sufficiently liquid, allowing users to replicate it if necessary.

32.4 A financial index is published in an appropriate manner if:

(A) its publication process relies on sound procedures to collect prices, and calculate and subsequently publish the index value, including pricing procedures for components where a market price is not available; and

(B) material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.

32.5 Where the composition of underlyings of a transaction in a derivative does not satisfy the requirements for a financial index, the underlyings for that transaction shall where they satisfy the requirements with respect to other underlyings pursuant to paragraph 32.2, be regarded as a combination of those underlyings.

33. Transactions for the purchase of property

33.1 A derivative or forward transaction which will or could lead to the delivery of property for the account of a Sub-fund may be entered into only if:

(A) that property can be held for the account of the Sub-fund; and

(B) the ACD having taken reasonable care determines that delivery of the property under the transaction will not occur or will not lead to a breach of the rules in COLL.

34. Requirement to cover sales

34.1 No agreement by or on behalf of a Sub-fund to dispose of property or rights may be made unless:

(A) the obligation to make the disposal and any other similar obligation could immediately be honoured by the Sub-fund by delivery of property or the assignment (or, in Scotland, assignation) of rights; and

(B) the property and rights at 27.1.1 are owned by the Sub-fund at the time of the agreement.

34.2 Paragraph 34.1 does not apply to a deposit.

34.3 Paragraph 34.1 does not apply where:

(A) the risks of the underlying financial instrument of a derivative can be appropriately represented by another financial instrument and the underlying financial instrument is highly liquid; or

(B) the ACD or the Depositary has the right to settle the derivative in cash, and cover exists within the Sub-fund's property which falls within one of the following asset classes:

(1) cash;

(2) liquid debt instruments (e.g. government bonds of first credit rating) with appropriate safeguards (in particular, haircuts); or

(3) other highly liquid assets having regard to their correlation with the underlying of the financial derivative instruments, subject to appropriate safeguards (e.g. haircuts where relevant).

34.4 In the asset classes referred to in 34.3, an asset may be considered as liquid where the instrument can be converted into cash in no more than seven business days at a price closely corresponding to the current valuation of the financial instrument on its own market.

35. OTC transactions in derivatives

35.1 A transaction in an OTC derivative under paragraph 31.1(B) must be:

(A) with an approved counterparty; a counterparty to a transaction in derivatives is approved only if the counterparty is:

- an Eligible Institution or an Approved Bank;
- a person whose permission (including any requirements or limitations), as published in the FCA Register, permits it to enter into the transaction as principal off-exchange;
- a central counterparty ("**CCP**") that is authorised and recognised in that capacity in accordance with the EMIR; or a CCP supervised in a jurisdiction that has implemented the relevant G20 reforms on over-the-counter derivatives to at least the same extent as the United Kingdom; and is identified as having done so by the Financial Stability Board in its summary report on progress in implementation of G20 financial regulatory reforms dated 25 June 2019;

(B) on approved terms; the terms of the transaction in derivatives are approved only if the ACD:

- carries out, at least daily, a reliable and verifiable valuation in respect of that transaction corresponding to its fair value (i.e. the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction) and which does not rely only on market quotations by the counterparty; and
- can enter into one or more further transactions to sell, liquidate or close out that transaction at any time, at its fair value; and

(C) capable of reliable valuation; a transaction in derivatives is capable of reliable valuation only if the ACD having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy:

- on the basis of an up-to-date market value which the ACD and the Depositary have agreed is reliable; or
- if the value referred to above is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and

(D) subject to verifiable valuation; a transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by:

- an appropriate third party which is independent from the counterparty of the derivative, at an adequate frequency and in such a way that the ACD is able to check it; or
- a department within the ACD which is independent from the department in charge of managing the scheme property and which is adequately equipped for such a purpose.

36. Risk management: derivatives

36.1 The ACD uses a risk management process enabling it to monitor and measure as frequently as appropriate the risk of a Sub-fund's positions and their contribution to the overall risk profile of the Sub-fund.

36.2 The following details of the risk management process must be notified by the ACD to the FCA in advance of the use of the process as required by 29.1:

(A) the methods for estimating risks in derivative and forward transactions; and

(B) the types of derivative and forwards to be used within the Sub-fund together with their underlying risks and any relevant quantitative limits.

36.3 The ACD must notify the FCA in advance of any material alteration to the details in 29.2.1 and 29.2.2.

37. Risk management process

37.1 The risk management process should take account of the investment objectives and policy of the Sub-fund as stated in this prospectus.

37.2 The Depositary should take reasonable care to review the appropriateness of the risk management process in line with its duties under COLL 6.6.14(1) (Duties of the depositary and authorised fund manager: investment and borrowing powers), as appropriate.

37.3 The ACD is expected to demonstrate more sophistication in its risk management process for a Sub- fund with a complex risk profile than for one with a simple risk profile. In particular, the risk management process should take account of any characteristic of non-linear dependence in the value of a position to its underlying.

37.4 The ACD should take reasonable care to establish and maintain such systems and controls as are appropriate to its business as required by SYSC 3.1 (Systems and controls).

37.5 The risk management process should enable the analysis required by paragraph 36 to be undertaken at least daily or at each valuation point whichever is the more frequent.

38. Derivatives exposure

38.1 A Sub-fund may invest in derivatives and forward transactions as long as the exposure to which the Sub-fund is committed by that transaction itself is suitably covered from within its Scheme Property. Exposure will include any initial outlay in respect of that transaction.

38.2 Cover ensures that a Sub-fund is not exposed to the risk of loss of property, including money, to an extent greater than the net value of the Scheme Property. Therefore, a Sub-fund must hold Scheme Property sufficient in value or amount to match the exposure arising from a derivative obligation to which the Sub-fund is committed. Paragraph 39 (Cover for transactions in derivatives and forward transactions) sets out detailed requirements for cover of a Sub-fund.

38.3 Cover used in respect of one transaction in derivatives or forward transaction must not be used for cover in respect of another transaction in derivatives or a forward transaction.

39. Cover for transactions in derivatives and forward transactions

39.1 A transaction in derivatives or forward transaction is to be entered into only if the maximum exposure, in terms of the principal or notional principal created by the transaction to which the scheme is or may be committed by another person is covered globally.

39.2 Exposure is covered globally if adequate cover from within the Scheme Property is available to meet the scheme's total exposure, taking into account the value of the underlying assets, any reasonably foreseeable market movement, counterparty risk, and the time available to liquidate any positions.

39.3 Cash not yet received into the Scheme Property but due to be received within one month is available as cover.

39.4 Property the subject of a stock lending transaction is only available for cover if the ACD has taken reasonable care to determine that it is obtainable (by return or re-acquisition) in time to meet the obligation for which cover is required.

39.5 The global exposure relating to derivatives held in a Sub-fund may not exceed the net value of the Scheme Property.

40. Cover and borrowing

40.1 Cash obtained from borrowing, and borrowing which the ACD reasonably regards an Eligible Institution or an Approved Bank to be committed to provide, is available for cover under the previous paragraph 39 (cover for transactions in derivatives and forward transactions) as long as the normal limits on borrowing (see below) are observed.

40.2 Where, for the purposes of this paragraph the Company borrows an amount of currency from an Eligible Institution or an Approved Bank; and keeps an amount in another currency, at least equal to such borrowing for the time on deposit with the lender (or their agent or nominee), then this applies as if the borrowed currency, and not the deposited currency, were part of the Scheme

Property, and the normal limits on borrowing under paragraph 29 (Borrowing powers) do not apply to that borrowing.

41. Schemes replicating an index

Please note that this investment power is not relevant for any of the existing Sub-funds although it may be applicable to any new Sub-funds of the Company.

41.1 Notwithstanding paragraph 12 (spread: general) a Sub-fund may invest up to 20% in value of the Scheme Property in shares and debentures which are issued by the same body where the stated investment policy is to replicate the composition of a relevant index as defined below.

41.2 Replication of the composition of a relevant index shall be understood to be a reference to replication of the composition of the underlying assets of that index, including the use of techniques and instruments permitted for the purpose of efficient portfolio management.

41.3 The 20% limit in 41.1 can be raised for a particular Sub-fund up to 35% in value of the Scheme Property, but only in respect of one body and where justified by exceptional market conditions. In the event that 20% limit is raised the ACD will provide appropriate information in the Simplified Prospectus in order to explain the ACD's assessment of why this increase is justified by exceptional market conditions.

41.4 In the case of a Sub-fund replicating an index the Scheme Property need not consist of the exact composition and weighting of the underlying in the relevant index in cases where the Sub-fund's investment objective is to achieve a result consistent with the replication of an index rather than an exact replication.

41.5 The indices referred to above are those which satisfy the following criteria:

(A) The composition is sufficiently diversified;

(B) The index represents an adequate benchmark for the market to which it refers; and

(C) The index is published in an appropriate manner.

41.6 The composition of an index is sufficiently diversified if its components adhere to the spread and concentration requirements in this section.

41.7 An index represents an adequate benchmark if its provider uses a recognised methodology which generally does not result in the exclusion of a major issuer of the market to which it refers.

41.8 An index is published in an appropriate manner if:

(A) it is accessible to the public;

(B) the index provider is independent from the index-replicating Sub-fund; this does not preclude index providers and the Sub-fund from forming part of the same group, provided that effective arrangements for the management of conflicts of interest are in place.

42. Restrictions on lending of money

42.1 None of the money in the Scheme Property of the Sub-fund may be lent and, for the purposes of this prohibition, money is lent by the Sub-fund if it is paid to a person (the "payee") on the basis that it should be repaid, whether or not by the payee.

42.2 Acquiring a debenture is not lending for the purposes of paragraph 42.1; nor is the placing of money on deposit or in a current account.

42.3 Paragraph 42.1 does not prevent the Sub-fund from providing an officer of the Sub-fund with funds to meet expenditure to be incurred by them for the purposes of the Sub-fund (or for the purposes of enabling them properly to perform their duties as an officer of the Sub-fund) or from doing anything to enable an officer to avoid incurring such expenditure.

43. Restrictions on lending of property other than money

43.1 The Scheme Property of the Sub-fund other than money must not be lent by way of deposit or otherwise.

43.2 Transactions permitted by paragraph 20 (EPM Techniques) are not lending for the purposes of paragraph 43.1.

43.3 The Scheme Property of the Sub-fund must not be mortgaged.

43.4 Nothing is this paragraph prevents a Sub-fund from providing an officer of the Sub-fund with funds to meet expenditure to be incurred by them for the purposes of the Sub-fund (or for the purposes of enabling them properly to perform their duties as an officer of the Sub-fund) or from doing anything to enable an officer to avoid incurring such expenditure.

44. Guarantees and indemnities

44.1 The Sub-fund or the Depositary for the account of the Sub-fund must not provide any guarantee or indemnity in respect of the obligation of any person.

44.2 None of the Scheme Property of the Sub-fund may be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person.

44.3 Paragraphs 44.1 and 44.2 do not apply in respect of the Sub-fund to:

(A) any indemnity or guarantee given for margin requirements where the derivatives or forward transactions are being used in accordance with the FCA Handbook;

(B) an indemnity falling within the provisions of regulation 62(3) (Exemptions from liability to be void) of the OEIC Regulations;

(C) an indemnity (other than any provision in it which is void under regulation 62 of the OEIC Regulations) given to the Depositary against any liability incurred by it as a consequence of the safekeeping of any of the Scheme Property by it or by anyone retained by it to assist it to perform its function of the safekeeping of the Scheme Property; and

(D) an indemnity given to a person winding up a scheme if the indemnity is given for the purposes of arrangements by which the whole or part of the property of that scheme becomes the first property of the Sub-fund and the holders of units in that scheme become the first shareholders in the Sub-fund.

45. Efficient Portfolio Management

45.1 Each Sub-fund may in addition to the ability to use derivatives for investment purposes as referred to above, utilise the Scheme Property of the Sub-fund to enter into transactions for the purposes of hedging or efficient portfolio management ("**EPM**"). Permitted EPM transactions

include transactions in derivatives e.g. to hedge against price or currency fluctuations, dealt with or traded on an eligible derivatives market; off-exchange options or contracts for differences; or synthetic futures in certain circumstances. The Sub-funds may effect synthetic short positions by using derivatives for EPM purposes. There is no limit on the amount or value of the Scheme Property of any Sub-fund which may be used for EPM but the ACD must take reasonable care to ensure that the transaction is economically appropriate to the reduction of the relevant risks (whether in the price of investments, interest rates or exchange rates) or to the reduction of the relevant costs and/or to the generation of additional capital or income with an acceptably low level of, risk. The exposure must be fully "covered" by cash and/or other property sufficient to meet any obligation to pay or deliver that could arise (see below).

45.2 Permitted transactions are those that the Sub-fund reasonably regards as economically appropriate to EPM, that is:

(A) Transactions undertaken to reduce risk or cost in terms of fluctuations in prices, interest rates or exchange rates where the ACD reasonably believes that the transaction will diminish a risk or cost of a kind or level which it is sensible to reduce; or

(B) Transactions for the generation of additional capital growth or income for the Sub-fund by taking advantage of gains which the ACD reasonably believes are certain to be made (or certain, barring events which are not reasonably foreseeable) as a result of:

(1) pricing imperfections in the market as regards the property which the Sub-fund holds or may hold; or

(2) receiving a premium for the writing of a covered call option or a covered put option on property of the Sub-fund which the Company is willing to buy or sell at the exercise price.

45.3 Transactions may take the form of "derivatives transactions" (that is, transactions in options, futures or contracts for differences) or forward currency transactions. A derivatives transaction must either be in a derivative which is traded or dealt in on an eligible derivatives market (and effected in accordance with the rules of that market), or be an off-exchange derivative which complies with the relevant conditions set out in the FCA Handbook, or be a "synthetic future" (i.e. a composite derivative created out of two separate options). Forward currency transactions must be entered into with counterparties who satisfy the FCA Handbook. A permitted transaction may at any time be closed out.

45.4 Permitted EPM transactions must also fulfil the following criteria:

(A) their risks are adequately captured in risk management procedures implemented in relation to the Company; and

(B) they cannot result in a change to a Sub-fund's declared investment objective or add supplementary risks in comparison to the general risk policy as described in this Prospectus.

45.5 While the use of EPM transactions will be in line with the best interests of the Sub-funds, individual techniques may result in increased counterparty risk and potential conflicts of interest (examples include but are not limited to where the counterparty is a related party).

45.6 The Company will ensure, at all times, that the terms of EPM transactions, including any investment of cash collateral, will not impact on its ability to meet with its redemption obligations.

45.7 Please refer to the section on “Risk Factors” for details of the risks involved in relation to efficient portfolio management techniques.

APPENDIX 4

LIST OF OTHER INTERESTS OF DIRECTORS AND OTHER AUTHORISED COLLECTIVE INVESTMENT SCHEMES OPERATED BY THE ACD

Directors of the ACD and their significant business activities not connected with the business of the Company as at 1st August 2026	
Anne Laing	None
Jeremy Brettell	Non-Executive Director: - Anderson Strathern Asset Management Ltd - Chair of Alba Co Ltd - Foster Denovo Ltd - Foster Denovo Group Ltd Risk Consultant: Vertus Collective Ltd
Aidan O'Carroll	Chair of Revenue Scotland Chair of The Water Industry Commission for Scotland.
Andrew Lewis	Non-Executive Director: Apex Depositary UK Ltd Non-Executive Director & Chair: BlackRock Fund Managers Ltd
John Brett	Non-Executive Director (and Chair): - Royal London Unit Trust Managers Limited - RLUM Limited - Anderson Strathern Asset Management Ltd Non-Executive Director: - TrinityBridge Ltd
Adrian Bond	None
Jonathan Sim	Chair: - Opmodal Ltd Director: - Balthazar Consulting Ltd

AUTHORISED COLLECTIVE INVESTMENT SCHEMES OF WHICH THE ACD IS THE AUTHORISED CORPORATE DIRECTOR			
Name	**Place of Registration**	**Registration Number**	**Product Reference**
Alligator Fund ICVC	England and Wales	IC000203	407790
The Beagle Fund*	England and Wales	IC000789	505177
The Discovery Fund	England and Wales	IC000365	413970
The Mulben Investment Funds	England and Wales	IC000816	516628
The Teal Fund	England and Wales	IC000257	227831
The VT Cindabbella Fund	England and Wales	IC001049	714901
Valu-Trac Investment Funds ICVC	Scotland	IC000953	581955
VT AI-FUNDS ICVC	England and Wales	IC016426	913889
VT Aspen Asset Management	England and Wales	IC293866	1032084
VT Asset Intelligence Fund Solutions ICVC*	England and Wales	IC035155	940231
VT Astute Funds ICVC	England and Wales	IC029376	928663
VT Avastra Funds	England and Wales	IC000854	532059
VT Brompton Funds ICVC	England and Wales	IC001077	762880
VT Cantab Funds ICVC	England and Wales	IC001114	808050
VT Chelsea Managed ICVC	England and Wales	IC001085	773989
VT Dominium Holdings ICVC*	England and Wales	IC001093	778841
VT Downing Investment Funds ICVC	England and Wales	IC000824	521374
VT Evelyn Partners Investment Funds	England and Wales	IC017239	914471
VT Freedom UCITS OEIC	England and Wales	IC031441	932492
VT Garraway Investment Fund Series IV	England and Wales	IC000534	465988
VT Greystone ICVC	England and Wales	IC000403	434235
VT Greystone Cautious Managed ICVC*	England and Wales	IC000407	435265
VT Greystone Conservative Managed ICVC*	England and Wales	IC000533	465365
VT Halo Funds ICVC	England and Wales	IC001018	629070

VT Highlight ICVC	England and Wales	IC011866	841768
VT Holland Advisors Funds ICVC	England and Wales	IC040266	947634
VT Investor Funds ICVC	England and Wales	IC024590	921279
VT Johnston Financial Funds ICVC	England and Wales	IC027796	926097
VT Momentum Investment Funds	England and Wales	IC000851	531222
VT Momentum Investment Funds II	England and Wales	IC000342	407990
VT Munro Funds	England and Wales	IC000551	467964
VT North Capital Funds ICVC	England and Wales	IC026575	924848
VT Plain English Finance Funds ICVC	England and Wales	IC001096	782737
VT PortfolioMetrix Funds ICVC	England and Wales	IC035161	940234
VT Portfolio Solutions ICVC	England and Wales	IC030801	931577
VT Price Value Partners Funds ICVC	England and Wales	IC001033	671132
VT Redlands Funds	England and Wales	IC001043	694999
VT Redlands NURS ICVC*	England and Wales	IC001089	776548
VT RM Funds ICVC	England and Wales	IC001108	800855
VT Rossie House Investment Management Funds ICVC*	England and Wales	IC000991	607962
VT Shackleton ICVC	England and Wales	IC001105	794635
VT SG Defined Return Assets ICVC	England and Wales	IC001097	784172
VT Sorbus Vector Funds ICVC	England and Wales	IC001059	731963
VT Teviot Funds ICVC	England and Wales	IC001094	780433
VT Tyndall Funds ICVC	England and Wales	IC001050	715282
VT Ursus Arctos Funds ICVC	Scotland	IC001004	613236
VT Vanneck Funds ICVC	England and Wales	IC001112	806954
VT Vanneck Global Equity Income Fund	England and Wales	IC001003	613235
VT WHI Investment Fund	England and Wales	IC000584	472521
VT Woodhill Investment Funds ICVC	England and Wales	IC001009	618204

** Denotes a Non-UCITS Retail Scheme*

APPENDIX 2
PAST PERFORMANCE

VT Downing Small & Mid-Cap Income Fund

Fund performance to 31 December 2025.

	31/12/2024 to 31/12/2025	31/12/2023 to 31/12/2024	31/12/2022 to 31/12/2023	31/12/2021 to 31/12/2022	31/12/2020 to 31/12/2021	31/12/2019 to 31/12/2020	31/12/2018 to 31/12/2019	31/12/2017 to 31/12/2018
Income Shares	0.47	11.5	1.3	-11.1	23.4	-11.9	18.3	-18.4
Accumulation Shares	0.46	11.5	1.3	-11.1	23.4	-11.9	18.3	-18.4

Data provided by Financial Express (income re-invested). This Fund was launched on 14 June 2010.

Past performance is not a guide to future returns. The value of the Sub-fund and the income from it may go down as well as up, so you may not get back the amount you invested.

Target Market for MiFID II:

Type of clients: retail, professional clients and eligible counterparties (subject to the applicable legal and regulatory requirements in the relevant jurisdiction).

Clients' knowledge and experience: investors with at least basic knowledge and experience of funds which are to be managed in accordance with a specific investment objective and policy.

Clients' financial situation with a focus on ability to bear losses: Investors must be prepared to accept fluctuations in the value of capital including capital loss and accept the risks of investing in equity markets, including having the ability to bear 100% capital loss.

Clients' risk tolerance and compatibility of risk/reward profile of the product with the target market: due to the volatility of markets and specific risks of investing in shares in a fund (including those set out in the risk warnings in this Prospectus), investors should have a high risk tolerance. They should be willing to accept price fluctuations in exchange for the opportunity of higher returns.

Clients' objectives and needs: investors should be seeking to invest for the medium to long term who wish to gain access to a portfolio managed in accordance with the specific investment objective and policy of the Sub-fund.

Clients' who should not invest: shares in the Company is deemed incompatible for investors which:

- are looking for full capital protection or full repayment of the amount invested and clients who want a guaranteed return (whether income or capital)
- are fully risk averse/have no risk tolerance
- need a fully guaranteed income of fully predictable return profile

Distribution channel: This product is eligible for all distribution channels (e.g. investment advice, portfolio management, non-advised sales and pure execution services).

Best Execution:

The ACD's order execution policy sets out the factors which the ACD expects the Investment Manager to consider when effecting transactions and placing orders in relation to the Company.

This policy has been developed in accordance with the ACD's obligations under the Regulations to obtain the best possible result for the Company. Details of the order execution policy are available on the ACD's website at www.valu-trac.com

APPENDIX 5
SUB-CUSTODIANS

Country/Market	Subcustodian	Address
Argentina	The Branch of Citibank, N.A. in the Republic of, Argentina	Ciudad de Buenos Aires
Australia	Citigroup Pty Limited	Melbourne
Australia	The Hongkong and Shanghai Banking Corporation Limited	Hong Kong
Austria	UniCredit Bank Austria AG	Vienna
Bahrain	HSBC Bank Middle East Limited	Kingdom of Bahrain
Bangladesh	The Hongkong and Shanghai Banking Corporation	Hong Kong
Belgium	The Bank of New York Mellon SA/NV	Brussels
Bermuda	HSBC Bank Bermuda Limited	Hamilton
Botswana	Stanbic Bank Botswana Limited	Gaborone
Brazil	Citibank N.A., Brazil	Sao Paulo
Brazil	Banco Santander (Brasil) S.A.	Sao Paulo
Bulgaria	Citibank Europe plc, Bulgaria Branch	Sofia
Canada	CIBC Mellon Trust Company (CIBC Mellon)	Toronto
Cayman Islands	The Bank of New York Mellon	New York
Channel Islands	The Bank of New York Mellon	New York
Chile	Banco Santander Chile	Santiago
China	HSBC Bank (China) Company Limited	Shanghai
China	Bank of China Limited	Beijing
China	Agricultural Bank of China Limited	Beijing
Colombia	Cititrust Colombia S.A. Sociedad Fiduciaria	Bogota
Colombia	S3 CACEIS Colombia S.A. Sociedad Fiduciaria	Bogota
Costa Rica	Banco Nacional de Costa Rica	San José
Croatia	Privredna banka Zagreb d.d.	Zagreb

Cyprus	Citibank Europe Plc, Greece Branch	Athens
Czech Republic	Citibank Europe plc, organizacni slozka	Prague
Denmark	Skandinaviska Enskilda Banken AB (Publ)	Stockholm
Denmark	The Bank of New York Mellon SA/NV	Brussels
Egypt	HSBC Bank Egypt S.A.E.	Cairo
Estonia	AS SEB Pank	Tallinn
Estonia	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main	Frankfurt
Euromarket	Clearstream Banking S.A.	Luxembourg
Euromarket	Euroclear Bank SA/NV	Brussels
Finland	Skandinaviska Enskilda Banken AB (Publ)	Stockholm
France	BNP Paribas SA	Paris
France	The Bank of New York Mellon SA/NV	Brussels
Germany	The Bank of New York Mellon SA/NV	Frankfurt
Ghana	Stanbic Bank Ghana Limited	Accra
Greece	Citibank Europe Plc, Greece Branch	Athens
Hong Kong	Citibank N.A.	Hong Kong
Hong Kong	The Hongkong and Shanghai Banking Corporation Limited	Hong Kong
Hungary	Citibank Europe plc. Hungarian Branch Office	Budapest
Iceland	Landsbankinn hf.	Reykjavik
India	Standard Chartered Bank, India Branch	Mumbai
India	Deutsche Bank AG	Mumbai
India	The Hongkong and Shanghai Banking Corporation Limited	Hong Kong
Indonesia	Standard Chartered Bank, Indonesia Branch	Jakarta

Indonesia	Deutsche Bank AG	Jakarta
Ireland	The Bank of New York Mellon	New York
Israel	Bank Hapoalim B.M.	Tel Aviv
Italy	The Bank of New York Mellon SA/NV	Brussels
Japan	Mizuho Bank, Ltd.	Tokyo
Japan	MUFG Bank, Ltd.	Tokyo
Jordan	Bank of Jordan PLC	Amman
Kazakhstan	Citibank Kazakhstan Joint-Stock Company	Almaty
Kenya	Stanbic Bank Kenya Limited	Nairobi
Kuwait	HSBC Bank Middle East Limited, Kuwait	Safat
Latvia	AS SEB banka	Kekavas novads
Latvia	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main	Frankfurt
Lithuania	AB SEB bankas	Vilnius
Lithuania	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main	Frankfurt
Luxembourg	Euroclear Bank SA/NV	Brussels
Malawi	Standard Bank PLC	Lilongwe
Malaysia	Standard Chartered Bank Malaysia Berhad	Kuala Lumpur
Malta	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main	Frankfurt
Mauritius	The Hongkong and Shanghai Banking Corporation Limited	Ebene
Mexico	Banco Citi México, S.A. Institución de Banca Múltiple, Grupo Financiero Citi México	Ciudad de Mexico
Mexico	Banco S3 CACEIS Mexico, S.A., Institución de Banca Multiple	Ciudad de Mexico

Morocco	Citibank Maghreb S.A.	Casablanca
Namibia	Standard Bank Namibia Limited	Kleine Kuppe, Windhoek
Netherlands	The Bank of New York Mellon SA/NV	Brussels
New Zealand	The Hongkong and Shanghai Banking Corporation Limited	Auckland
Nigeria	Stanbic IBTC Bank Ltd	Lagos
Norway	Skandinaviska Enskilda Banken AB (Publ)	Stockholm
Oman	Standard Chartered Bank	Ruwi
Pakistan	Deutsche Bank AG	Karachi
Panama	Citibank N.A., Panama Branch	Panama City
Peru	Citibank del Peru S.A.	Lima
Philippines	Standard Chartered Bank Philippines Branch	Makati City
Poland	Bank Polska Kasa Opieki S.A.	Warszawa
Portugal	Citibank Europe Plc	Dublin
Qatar	Qatar National Bank	Doha
Qatar	The Hongkong and Shanghai Banking Corporation Limited	Hong Kong
Romania	Citibank Europe plc Dublin, Romania Branch	Bucharest
Russia	AO RenCap Bank	Moscow
Russia	Tbank	Moscow
Saudi Arabia	HSBC Saudi Arabia	Riyadh
Serbia	UniCredit Bank Serbia JSC Belgrade	Belgrade
Singapore	DBS Bank Ltd	Singapore
Singapore	Standard Chartered Bank (Singapore) Limited	Singapore
Slovak Republic	Citibank Europe plc, pobocka zahranicnej banky	Bratislava
Slovenia	UniCredit Banka Slovenija d.d.	Ljubljana
South Africa	Standard Chartered Bank, Johannesburg Branch	Sandton
South Africa	The Standard Bank of South Africa Limited	Johannesburg

South Korea	Standard Chartered Bank Korea Limited (SCB)	Seoul
South Korea	The Hongkong and Shanghai Banking Corporation Limited, Seoul Branch	Seoul
South Korea	Deutsche Bank AG	Seoul
Spain	Banco Bilbao Vizcaya Argentaria, S.A.	Bilbao
Spain	CACEIS Bank Spain, S.A.U.	Madrid
Sri Lanka	The Hongkong and Shanghai Banking Corporation Limited	Hong Kong
Sweden	Skandinaviska Enskilda Banken AB (Publ)	Stockholm
Switzerland	UBS Switzerland AG	Zurich
Taiwan	HSBC Bank (Taiwan) Limited	Taipei City
Taiwan	Citibank Taiwan Limited	Taipei City
Tanzania	Stanbic Bank Tanzania Limited	Dar es Salaam
Thailand	The Hongkong and Shanghai Banking Corporation Limited	Bangkok
Tunisia	Union Internationale de Banques	Tunis
Turkey	Deutsche Bank A.S.	Istanbul
U.A.E.	HSBC Bank Middle East Limited (HBME)	Dubai
U.K.	The Bank of New York Mellon	New York
U.S.A.	The Bank of New York Mellon	New York
U.S.A. Precious Metals	HSBC Bank, USA, N.A.	New York
Uganda	Stanbic Bank Uganda Limited	Kampala
Ukraine	JSC "Citibank" Full name Joint Stock Company "Citibank"	Kiev
Uruguay	Banco Itaú Uruguay S.A.	Montevideo
Vietnam	HSBC Bank (Vietnam) Ltd	Ho Chi Minh City

WAEMU	Société Générale Côte d'Ivoire	Abidjan
Zambia	Stanbic Bank Zambia Limited	Lusaka
Zimbabwe	Stanbic Bank Zimbabwe Limited	Harare

Note: Benin, Burkina-Faso, Guinea Bissau, Ivory Coast, Mali, Niger, Senegal and Togo are members of the West African Economic and Monetary Union (WAEMU).

APPENDIX 6
DIRECTORY

The Company and Head Office:
VT Downing Investment Funds ICVC
Level 4
Dashwood House
69 Old Broad Street
London
EC2M 1QS

Authorised Corporate Director and Registrar:
Valu-Trac Investment Management Limited
Mains of Orton
Orton
Moray
IV32 7QE

Depositary:
The Bank of New York Mellon (International) Limited
160 Queen Victoria Street
London
EC4V 4LA

Investment Manager:
Downing LLP
6th Floor
St Magnus House
3 Lower Thames Street
London
EC3R 6HD

Auditors:
Johnston Carmichael LLP
Strathlossie House
Elgin Business Park
Kirkhill Avenue
Elgin
IV30 8DE