

**IMPORTANT: IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS  
PROSPECTUS YOU SHOULD CONSULT A FINANCIAL ADVISER**

**VT GREYSTONE CONSERVATIVE MANAGED FUND**

**(an open-ended investment company with variable capital incorporated with limited liability  
and registered in England and Wales under registered number IC000533)**

**PROSPECTUS**

**24 APRIL 2025**

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**PROSPECTUS**  
**OF**  
**VT GREYSTONE CONSERVATIVE MANAGED FUND**

This document constitutes the Prospectus for VT Greystone Conservative Managed Fund (the Company”) (PRN No. 465365) which has been prepared in accordance with the terms of the rules contained in the Collective Investment Schemes Sourcebook (the “FCA Regulations”) published by the FCA as part of their Handbook of rules made under the Financial Services and Markets Act 2000 (the “Act”).

A copy of this prospectus can be obtained from Valu-Trac Investment Management Limited at the address listed under item 4.1.2 during normal business hours at no cost.

Copies of this Prospectus have been sent to the FCA and the Depositary.

If you are in any doubt about the contents of this Prospectus you should consult your professional adviser.

The Prospectus is based on information, law and practice at the date hereof. The Company is not bound by any out of date prospectus when it has issued a new prospectus and potential investors should check that they have the most recently published prospectus.

Valu-Trac Investment Management Limited, the ACD of the Company, is the person responsible for the information contained in this Prospectus. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained herein does not contain any untrue or misleading statement or omit any matters required by the FCA Regulations to be included in it.

No person has been authorised by the Company to give any information or to make any representations in connection with the offering of shares other than those contained in the Prospectus and, if given or made, such information or representations must not be relied on as having been made by the Company. 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 described in this Prospectus have not been and will not be registered under the United States Securities Act of 1933, as amended the United States Investment Company Act of 1940 or the securities laws of any of the states of the United States. The shares may not be offered, sold or delivered directly or indirectly in the United States or to the account or benefit of any US Person (as defined below).

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.

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.

Shares in the Company are not listed on any investment exchange.

Except from the information about itself as Depositary contained in this Prospectus, the Depositary is not a person responsible for the information contained in this Prospectus and accordingly does not accept any responsibility therefore under the COLL Sourcebook or otherwise.

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

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](http://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 United Kingdom) 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.

The Money Laundering Regulations 2017, The Proceeds of Crime Act 2002, The FCA Senior Management Arrangements Systems & Controls Source book and Joint Money Laundering Steering Group guidance notes (which are updated from time to time) state that the ACD must check your identity and the source of the money invested. The checks may include an electronic search of information held about you on the electoral roll and using credit reference agencies. The credit reference agency may check the details you supply against any particulars on any database (public or otherwise) to which they have access and may retain a record of that information although this is only to verify your identity and will not affect your credit rating. They may also use your details in the future to assist other companies for verification purposes. If you apply for shares you are giving the ACD permission to ask for this information in line with the Data Protection Legislation. If you invest through a financial adviser they must fill an identity verification certificate on your behalf and send it to the ACD with your application.

**Target market for MiFID II purposes:** The Target Market for MiFID II purposes for the Company is set out in Appendix 7.

## DEFINITIONS

“ACD”	Valu-Trac Investment Management Limited, the Authorised Corporate Director of the Company;
“Accumulation Share”	paying shares, denominated in base currency, in the Company as may be in issue from time to time in respect of which income allocated thereto is credited periodically to capital pursuant to the FCA Rules or accounted for by the Company;
“Act”	Financial Services and Markets Act 2000;
"AIF"	an ‘Alternative Investment Fund’; a collective investment scheme which is authorised by the Financial Conduct Authority and therefore meets the standards set by the Financial Conduct Authority to enable the scheme to be marketed to the public within the UK and which complies with the Alternative Investment Fund Managers Directive’;
"AIFM"	Valu-Trac Investment Management Limited, the alternative investment fund manager of the Company;
“AIFMD”	Alternative Investment Fund Managers Directive (as implemented in the UK);
“Approved Derivative”	an approved derivative is one which is traded or dealt on an eligible derivatives market and any transaction in such a derivative must be effected on or under the rules of the market;
"Business Day"	means a day on which the London Stock Exchange is open. If the London Stock Exchange is closed as a result of a holiday or for any other reason, or there is a holiday elsewhere or other reason which impedes the calculation

	of the fair market value of the Company's portfolio of securities or a significant portion thereof, the ACD may decide that any business day shall not be construed as such;
"COLL"	the Collective Investment Scheme Sourcebook made by the FCA pursuant to the Financial Services and Markets Act 2000, as amended from time to time;
"Company"	VT Greystone Conservative Managed Fund, a UK authorised investment company with variable capital;
"Dealing Day"	means Monday to Friday inclusive when these are Business Days and other days at the ACD's discretion;
"Depositary"	NatWest Trustee and Depositary Services Limited, the depositary of the Company or such other entity as is appointed to act as Depositary;
"Eligible Markets"	means eligible markets as defined in the FCA Regulations and as set out in Appendices 4 and 5;
"EPM"	means efficient portfolio management as defined in the FCA regulations in COLL sourcebook and in accordance with article 11 of the UCITS eligible assets Directive. These techniques and instruments relate to transferrable securities and approved money market instruments and are economically appropriate as they are realised in a cost effective way. The purpose must be to reduce risk and / or reduce cost and / or generate additional capital or income with a risk level which is consistent the investment objective and the risk diversification rules laid down in the COLL sourcebook;
"FCA"	the Financial Conduct Authority;



“FCA Regulations”	the rules contained in the Collective Investment Schemes Sourcebook of the FCA Rules;
“FCA Rules”	the FCA handbook of rules made under the Act and are currently referred to as ‘COLL Rules’;
"FUND"	the Investment Funds Sourcebook made by the FCA, pursuant to the Financial Services and Markets Act 2000, as amended from time to time;
“Investment Manager”	the Investment Manager appointed by the ACD;
"MiFID II"	means the Markets in Financial Instruments Directive 2014/65/EU as implemented in the UK;
“Net Asset Value” or “NAV”	the value of the Scheme Property of the Company less the liabilities of the Company as calculated in accordance with the Company’s Instrument of Incorporation;
“non-UCITS retail scheme”	a scheme which is not constituted in accordance with the UCITS Directive (a European Directive relating to undertakings for collective investment in transferable securities which has been adopted in the UK) but is available to retail investors;
“OEIC Regulations”	the Open-Ended Investment Companies Regulations 2001;
“Regulated Activities Order”	the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001;
"Regulations"	means the OEIC Regulations and the FCA Handbook (including the COLL Sourcebook), as amended;
“Scheme Property”	the property of the Company to be given to the Depositary for safe-keeping, as required by the FCA Regulations;

“Share Class”	a particular class of shares as described in Section 3; and
“US Persons”	a citizen or resident of the United States of America, its territories and possessions including the State and District of Columbia and all areas subject to its jurisdiction (including the Commonwealth of Puerto Rico), any corporation, trust, partnership or other entity created or organised in or under the laws of the United States of America, any state thereof or any estate or trust the income of which is subject to United States federal income tax, regardless of source. The expression also includes any person who falls within the definition of “US Person” as defined in rule 902 of regulation S of the United States Securities Act 1933; and
“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 for the purpose of determining the price at which Shares of a Share Class may be issued, cancelled or redeemed. The current Valuation Point is 8.00 a.m London time on each Dealing Day.

## **1 The Company**

- 1.1 VT Greystone Conservative Managed Fund (previously known as MGTS Greystone Conservative Managed Fund) is an investment company with variable capital, incorporated in England and Wales on 24 April 2007 under registered number IC000533 and authorised by the FCA (Product Reference Number (PRN) 465365) with effect from 24 April 2007.
- 1.2 The Head Office of the Company is at Level 4, Dashwood House, 69 Old Broad Street, London EC2M 1QSand its principal place of business is at Mains of Orton, Orton, Moray, IV32 7QE.
- 1.3 The base currency of the Company is pounds sterling (£).
- 1.4 **Marketing in other states**
- Shares in the Company may be marketed in the UK and other states, subject to the Regulations, and any regulatory constraints in those countries.
- 1.5 The maximum share capital of the Company is currently £1,000,000,000,000 and the minimum is £100. Shares in the Company have no par value and therefore the share capital of the Company at all times equals the Company's current net asset value.
- 1.6 Shareholders in the Company are not liable for the debts of the Company.
- 1.7 The Company has been established as a "non-UCITS retail scheme" under the FCA Regulations. On the establishment of a new Share Class an updated prospectus will be prepared setting out the relevant information concerning the new share class.
- 1.8 The Prospectus and instrument of incorporation together provide a description of the legal implications of the contractual relationship entered into for the purpose of investment.
- 1.9 The Company has an unlimited duration.

## **2 Company Structure**

The Company is a non-UCITS retail scheme for the purposes of the Regulations.

- 2.1 Details of the Company, including its investment objective and policy are set out in Appendix 1. The Company may invest in derivatives for Efficient Portfolio Management.
- 2.2 Under the FCA Regulations, the ACD is required to determine which one of the following three categories the changes to the Company's operation fall within:
- 2.3 Fundamental events which change the nature of the Company or the basis on which the investor invested. For example changes to an investment objective, its risk profile or something that would cause material prejudice to the investors would require investor approval.
- 2.4 Significant events which would materially affect an investor's investment, result in increased payments out of the Company, or could reasonably be expected to cause investors to reconsider their participation in the Company. Those should be notified pre-event to investors and in sufficient time to enable them to leave the Company, if they wish, before the change takes effect. 60 days minimum notice is required for these changes.
- 2.5 Notifiable events for which the ACD would decide when and how the investor should be notified, depending on the type of event. In these cases notification could be after the event.
- 2.6 Any changes to the maximum level of leverage that a Company may employ, any introduction of the right of reuse of collateral or any introductions of a guarantee granted under the leveraging arrangements by the Company will be considered as a significant or fundamental event and notified to investors accordingly.

## **3 Shares**

- 3.1.1 The Share Classes presently available are set out in Appendix 1. Further Share Classes may be made available in due course, as the ACD may decide. On the

introduction of any new Class, a revised prospectus will be prepared setting out the relevant details of each Class.

3.1.2 The minimum initial investment for each Share Class is set out in Appendix 1. These limits may be waived at the discretion of the ACD.

3.1.3 The Company currently issues Accumulation and Accumulation ‘R’ Shares. Accumulation Shares credit any income allocated to them to capital. Income shares may be issued at a later date.

## **4 Management and Administration**

### **4.1 Authorised Corporate Director**

4.1.1 The Authorised Corporate Director of the Company is Valu-Trac Investment Management Limited which is a private company limited by shares incorporated in England and Wales under the Companies Act 1985. The ACD was incorporated on 3 October 1989 with company number 02428648. The ACD is also the Company’s Alternative Investment Fund Manager (“AIFM”) as defined in FUND. The ultimate holding company of the ACD is Valu-trac Limited, a company incorporated in Bermuda.

4.1.2 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: Issued and paid up 3,398,295 Ordinary £1 shares

- 4.1.3 The ACD is responsible for managing and administering the Company's affairs in compliance with the FCA Regulations. The ACD may delegate its management and administration functions, but not responsibility, to third parties, including associates subject to the rules in the FCA Regulations. The ACD currently delegates investment management functions to the Investment Manager noted in Section 6. All notices and documentation will be issued by post to the registered address of the primary shareholder unless otherwise stated within the prospectus.
- 4.1.4 The ACD complies with the requirements of providing cover for professional liability risks set out in article 12 of the AIFMD level II regulation by maintaining an amount of own funds as required by article 14 of the AIFMD level II regulation.
- 4.1.5 As at the date of this Prospectus, the ACD acts as such for the investment companies with variable capital set out in Appendix 3.

## 4.2 **Terms of Appointment**

- 4.2.1 The ACD was appointed by an agreement between the Company and the ACD (the "ACD Agreement"). The ACD Agreement provides that the appointment of the ACD may be terminated upon six months' written notice by either the ACD or the Company, although in certain circumstances the ACD Agreement may be terminated forthwith by notice in writing by the ACD to the Company or the Depositary, or by the Depositary or the Company to the ACD. Termination cannot take effect until the FCA has approved the appointment of another authorised corporate director in place of the retiring ACD.
- 4.2.2 The ACD is entitled to its pro rata fees and expenses to the date of termination and any additional expenses necessarily realised in settling or realising any outstanding obligations. No compensation for loss of office is provided for in the ACD Agreement. The ACD Agreement provides indemnities to the ACD other than for matters arising by reason of its negligence, default, breach of duty or breach of trust in the performance of its duties and obligations. Copies of the ACD Agreement are available on request. Subject to the certain limited exceptions set out in the Regulations, the ACD may retain the services of any person to assist in the performance of its function.

- 4.2.3 The ACD is under no obligation to account to the Depositary or the Shareholders for any profit it makes on the issue or re-issue of shares or cancellation of shares which it has redeemed. The fees to which the ACD is entitled are set out in Section 30.
- 4.2.4 The main business activities of the ACD are the provision of discretionary investment management services and acting as a manager to authorised OEICs and unit trusts.
- 4.2.5 The directors of the ACD are listed in Appendix 8.
- 4.2.6 No executive director is engaged in any significant business activity not connected with the business of the ACD or other Valu-Trac Investment Management Limited subsidiaries.
- 4.2.7 Details of the fees payable to the ACD are given in Clause 30 and Appendix 1.

## **5 The Depositary**

- 5.1 NatWest Trustee and Depositary Services Limited is the Depositary of the Company.

The Depositary is incorporated in England as a private limited company. Its registered and head office is at 250 Bishopsgate, London EC2M 4AA. The ultimate holding company of the Depositary is NatWest Group plc, which is incorporated in Scotland. The principal business activity of the Depositary is the provision of trustee and depositary services. The Depositary is authorised and regulated by the FCA. It is authorised to carry on investment business in the United Kingdom by virtue of its authorisation and regulation by the regulator.

### **5.2 Principal Business Activity**

The Depositary is responsible for monitoring cash flows and for the safekeeping of all the Scheme Property (other than tangible moveable property) of the Company and has a duty to take reasonable care to ensure that the Company is managed in

accordance with the Instrument of Incorporation and the provisions of the FCA Regulations relating to the pricing of, and dealing in, Shares and relating to the income and the investment and borrowing powers of the Company.

The Depositary is permitted to delegate (and authorised its delegate to sub-delegate) the safekeeping of Company property. The Depositary has appointed CACEIS Bank, UK Branch to act as custodian of the property of the Company (the “Custodian”).

### 5.3 **Conflicts of interest**

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

It is possible that the Depositary and/or its delegates and sub-delegates may in the course of its or their business be involved in other financial and professional activities which may on occasion have potential conflicts of interest with the Company and/or other funds managed by the ACD or other funds for which the Depositary acts as the depositary, trustee or custodian. The Depositary will, however, have regard in such event to its obligations under the Depositary Agreement and the Regulations and, in particular, will use reasonable endeavours to ensure that the performance of its duties will not be impaired by any such involvement it may have and that any conflicts which may arise will be resolved fairly and in the best interests of Shareholders collectively so far as practicable, having regard to its obligations to other clients.

Nevertheless, as the Depositary operates independently from the Company, Shareholders, the ACD and its associated suppliers and the Custodian, the Depositary does not anticipate any conflicts of interest with any of the aforementioned parties.

Up to date information regarding (i) the Depositary’s name, (ii) the description of its duties and any conflicts of interest that may arise between the Company, the shareholders or the ACD and the depositary, and (iii) the description of any safekeeping functions delegated by the Depositary, the description of any conflicts of interest that may arise from such delegation, and the list showing



the identity of each delegate and sub-delegate, will be made available to Shareholders on request.

**5.4 Terms of Appointment**

5.4.1 The Depositary was appointed under a depositary agreement between the ACD, the Company and the Depositary (the “Depositary Agreement”).

5.4.2 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.

5.4.3 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.

5.4.4 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.

5.4.5 However, the Depositary Agreement excludes the Depositary from any liability except in the case of fraud, wilful default, negligence or failure to exercise due care and diligence in the performance or non-performance of its obligations.

5.4.6 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 fraud, wilful default, negligence or failure to exercise due care and diligence on its part.

5.4.7 The Depositary Agreement may be terminated on 6 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.

5.4.8 Details of the fees payable to the Depositary are given in Clause 32.2.

## **6 The Investment Manager**

The ACD has appointed Foundation Investment Management Ltd, Foundation House, Scott Drive, Altrincham, Cheshire WA15 8AB, to provide investment management services to the ACD. Foundation Investment Management Ltd are authorised and regulated by the FCA.

### **6.1 Terms of Appointment**

6.1.1 The Investment Manager was appointed by an agreement (as amended) between the ACD and the Investment Manager (the “Investment Management Agreement”).

6.1.2 The Investment Management Agreement may be terminated on six months’ written notice by the Investment Manager or the ACD, or may be terminated by the ACD with immediate effect if it is in the interests of the shareholders to do so.

6.1.3 Under the Investment Management Agreement, the ACD provides indemnities to the Investment Manager, (except in the case of any matter arising as a direct result of its fraud, negligence, default or bad faith). The ACD may be entitled under the indemnities in the ACD Agreement to recover from the Company amounts paid by the ACD under the indemnities in the Investment Management Agreement.

Its registered office is at Foundation House, Scott Drive, Altrincham, Cheshire WA15 8AB. The principal activity of the Investment Manager is acting as an investment manager.

6.1.4 Investment management functions have been delegated by the ACD to the Investment Manager. The Investment Manager will manage, buy, sell, retain, convert, exchange or otherwise deal in the assets of the company in such types of investment on such markets and in such proportions as and when the Investment Manager deems appropriate to exercise its discretion in achieving the investment objectives of the Company whilst always adhering to the terms of this prospectus and FCA requirements.

- 6.1.5 The fees and expenses of the Investment Manager (plus VAT thereon) will be paid by the ACD out of its remuneration under the ACD Agreement.

## **7 The Auditor**

The Auditors of the Company are Johnston Carmichael LLP, whose address is Strathlossie House, Kirkhill Avenue, Elgin, IV30 8DE.

## **8 Administrator and Register of Shareholders**

The ACD also provides administration services to the Company.

The Register of Shareholders is maintained at Mains of Orton, Orton, Moray, IV32 7QE and may be inspected at that address during normal business hours by any Shareholder or any Shareholder's duly authorised agent.

## **9 Conflicts of Interest**

The ACD, the Investment Manager, and other companies within the ACD and/or the Investment Manager's group may, from time to time, act as investment manager or advisers to other funds which follow similar investment objectives to that of the Company. 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 that a conflict exists between the Company and other funds managed by the ACD. Each of the ACD and the Investment Manager will, however, have regard in such event to their 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. Where a conflict of interest cannot be avoided, the ACD and the Investment Manager will ensure that the Company and other collective investment schemes they manage are fairly treated.

The ACD acknowledges that there may be some situations where the organisational or administrative arrangements in place for the management of conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the

interests of the Company or its shareholders will be prevented. Should any such situations arise the ACD will disclose these to shareholders in the report and accounts or otherwise in an appropriate format.

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

Details of the ACD's conflicts of interest policy are available on its website at: [www.valu-trac.com](http://www.valu-trac.com).

## **10 Buying Selling and Switching Shares**

The dealing office of the ACD is open from 9.00 am until 5.00 pm (London Time) on each Dealing Day to receive requests for the issue and redemption of shares, which will be effected at prices determined at the next Valuation Point following receipt of such request. Any valid request to deal (whether purchase, redemption or switch) in Shares received by the ACD by 5.00pm on a particular business day will (save where dealing in the Shares of the Company has been suspended) be dealt with on the next Dealing Day (using the Net Asset Value per Share calculated as at the Valuation Point on that next Dealing Day). A dealing request received at, or after, 5.00pm will be dealt with on the next following Dealing Day (using the price determined at the Valuation Point on the next following Dealing Day).

### **Delivery versus Payment (DvP)**

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

Depository. No interest will be paid on money held in these client money bank accounts. Any money held in a client money account will be protected by the FCA's client money rules.

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 Depository by the close of the Business Day following receipt. Similarly when Shareholders sell shares in the ICVC, 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 Depository. No interest will be paid on money held in these client money bank accounts. Any money held in a client money account will be protected by the FCA's client money rules.

## **11 Buying Shares**

### **11.1 Procedure**

11.1.1 Shares can be bought by sending clear written instructions or a completed application form to the ACD. Applications forms are available from the ACD at Mains of Orton, Orton, Moray, IV32 7QE.

11.1.2 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. The ACD is not obliged to issue Shares unless it has received cleared funds from an investor.

11.1.3 A purchase of Shares in writing or by 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 has been issued will not be returned to the applicant. Instead, smaller denomination shares (one-thousandth of a share) will be issued in such circumstances.

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 contract 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. The ACD may extend cancellation rights to other investors but is under no obligation to do so.

## **11.2 Documentation**

11.2.1 A contract note giving details of the shares purchased and the price used will be issued by the end of the Dealing Day following the Valuation Point by reference to which the purchase price is determined, together with, where appropriate, a notice of the applicant's right to cancel.

11.2.2 Settlement is due on receipt by the purchaser of the contract note.

11.2.3 Share certificates will not be issued in respect of shares. Ownership of shares will be evidenced by an entry on the Company's Register of Shareholders. Individual statements of a shareholder's (or, when shares are jointly held, the first named holder's) shares will also be issued at any time on request by the registered holder.

## **11.3 In Specie Issue**

The Instrument of the scheme provides that the Depositary may take into the scheme property assets other than cash as payment for the issue of shares but only if the Depositary has taken reasonable care to ensure that receipt or payment out of the property concerned would not be likely to result in any material prejudice to the interests of shareholders of the Company.

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 exchange for assets the holding of which would be inconsistent with the investment objective or policy of the Company.

#### **11.4 Minimum subscriptions and holdings**

11.4.1 The minimum initial and subsequent subscription level, and minimum holding, is set out in Appendix 1. The ACD may at its discretion accept subscriptions lower than the minimum amount.

11.4.2 If a holding is below the minimum holding the ACD has discretion to require redemption of the entire holding.

### **12 Selling Shares**

#### **12.1 Procedure**

12.1.1 Every shareholder has the right to require that the Company redeem their shares on any Dealing Day unless the value of shares which a shareholder wishes to redeem will mean that the shareholder will hold shares with a value less than the required minimum holding, in which case the shareholder may be required to redeem their entire holding.

12.1.2 Requests to redeem shares may be made to the ACD in writing to the ACD at Mains of Orton, Orton, Moray, IV32 7QE.

12.1.3 Any subscription monies remaining after a whole number of shares has been issued will not be returned to the applicant. Instead, smaller denomination shares (one-thousandth of a share) will be issued in such circumstances.

#### **12.2 Documents the Seller will receive:**

12.2.1 A contract note giving details of the number and price of shares sold will be sent to the selling shareholder (the first named, in the case of joint shareholders) or their duly authorised agents together (if sufficient written instructions have

not already been given) with a form of renunciation for completion and execution by the shareholder (and, in the case of a joint holding, by all the joint holders) not later than the end of the Dealing Day following the Valuation Point by reference to which the redemption price is determined. Settlement in satisfaction of the redemption monies will be issued within four Dealing Days or the later of:

- 12.2.2 receipt by the ACD of the form of renunciation (or other sufficient written instructions) duly signed by all the relevant shareholders and completed as to the appropriate number of shares, together with any other appropriate evidence of title;
- 12.2.3 the Valuation Point following receipt by the ACD of the request to redeem;
- 12.2.4 payments made by cheque will be sent by post to the last address notified by the shareholder to the ACD. It will be deemed to be received on the second day after posting. The ACD will not be responsible if the mailing is delayed except where as a result of the ACD's negligence. If the mailing goes astray or is intercepted the ACD reserves the right to fully investigate what has happened and will have no obligation to remit a second payment to the shareholder until satisfied with the results of the investigation; and
- 12.2.5 where the redemption proceeds are to be paid by telegraphic transfer, the ACD will make the payment to the bank account details last notified to the ACD. The redemption proceeds will be sent at the risk of the shareholder and the ACD will not be responsible if the telegraphic transfer is delayed, unless this is as a result of the ACD's negligence. The ACD reserves the right to fully investigate what has happened and will have no obligation to remit a second payment to the shareholder until satisfied with the results of the investigation.

### 12.3 **Minimum redemption**

Part of a shareholder's holding may be sold but the ACD reserves the right to refuse a redemption request if the value of the shares to be redeemed is less than any minimum redemption amount set out in Appendix 1 or would result in a shareholder holding less than the minimum holding, as detailed in Appendix 1.



#### 12.4 **In Specie Redemption**

If a shareholder requests the redemption or cancellation of shares, the ACD may, if it considers the deal substantial in relation to the total size of the Company, arrange for the Company to cancel the shares and transfer Scheme Property to the shareholder instead of paying the price of the shares in cash, or, if required by the shareholder, pay the net proceeds of sale of the relevant Scheme Property to the shareholder. A deal involving shares representing 5% or more in value of the Company will normally be considered substantial, although the ACD may in its discretion agree an in specie redemption with a shareholder whose shares represent less than 5% in value of the Company.

Before the proceeds of cancellation of the shares become payable, the ACD will give written notice to the shareholder that Scheme Property (or the proceeds of sale of that Scheme Property) will be transferred to that shareholder.

The ACD will select the property to be transferred (or sold) in consultation with the Depositary. They must ensure that the selection is made with a view to achieving no greater advantage or disadvantage to the redeeming shareholder than to continuing shareholders.

#### 12.5 **Direct Issue or Cancellation of units by an ICVC through the ACD**

Shares are issued or cancelled by the ACD making a record of the issue or cancellation and of the number of shares of each class concerned.

#### 12.6 **Electronic Dealing**

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).

### 13 **Share Class Conversion**

- 13.1 If applicable, a holder of shares may at any time convert all or some of their shares (“Old Shares”) for shares of another class of the Company (“New Shares”). The number of New Shares issued will be determined by reference to the respective

prices of New Shares and Old Shares at the Valuation Point applicable at the time the Old Shares are repurchased and the New Shares are issued

- 13.2 Subject to any restrictions on the eligibility of investors for a particular class, the ACD may, with the agreement of the Depositary, effect a mandatory conversion of all or some of a shareholder's shares in one class for share of another class in the Company if this is considered to be in the best interests of shareholders.<sup>1</sup>
- 13.3 Conversion may be effected in writing to the ACD (at the address referred to in Section 12.1.2) and the shareholder may be required to complete a switching form (which, in the case of joint shareholders must be signed by all the joint holders). A converting shareholder must be eligible to hold the shares into which the conversion is to be made.
- 13.4 The ACD will not charge a fee on the conversion of shares between Classes.
- 13.5 If the conversion would result in the shareholder holding a number of Old Shares or New Shares of a value which is less than the minimum holding, the ACD may, if it thinks fit, convert the whole of the applicant's holding of Old Shares to New Shares or refuse to effect any switch of the Old Shares. No conversion will be made during any period when the right of shareholders to require the redemption of their shares is suspended (as to which see Section 18 below). The general provisions on selling shares shall apply equally to a conversion.
- 13.6 The ACD may adjust the number of New Shares to be issued to reflect the imposition of any conversion fee together with any other charges or levies in respect of the issue or sale of the New Shares or repurchase or cancellation of the Old Shares as may be permitted pursuant to the FCA Regulations.
- 13.7 A conversion of shares between different Share Classes will not be deemed to be a realisation for the purposes of capital gains taxation.
- 13.8 A shareholder who converts shares in one class for shares in any other class will not be given a right by law to withdraw from or cancel the transaction.

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<sup>1</sup> Mandatory conversion right applies only from 20 November 2018

## **14 Dealing Charges**

### **14.1 Preliminary Charge**

The ACD may impose a charge on the sale of shares to investors which is based on the amount invested by the prospective investor. The preliminary charge is payable to the ACD. Full details of the current preliminary charge are set out in Appendix 1.

### **14.2 Redemption Charge**

14.2.1 The ACD does not currently make a charge on the redemption of shares.

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

## **15 Other Dealing Information**

### **15.1 Dilution Adjustment**

15.1.1 The basis on which the Company's investments are valued for the purpose of calculating the price of Shares is stipulated in the FCA Rules and the Instrument of Incorporation. Shares are single priced.

15.1.2 The actual cost of purchasing, selling or switching underlying investments of the Company may deviate from the mid-market value of portfolio assets used in calculating its Share price, due to dealing costs such as broking charges, taxes, and any spread between the buying and selling prices of the Company's underlying investments relative to the mid-market value used to value such investments. These dealing costs can have an adverse effect on the value of the Company (and a Shareholders interest in it), known as "dilution".

15.1.3 It is not, however, possible to predict accurately whether dilution will occur at any point in time. The OEIC Regulations and FCA Rules allow the cost of

dilution to be met directly from the Company's assets or to be recovered from investors on the purchase or redemption of Shares by means of an adjustment to the dealing (i.e. sale or purchase) price of Shares. This is known as making a dilution adjustment, and this is the policy which has been adopted by the ACD. 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 Company.

15.1.4 The dilution adjustment which is applied in respect of the Company will be calculated by reference to the estimated costs of dealing in the underlying investments of the Company, 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. Given the number of variable factors (including that dilution is related to inflows and outflows of monies and the purchase and sale of investments), it is not possible to predict accurately whether dilution would occur at any point in time or to predict accurately how frequently the ACD will make a dilution adjustment to the dealing price of Shares.

15.1.5 When applying a dilution adjustment, the ACD will calculate the Net Asset Value for the Company, and then adjust or “swing” the Net Asset Value with reference to the rate of the applicable dilution adjustment. These swings are intended to protect non-dealing Shareholders in the Company from the impact of transaction charges and dealing spreads (as described above) triggered by dealing investors. 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.

15.1.6 The price of Shares in each Share Class will always be calculated separately. Should any dilution adjustment be applied, it will, in percentage terms, affect the price of the Shares in each Share Class identically.

- 15.1.7 The ACD reserves the right to make a dilution adjustment on each Dealing Day where the ACD is of the opinion that it is in the best interest of Shareholders to do so. For example, where the Company is in continual decline, if the Company experiences large levels of net sales relative to its size or in any other case where the ACD is of the opinion that it would be in the interests of Shareholders to make a dilution adjustment.
- 15.1.8 In the event that a dilution adjustment is made, it will be applied to all relevant transactions in the Company during the relevant measurement period (typically each Dealing Day) and all transactions during the relevant measurement period will be dealt on the same price inclusive of the dilution adjustment.
- 15.1.9 The ACD's decision on whether or not to make a dilution adjustment, and at what level a dilution adjustment might be made in a particular case or generally, will not prevent it from making a different decision on future similar transactions.
- 15.1.10 The dilution adjustment may vary over time because the dilution adjustment will be calculated by reference to the costs of dealing in the underlying investments of the Company, including any dealing spreads, and these can vary with market conditions. The ACD does not anticipate that the dilution adjustment will exceed 0.20% of the Net Asset Value (and will typically be between 0.05% and 0.10%, however, the ACD reserves the right to adjust these figures at any time in the event of exceptional market conditions or in any case where it is of the opinion that the interests of Shareholders require the imposition of a higher level of adjustment.
- 15.1.11 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 the Company is priced (i.e. offer plus notional dealing charges, mid, or bid less notional dealing charges).
- 15.1.12 On any occasion that the dilution adjustment is not applied, if the Company is experiencing net acquisition of Shares or net redemptions, there may be an adverse impact on the total assets of the Company attributable to each underlying Share which may otherwise constrain the future growth of the Company.

- 15.1.13 It should be noted that, as dilution is directly related to the inflows and outflows of monies from the Company and the purchase and sale of investments, it is not possible to predict accurately if and when dilution will occur and to what extent (and so the exact amount of any dilution adjustment).
- 15.1.14 The dilution adjustment methodology has been in place since Q1 2025 and so there is no historical data on how often a dilution adjustment has been applied.
- 15.1.15 The ACD may alter its current dilution adjustment policy in accordance with the FCA Rules.
- 15.1.16 Further information on the dilution adjustment s is available from the ACD on request.

## 15.2 **Market timing**

The ACD may refuse to accept a new subscription in the Company if, in the opinion of the ACD, it has reasonable grounds for refusing to accept a subscription or a switch from them. In particular, the ACD may exercise this discretion if it believes the Shareholder has been or intends to engage in market timing.

For these purposes, market timing activities include investment techniques which involve short term trading in and out of shares generally to take advantage of variation in the price of Shares between the daily valuation points in the Company. Short term trading of this nature may often be detrimental to long term Shareholders, in particular, the frequency of the dealing may lead to additional dealing costs which can affect long term performance.

## 15.3 **Stamp duty reserve tax ("SDRT")**

The charging of SDRT (at a rate of 0.5%) on the redemption of shares has now been abolished except from in relation to non-pro rata in specie redemptions.

The current policy is that all SDRT costs (if applicable) will be paid out of the Scheme Property and charged to capital and that SDRT will not be recovered from individual Shareholders. However, the ACD reserves the right to require individual Shareholders to pay SDRT whenever it considers that the circumstances have arisen

which make such imposition fair to all Shareholders or potential Shareholders. Deductions of any such costs from capital may erode or constrain capital growth.

#### 15.4 **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.

### 16 **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. 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 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 investment without providing any justification for doing so

## **17 Restrictions, Compulsory Transfer and Deferred Redemption**

17.1 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. In this connection, the ACD may, inter alia, reject in its discretion any application for the purchase, sale or transfer of shares. If it comes to the notice of the ACD that any shares (“affected shares”):

- (a) 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
- (b) 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
- (c) 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
- (d) are owned by a shareholder who is registered in a jurisdiction (where the Company is not 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)

or if the ACD is not satisfied that any shares may not give rise to a situation discussed in (a), (b), (c) or (d), 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.

This may include a situation which a shareholder has moved to a different jurisdiction which either does or may give rise to a situation described in (a), (b), (c) or (d) above.

It is not possible for the ACD to be fully informed of current law and regulations in every jurisdiction and accordingly in the interests of shareholders and to be able to ensure no shares are held or acquired 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. The ACD's policy will be to treat shares of shareholders moving to jurisdictions other than the United Kingdom as affected shares and may refuse to issue shares to anyone resident outside of the UK.

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.

- 17.2 The ACD has procedures to ensure, on a reasonable basis, that sufficient liquidity is available to meet redemptions or other requirements in both normal and exceptional circumstances.

### 17.3 Deferred Redemption

The ACD may defer redemptions at a particular Valuation Point to the next Valuation Point where the requested redemptions exceed 10% of the Company's value. The ACD will ensure the consistent treatment of all holders who have sought to redeem units at any Valuation Point at which redemptions are deferred. The ACD will pro-rata all such redemption requests to the stated level (ie. 10% of the Company's value) and will defer the remainder until the next Valuation Point. The ACD will also ensure that all deals relating to an earlier Valuation Point are completed before those relating to a later Valuation Point are considered.

## 18 Suspension of Dealings in the Company

18.1 The ACD may, with the agreement of the Depositary, or must if the Depositary so requires, and without prior notice to shareholders suspend the issue, cancellation, sale and redemption of shares in the Company, if the ACD or the Depositary is of the opinion that due to exceptional circumstances there is good and sufficient reason to do so having regard to the interests of shareholders or potential shareholders. Any suspension must reviewed every 28 days and be lifted as soon as practicable after the exceptional circumstances have ceased.

18.2 Re-calculation of the share price for the purpose of sales and purchases will commence on the next relevant Valuation Point following the ending of the suspension.

## 19 Governing Law

All deals in shares are governed by the laws of England and Wales.

## 20 Valuation of the Company

20.1 The price of a share in the Company is calculated by reference to the Net Asset Value. There is only a single price for any share as determined from time to time by reference to a particular Valuation Point. The Net Asset Value per share of the Company is currently calculated at 8.00am on each Dealing Day.

- 20.2 The ACD may at any time during a Dealing Day carry out an additional valuation if the ACD considers it desirable to do so.

## **21 Calculation of the Net Asset Value**

- 21.1 The value of the Scheme Property of the Company shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions.

- 21.2 All the Scheme Property (including receivables) of the Company is to be included, subject to the following provisions.

- 21.3 Scheme Property which is not cash (or other assets dealt with in Clause 20.4) or a contingent liability transaction shall be valued as follows:

- 21.3.1 units or shares in a collective investment scheme:

21.3.1.1 if a single price for buying and selling units is quoted, at the most recent such price; or

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

21.3.1.3 if no price or no recent price exists, at a price which in the opinion of the ACD is fair and reasonable;

- 21.3.2 any other transferable security:

21.3.2.1 if a single price for buying and selling the security is quoted, at that price; or

21.3.2.2 if separate buying and selling prices are quoted, the average of those two prices; or

- 21.3.2.3 if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no price exists, at a value which in the opinion of the ACD reflects a fair and reasonable price for that investment;
- 21.3.3 property other than that described in 21.3.1 and 21.3.2 above:
  - 21.3.3.1 at a value which, in the opinion of the ACD, represents a fair and reasonable mid-market price.
- 21.4 Cash and amounts held in current and deposit accounts and in other time-related deposits shall be valued at their nominal values.
- 21.5 Property which is a contingent liability transaction shall be treated as follows:
  - 21.5.1 if it is a written option (and the premium for writing the option has become part of the Scheme Property), the amount of the net valuation of premium receivable shall be deducted.
  - 21.5.2 if it is an off-exchange future, it will be included at the net value of closing out in accordance with a valuation method agreed between the ACD and the Depositary;
  - 21.5.3 if the property is an off-exchange derivative, it will be included at a valuation method agreed between the ACD and Depositary;
  - 21.5.4 if it is any other form of contingent liability transaction, it will be included at the net value of margin on closing out (whether as a positive or negative value).
- 21.6 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.
- 21.7 Subject to paragraphs 21.8 and 21.9 below, agreements for the unconditional sale or purchase of 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, in the opinion of the ACD, their omission will not materially affect the final net asset amount.

- 21.8 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 21.7.
- 21.9 All agreements are to be included under paragraph 21.7 which are, or ought reasonably to have been, known to the person valuing the property.
- 21.10 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 and advance corporation tax and value added tax will be deducted.
- 21.11 An estimated amount for any liabilities payable out of the Scheme Property and any tax thereon treating periodic items as accruing from day to day will be deducted.
- 21.12 The principal amount of any outstanding borrowings whenever repayable and any accrued but unpaid interest on borrowings will be deducted.
- 21.13 An estimated amount for accrued claims for tax of whatever nature which may be recoverable will be added.
- 21.14 Any other credits or amounts due to be paid into the Scheme Property will be added.
- 21.15 A sum representing any interest or any income accrued due or deemed to have accrued but not received will be added.
- 21.16 Currency or values in currencies other than the base currency shall be converted at a rate of exchange that is not likely to result in any material prejudice to the interests of shareholder or potential shareholders.
- 21.17 Where the ACD has reasonable grounds to believe that:
  - 21.17.1 no reliable price exists for a security (including a unit/share in a collective investment scheme) at a valuation point; or

21.17.2 the most recent price available does not reflect the ACD's best estimate of the value of the security (including a unit/share in a collective investment scheme) at the Valuation Point;

it can value an investment at a price which, in its opinion, reflects a fair and reasonable price for that investment (the fair value price). The circumstances which may give rise to a fair value price being used include:

21.17.3 no recent trade in the security concerned; or

21.17.4 suspension of dealings in an underlying collective investment scheme;

21.17.5 the occurrence of significant movements in the markets in which the underlying collective investment schemes are invested since the last valuation point; or

21.17.6 the occurrence of a significant event since the most recent closure of the market where the price of the security is taken.

In determining whether to use such a fair value price, the ACD will include in their consideration but need not be limited to the type of authorised fund concerned the securities involved; whether the underlying collective investment schemes may already have applied fair value pricing; the basis and reliability of the alternative price used; and the ACD's policy on the valuation of Scheme Property as disclosed in this Prospectus.

## **22 Price per Share in each Class**

The price per share at which shares are sold is the sum of the Net Asset Value of a share and any preliminary charge. The price per share at which shares are redeemed is the Net Asset Value per share less any applicable redemption charge. In addition, there may, for both purchases and sales, be a dilution adjustment, as described in Section 15 above.

## **23 Pricing basis**

The Company deals on a forward pricing basis. A forward price is the price calculated at the next Valuation Point after the sale or redemption is agreed.

## **24 Publication of Prices**

The most recent price of shares will be published on the Valu-Trac website ([www.valu-trac.com](http://www.valu-trac.com)). The prices of shares will also be available by telephoning the ACD on 0330 678 4760.

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.

## **25 Risk factors**

25.1 Potential investors should consider the following risk factors before investing in the Company:

### **General**

25.1.1 An investment in one or more of the Company will involve exposure to those risks normally associated with investment in fixed interest securities, stocks and shares. As such, the price of shares and the income from them can go down as well as up and an investor may not get back the amount they have invested. There is no assurance that investment objectives of the Company will actually be achieved.

25.1.2 Where the Company uses a 'focused portfolio' to achieve its investment objective it may invest in fewer investments and consequently, the risk associated with a focused portfolio may be greater as fluctuations in the value of one investment may have a greater impact on the value of the Company as a whole.

25.1.3 In addition, the values, in pounds sterling terms, of investments that are not denominated in pounds sterling may rise and fall purely on account of exchange rate fluctuations, which will have a related effect on the price of shares.

25.1.4 Shares in all the Company should generally be regarded as long-term investments. Details of specific risks that apply to the Company are set out in Appendix 1.

25.1.5 Charges in respect of the Company may be taken against capital rather than income. This may constrain capital growth of the Company. It may also have tax implications for certain investors.

25.1.6 Where a preliminary charge or a redemption charge is imposed, a shareholder who realises their shares may not (even where there has been no fall in the value of underlying investments) realise the amount originally invested.

25.1.7 Where no dilution levy is charged to investments in or out of the Company the effect of these purchases or sales could have a dilution effect on the Company which may reduce performance.

## 25.2 **Emerging Markets**

25.2.1 Where the Company invests in some overseas markets these investments may carry risks associated with failed or delayed settlement of market transactions and with the registration and custody of securities.

25.2.2 Investment in emerging markets may involve a higher than average risk.

25.2.3 Investors should consider whether or not investment in the Company is either suitable for or should constitute a substantial part of an investor's portfolio.

25.2.4 Companies in emerging markets may not be subject:

25.2.4.1 to accounting, auditing and financial reporting standards, practices and disclosure requirements comparable to those applicable to companies in major markets;



25.2.4.2 to the same level of government supervision and regulation of stock exchanges as countries with more advanced securities markets.

25.2.5 Accordingly, certain emerging markets may not afford the same level of investor protection as would apply in more developed jurisdictions.

25.2.5.1 Restrictions on foreign investment in certain securities may be imposed on the Company and as a result, may limit investment opportunities for the Company. Substantial government involvement in, and influence on, the economy may affect the value of securities in certain emerging markets.

25.2.5.2 The reliability of trading and settlement systems in some emerging markets may not be equal to that available in more developed markets, which may result in delays in realising investments.

Lack of liquidity and efficiency in certain of the stock markets or foreign exchange markets in certain emerging markets may mean that from time to time the ACD may experience more difficulty in purchasing or selling holdings of securities than it would in a more developed market.

### 25.3 **Currency Exchange Rates**

Currency fluctuations may adversely affect the value of the Company's investments and the income thereon and, depending on a shareholder's currency of reference, currency fluctuations may adversely affect the value of shares in the Company.

Investors should be aware that any currency hedging process may not give a precise hedge.

### 25.4 **Derivatives**

Derivative transactions may be used for the purposes of EPM. Where derivatives are used for EPM or in accordance with efficient portfolio management techniques

then this will not compromise the risk profile of the Company. Use of derivatives will not contravene any relevant investment objectives or limits.

There is more detailed information in relation to investment in derivatives in Appendix 2, paragraph 1.8.

#### **25.5 Counterparty and Settlement**

The Company will be exposed to credit risk on parties with whom it trades and will also bear the risk of settlement default.

#### **25.6 Custody**

There may be a risk of loss where the assets of the Company are held in custody that could result from the insolvency, negligence or fraudulent action of a custodian or sub-custodian.

#### **25.7 Inflation and Interest Rates**

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

#### **25.8 Taxation**

Taxation laws and rates may change over time and could affect the value of investments in the Company and of the shares in the Company. See the section headed “Taxation” for further details about taxation of the Company.

#### **25.9 Liquidity**

In certain circumstances the Company may be invested in assets which cannot be liquidated in a timely manner at a reasonable price. This may impact the value of shares in the Company and the ability to redeem.

Investments made may become less liquid in response to market developments or adverse investor perception.

Liquidity risk also includes the risk that the Company will not be able to pay redemption proceeds within an allowance time period because of unusual market

conditions, and unusually high volumes of redemption requests, or other controlled factors. To meet redemption requests, Company may be forced to sell investments at an unfavourable time and/or conditions.

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

The UK has formally left the European Union (informally known as "Brexit").

However, the political, economic and legal consequences of Brexit are still not yet fully known. It is possible investments in the UK may be more difficult to value, to assess for suitability or risk, harder to buy or sell or subject to greater or more frequent rises and falls in value.

The UK's laws and regulations concerning funds may in future diverge from those of the European Union. 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.

#### 25.11 **Political Risk**

The value of the Company 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.

Events and evolving conditions in certain economies or markets may alter the risks associated with investments in countries or regions that historically were perceived as comparatively stable becoming riskier and more volatile. These risks are magnified in countries in emerging markets.

#### 25.12 **Cyber Security Risk**

As the use of technology has become more prevalent in the course of business, funds 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 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 Company invests or with which it does business.

#### 25.13 **Epidemics/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.

#### 25.14 **Cancellation Rights**

Where cancellation rights are applicable, if shareholders choose to exercise their cancellation rights and the value of their investment falls before notice of

cancellation is received by the ACD in writing, a full refund of the original investment may not be provided but rather the original amount less the fall in value.

#### **25.15 Regular Savings Plan**

If a shareholder starts making regular monthly investments with a view to saving for a specific objective, they should regularly review whether these investments will be sufficient to achieve their objective. Shareholders may not achieve their objective if they do not continue to invest regularly with a sufficient amount, or the investments do not appreciate sufficiently.

#### **25.16 Investment in Collectives**

25.16.1 The Company may make investments in collective investment schemes. Such investments may involve risks not present in direct investments, including, for example, the possibility that an investee collective investment scheme may at any time have economic or business interests or goals which are inconsistent with those of the Company.

25.16.2 The Company bear the expenses and annual management charge of collective investment schemes which are held as part of the scheme property.

#### **26 Liabilities of the Company**

26.1 Shareholders are not liable for the debts of the Company. A shareholder is not liable to make any further payment to the Company after paying the purchase price of shares.

#### **27 Risk Management**

Upon request to the ACD a shareholder can receive information relating to:

27.1 the quantitative limits applying in the risk management of the Company;

27.2 the methods used in relation to 27.1; and

- 27.3 any recent developments of the risk and yields of the main categories of investment in the Company.

## **28 Historical Performance Data**

Historical performance data for the Company is set out at Appendix 7.

## **29 Fees and Expenses**

### **29.1 General**

29.1.1 The Company may pay out of the property of the Company charges and expenses incurred by the Company, which will include the following expenses:

29.1.1.1 the fees and expenses payable to the ACD (which will include the fees and expenses payable to the Investment Manager) and to the Depositary;

29.1.1.2 broker's commission, fiscal charges (including stamp duty) and other disbursements which are necessarily incurred in effecting transactions for the Company and normally shown in contract notes, confirmation notes and difference accounts as appropriate;

29.1.1.3 fees and expenses in respect of establishing and maintaining the register of shareholders;

29.1.1.4 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;

29.1.1.5 any costs incurred by the Company in publishing the price of the shares in a national or other newspaper;

29.1.1.6 any costs incurred in producing and dispatching any payments made by the Company, or the yearly and half-yearly reports of the Company;

- 29.1.1.7 any fees, expenses or disbursements of any legal or other professional adviser of the Company;
- 29.1.1.8 any costs incurred in taking out and maintaining any insurance policy in relation to the Company;
- 29.1.1.9 any costs incurred in respect of meetings of shareholders convened for any purpose including those convened on a requisition by shareholders not including the ACD or an associate of the ACD;
- 29.1.1.10 liabilities on unitisation, amalgamation or reconstruction including certain liabilities arising after transfer of property to the Company in consideration for the issue of shares as more fully detailed in the FCA Regulations;
- 29.1.1.11 interest on borrowings and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;
- 29.1.1.12 taxation and duties payable in respect of the property of the Company or the issue or redemption of shares;
- 29.1.1.13 the audit fees of the Auditors (including VAT) and any expenses of the Auditors;
- 29.1.1.14 the fees of the FCA under the FCA Regulations, together with any corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which shares in the Company are or may be marketed;
- 29.1.1.15 the Depositary's expenses, as detailed in Section 32 below;
- 29.1.1.16 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;

29.1.1.17 any payments otherwise due by virtue of the FCA Regulations;  
and

29.1.1.18 any value added or similar tax relating to any charge or expense  
set out herein.

29.1.2 Value Added Tax is payable on these charges where appropriate.

29.1.3 Expenses are allocated between capital and income in accordance with the FCA Regulations. Expenses allocated to capital may result in capital erosion. Deducting changes from capital may erode or constrain capital growth.

### **30 Charges payable to the ACD**

30.1 In payment for carrying out its duties and responsibilities the ACD is entitled to take out of the Company an annual management charge. The annual management charge is calculated daily.

30.2 The annual management charge is based on the net asset value of the company on each business day, accrues daily and is payable monthly in arrears on the last Dealing Day of each month. The current management charges are set out in Appendix 1.

30.3 The ACD is also entitled to reimbursement of all reasonable, properly documented, out of pocket expenses incurred in the performance of its duties, including stamp duty stamp duty reserve tax on transactions in shares, and expenses incurred (both one-off and ongoing) in relation to the purchase of licences, systems or data used, or other expenditure reasonably incurred, in the performance of its duties as ACD and in effecting regulatory changes to the Company.

30.4 At present the ACD's annual management charge is taken from income. However, where the amount of income received by the Company is insufficient to meet the annual management charge plus all other expenses attributable or apportioned to the Company, then some or all of such charge and expenses may be charged against the capital of the Company. This will only be done with the approval of the Depositary and may constrain capital growth.



30.5 The ACD may not introduce a new category of remuneration for its services unless the introduction has been approved by an extraordinary resolution of shareholders in the Company.

30.6 The ACD may not increase the current rate or amount of its remuneration payable out of the Scheme Property of the Company or the preliminary charge unless, not less than 60 days before the introduction or increase, the ACD gives notice in writing of the introduction or increase and the date of its commencement to all shareholders and has revised and made available the Prospectus to reflect the introduction or new rate and the date of its commencement.

### **31 Investment Managers' fees**

The Investment Manager's fees and expenses (plus VAT thereon) are paid by the ACD out of the annual management charge the ACD receives for its services under the ACD Agreement.

### **32 Depositary's Fee**

32.1 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 fee is calculated by reference to the value of the Company on the immediately preceding Dealing Day except for the first accrual which is calculated by reference to the first Valuation Point of the Company. The fee is payable out of the property attributable to the Company. The rate of the periodic fee is agreed between the ACD and the Depositary from time to time:

32.2 The current rate is:

- Up to £100 million – 3 basis points (0.03%) per annum
- £100 million to £200 million – 2.5 basis points (0.025%) per annum
- £200 million to £400 million – 2.0 basis points (0.020%) per annum
- thereafter – 1.5 basis points (0.015%) per annum

(plus VAT) subject to a minimum of £15,000 (plus VAT) per annum.

- 32.3 The first accrual will take place in respect of the period beginning on the day on which the first valuation of the Company is made and ending on the last Dealing Day of the month in which that day falls.
- 32.4 The remuneration payable to the Depositary out of the property of the Company for its services also includes transaction charges and custody charges. Transaction charges vary from country to country, dependent on the markets and the value of the stock involved and subject to a current range of £0 to £40 and 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 again vary from country to country (usually between 0.01% and 0.12% per annum) depending on the markets and the value of the stock involved and accrue and are payable as agreed from time to time by the ACD and the Depositary.
- 32.5 In addition to the fees and charges payable to the Depositary referred to above, the amount payable to the Depositary out of the property of the Company by way of remuneration for its services may include charges in connection with its duties (or the exercise of powers conferred upon it by the OEIC Regulations or the FCA Regulations) referable to (but not limited to):
- (i) custody of assets (including overseas custody services);
  - (ii) the acquisition holding and disposal of property;
  - (iii) the collection and distribution to shareholders of dividends, interest and any other income;
  - (iv) the maintenance of distribution accounts;
  - (v) the conversion of foreign currency;

- (vi) registration of assets in the name of the Depositary or its nominee or agents;
- (vii) borrowings, stock lending or other permitted transactions;
- (viii) communications with any parties (including telex, facsimile, SWIFT and electronic mail);
- (ix) taxation matters;
- (x) insurance matters;
- (xi) dealings in derivatives;
- (xii) costs and charges relating to banking and banking transactions;
- (xiii) preparation of the Depositary's annual report;
- (xiv) taking professional advice;
- (xv) conducting legal proceedings;
- (xvi) the convening and/or attendance at meetings of shareholders; and
- (xvii) modification of the Instrument of Incorporation, Prospectus, and negotiation and/or modification of the Depositary Agreement and any other agreement entered into between the Depositary and its delegates.

32.6 The Depositary will also be paid, expenses properly incurred in the performance of, or arranging the performance of, functions conferred on it by the Depositary Agreement, the FCA Regulations or by the general law. These expenses will be paid out of the property of the Company.

32.7 The Depositary shall be entitled to recover its fees, charges and expenses when the relevant transaction or other dealing is effected or relevant service is provided or as may otherwise be agreed between the Depositary and the Company or the ACD.

- 32.8 On a winding up of the Company or the redemption of a class of shares, the Depositary will be entitled to its *pro rata* fees, charges and expenses to the date of winding up or the redemption (as appropriate) and any additional expenses necessarily realised in settling or receiving any outstanding obligations. No compensation for loss of office is provided for in the agreement with the Depositary.
- 32.9 Any value added tax on any fees, charges or expenses payable to the Depositary will be added to such fees, charges or expenses.
- 32.10 Expenses and disbursements will also be payable if incurred by 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 FCA Regulations by the Depositary.

### **33 Shareholder Meetings and Voting Rights**

#### **33.1 Requisitions of Meetings**

- 33.1.1 The ACD may requisition a general meeting at any time. Annual general meetings are not held.
- 33.1.2 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.

#### **33.2 Notice of Quorum**

Shareholders will receive at least 14 days' notice of a Shareholders' meeting and are entitled to be counted in the quorum and vote at such meeting either in person or by proxy. The quorum for an Adjourned Meeting is also two shareholders present in person or by proxy, however if a quorum is not present from a reasonable

time from the time appointed for the meeting then one person entitled to be counted in a quorum shall be a quorum. Notices of Meetings and Adjourned Meetings will be sent to shareholders at their registered addresses.

### 33.3 **Voting Rights**

- 33.3.1 At a meeting of shareholders, 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.
- 33.3.2 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(s) of all the shares in issue at the date seven days before the notice of meeting is deemed to have been served.
- 33.3.3 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.
- 33.3.4 Except where the FCA Regulations or the Instrument of Incorporation of the Company require an extraordinary resolution (which needs 75% of the votes cast at the meeting to be in favour if the resolution is to be passed) any resolution will be passed by a simple majority of the votes validly cast for and against the resolution.
- 33.3.5 The ACD may not be counted in the quorum for a meeting and neither the ACD nor any associate (as defined in the FCA Rules) 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.
- 33.3.6 “Shareholders” in this context means shareholders on the date seven days before the notice of the relevant meeting was deemed to have been served but excludes holders who are known to the ACD not to be shareholders at the time of the meeting.

## **34 Class Meetings**

The above provisions, unless the context otherwise requires, apply to Share Class meetings as they apply to general meetings of shareholders.

### **34.1 Variation of Class Rights**

The rights attached to a class may not be varied without the sanction of a resolution passed at a meeting of shareholders of that Share Class by a simple majority of those votes validly cast for and against such resolution.

## **35 Taxation**

### **35.1 General**

The information below is a general guide based on current United Kingdom law and HM Revenue & Customs 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 resident in the United Kingdom for tax purposes and hold shares in the Company as investments. The regime for taxation of income and capital gains received by investors depends on the tax law applicable to their particular circumstances and/or the place where the Scheme Property is invested.

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.

### **35.2 The Company**

The Company is generally exempt from United Kingdom tax on capital gains realised on the disposal of its investments. However, in some cases, gains realised on holdings in non-reporting offshore funds will incur a tax charge on disposal.

Any dividend distribution received by the Company will not normally be charged to corporation tax provided that it falls within one of the exempt classes set out in the relevant legislation. The Company will be subject to corporation tax on most other types of income but after deducting allowable management expenses and the gross amount of any interest distributions. Where the Company suffers foreign tax on income received, this will normally be an irrecoverable tax expense.

The Company will make dividend distributions except where more than a certain percentage of its property has been invested throughout the distribution period in interest-paying investments, in which case it will make interest distributions.

### 35.3 **Shareholders**

#### 35.3.1 **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.

#### 35.3.2 **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.

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 (see above). Where this is the case, the corporate shareholder's shares in the Company 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.

### 35.3.3 **Income Equalisation**

The first income allocation received by an investor after buying shares in the Company 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.

### 35.3.4 **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 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 Company to satisfy these obligations. Failure to provide requested information under FATCA may subject a shareholder liable for any resulting US withholding taxes, US tax information reporting and/or mandatory redemption, transfer or other termination of the shareholder's interest in the Company.

To the extent the Company 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 Company 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 and/or the ACD and its delegates/agents for any loss caused by such investor arising to the Company 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.**

## **36 Winding up of the Company**

36.1.1 The Company shall not be wound up except as an unregistered company under Part V of the Insolvency Act 1986 or under the FCA Regulations.

36.1.2 Where the Company is to be wound up under the FCA Regulations, such winding up 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) either that the Company will be able to meet its liabilities within 12 months of the date of the statement or that the Company will be unable to do so. The Company may not be wound up under the FCA Regulations if there is a vacancy in the position of ACD at the relevant time.

36.1.3 The Company may be wound up under the FCA Regulations if:

36.1.3.1 an extraordinary resolution to that effect is passed by shareholders;  
or

36.1.3.2 the period (if any) fixed for the duration of the Company by the Instrument of Incorporation expires, or an event (if any) occurs on the occurrence of which the Instrument of Incorporation provides

that the Company is to be wound up (for example, if the share capital of the Company is below its prescribed minimum or the Net Asset Value of the Company is less than £1,000,000, 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 Company); or

36.1.3.3 on the date of effect 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;

36.1.4 On the occurrence of any of the above:

36.1.4.1 the parts of the FCA Regulations and the Instrument of Incorporation relating to Pricing and Dealing and Investment and Borrowing will cease to apply to the Company;

36.1.4.2 the Company will cease to issue and cancel shares in the Company and the ACD shall cease to sell or redeem shares or arrange for the Company to issue or cancel them for the Company;

36.1.4.3 no transfer of a share shall be registered and no other change to the register shall be made without the sanction of the ACD;

36.1.4.4 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;

36.1.4.5 the corporate status and powers of the Company and, subject to the provisions of paragraphs 36.1.4.1 and 36.1.4.4 above, the powers of the ACD shall remain until the Company is dissolved.

36.1.5 The ACD shall, as soon as practicable after the Company falls to be wound up, realise the assets and meet the liabilities of the Company 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 remaining (if any) to shareholders proportionately to their rights to participate in the Scheme

Property of the Company. When the ACD has caused all of the Scheme Property to be realised and all of the liabilities of the Company to be realised, the ACD shall arrange for the Depositary to also make a final distribution to shareholders (if any Scheme Property remains to be distributed) 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.

36.1.6 As soon as reasonably practicable after completion of the winding up of the Company, the ACD shall notify the FCA.

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

36.1.8 Following the completion of the winding up of the Company, the ACD shall notify the Registrar of Companies and shall notify the FCA that it has done so.

36.1.9 Following the completion of a winding up of the Company, the ACD must prepare a final account showing how the winding up 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, to each shareholder and, in the case of the winding up of the Company, to the Registrar of Companies within two months of the termination of the winding up.

## **37 General Information**

### **37.1 Accounting Periods**

37.1.1 The annual accounting period of the Company ends each year on 30 April (the accounting reference date). The interim accounting period of the Company ends each year on 31 October.

## 37.2 **Income Allocations**

- 37.2.1 Allocations of income are made in respect of the income available for allocation in each accounting period on or before the annual income allocation date of 30 June and on or before the interim allocation date of 31 December in each year.
- 37.2.2 The ACD may at its option carry out any authentication procedures that it considers appropriate to verify, confirm or clarify shareholder payment instructions relating to dividend payments. This aims to mitigate the risk of error and fraud for the Company, its agents or Shareholders. Where it has not been possible to complete any authentication procedures its satisfaction, the ACD and transfer agent may, at its discretion, delay the processing of payment instructions until authentication procedures have been satisfied to a date later than the envisaged dividend payment date.
- 37.2.3 If the ACD is not satisfied with any verification or confirmation, it may decline to execute the relevant dividend payment until satisfaction is obtained. Neither the ACD nor the Company shall be held responsible to the Shareholder or anyone if it delays execution or declines to execute dividend payments in these circumstances.
- 37.2.4 For Share Classes in which accumulation shares are issued, income will become part of the capital property of the Company and will be reflected in the price of each such accumulation share.
- 37.2.5 If a distribution remains unclaimed for a period of six years after it has become due, it will be forfeited and will revert to the Company, and if no longer in existence then to the Company.
- 37.2.6 The amount of income available for allocation in any accounting period is calculated by taking the aggregate of the income received or receivable for the Company in respect of that period, and deducting the charges and expenses 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 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 any other adjustments which the ACD considers appropriate after consulting the auditors.

### **37.3 Annual Reports**

Annual reports of the Company will be published within four months of each annual accounting period and half yearly reports within two months of each interim accounting period. The half yearly and annual reports can be found on the website: [www.valu-trac.com](http://www.valu-trac.com). A paper copy of these are available free of charge upon request by writing to the compliance officer at Mains of Orton, Orton, Moray, IV32 7QE.

Information regarding the level of leverage employed by the Company, the percentage of Company's assets that are subject to special arrangements arising from their illiquid nature, any new arrangements for managing liquidity, the current risk profile of the Company and the risk management systems employed to manage those risks will be disclosed in the annual and interim report and accounts.

### **37.4 Documents of the Company**

37.4.1 The following documents may be inspected free of charge during normal business hours, from 9.00a.m. to 5.00p.m. on any Business Day at the offices of the ACD at Mains of Orton, Orton, Moray, IV32 7QE:

37.4.1.1 the most recent annual and half-yearly reports of the Company;  
and

37.4.1.2 the Instrument of Incorporation (and any amending instrument of incorporation).

37.4.2 The ACD may make a charge at its discretion for copies of documents.

### **37.5 Complaints**

Complaints concerning the operation or marketing of the Company should be referred to the compliance officer of the ACD at Mains of Orton, Orton, Moray,

IV32 7QE in the first instance. If the complaint is not dealt with satisfactorily then it can be made direct to The Financial Ombudsman Service at  
Financial Ombudsman Service  
Exchange Tower  
London  
E14 9SR

Please note that a copy of the ACD's guide to making a complaint is available upon request.

#### **37.6 Telephone Recordings**

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

#### **37.7 Provision of investment advice**

All information concerning the Company and about investing in Shares of the Company is available from the ACD at Orton, Moray, IV32 7QE. Neither the ACD nor any of its officers, representatives or advisers shall be regarded as giving 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.

#### **37.8 Best execution**

The ACD's order execution policy sets out the factors which the ACD expects the 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](http://www.valu-trac.com).

#### **37.9 Risk management**

The ACD uses a risk management process (including a risk management policy) in accordance with COLL 6.12, as reviewed by the Depositary and filed with the FCA, enabling it to monitor and measure any time the risk of a Fund's positions and their contribution to the overall risk profile of the Fund. The following details of the risk management process. must be regularly notified to the FCA and at least on an annual basis:

a true and fair view of the types of derivatives and forward transactions to be used within the Fund together with their underlying risks and any relevant quantitative limits.

the methods for estimating risks in derivative and forward transactions.

#### **37.10 Strategy for the exercise of voting rights**

The ACD has a strategy for determining when and how voting rights attached to ownership of the Scheme Property are to be exercised for the benefit of each Fund. A summary of this strategy is available from the ACD on request or on the ACD's website at [www.valu-trac.com](http://www.valu-trac.com). Voting records and further details of the actions taken on the basis of this strategy in relation to each Fund are available free of charge from the ACD on request.

#### **37.11 Financial Services Compensation Scheme**

The Financial Services Compensation Scheme (FSCS) 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  
PO Box 300  
Mitcheldean  
GL17 1DY



Telephone:0800 678 1100

Website: [www.fscs.org.uk](http://www.fscs.org.uk).

37.12 **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**

### **Investment objectives, policies and other details of the Company**

Investment of the assets of the Company must comply with the FCA Regulations and its own investment objective and policy. Details of the Company's investment objective and policy are set out overleaf together with other information including available Share Classes, charges, the minimum investment level and distribution dates. A detailed statement of the investment and borrowing restrictions applicable to the Company is contained in Appendix 2. Lists of the eligible securities and derivatives markets in which the Company may invest are contained in Appendices 4 and 5.

## **VT GREYSTONE CONSERVATIVE MANAGED FUND**

### **Investment Objective and Policy**

The investment objective of the Company is to achieve capital growth over the medium term (3 years).

The Company will seek to achieve its objective by utilising a conservative approach to investment through investing at least 70% in a range of collective investment vehicles (including exchange traded funds, investment trusts and funds managed and/or operated by the ACD or Investment Manager) providing exposure (indirectly) to asset classes including fixed interest investments, equities, and alternative assets such as absolute return strategies, commodities and property.

The Company will be actively managed and the investments will be selected to achieve a mix of growth and defensive assets. A greater proportion of the portfolio will be allocated to defensive assets (such as fixed interest and cash (and collective investment schemes investing in such assets)) than to growth assets (such as equities (and collective investment schemes investing in such assets)). Alternative assets may offer exposure to both defensive and growth asset types. A minimum of 45% of the portfolio will be exposed to investment grade fixed income and cash. The portfolio will hold up to a maximum of 35% equity exposure.

The Company may also invest directly in equities, fixed income, money market instruments, deposits, cash and near cash.

The Company will not have any particular geographic, industry or economic sector focus and as such weightings in these may vary as required.

The Company may use cash and other asset classes including derivatives and forward transactions for EPM purposes.

The Company does not intend to have an interest in immovable or tangible movable property.

<b>Performance Comparator</b>	The IA Mixed Investment 0-35% Shares sector (the "Sector") may be used as a comparator for the Company over the medium term (3 years).
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	<p>The performance of the Company can be compared against that of the Sector. This Sector has been selected as it is considered that this sector most closely reflects the investments which the Company will make (and its risk/return objectives) at the current time.</p> <p>For the avoidance of doubt, the Investment Manager is not bound or influenced by the Sector when making its decisions and can make investments that are not included in the sector.</p>
<b>Classes of shares available</b>	Accumulation 'R' Shares
<b>Currency of denomination</b>	Sterling
<b>Minimum initial investment</b>	£1,000
<b>Minimum initial and subsequent investment for regular investors</b>	£100
<b>Minimum subsequent investment</b>	£100
<b>Minimum withdrawal</b>	£1,000
<b>Minimum holding</b>	£1,000
<b>ACD's preliminary charge</b>	Accumulation 'R' Shares – 0%
<b>Annual management charge</b>	Accumulation 'R' Shares – 0.75%
<b>Annual accounting date</b>	30 September
<b>Interim accounting date</b>	31 March
<b>Annual income allocation date</b>	30 November

<b>Interim income allocation date</b>	31 May
<b>Invest in Eligible Markets</b>	As listed in Appendices 4 and 5
<b>Income Equalisation</b>	Yes

This Company is suitable for retail investors subject to the investor's own requirements and attitude to risk. Investors should be aware of and understand the risks associated with the Company before investing. The risks associated with the Company are detailed under "Risk Factors". If you have any doubts as to whether the investment is suitable for you, please contact a financial adviser.

## **APPENDIX 2**

### **1 Investment and borrowing powers of the Company**

These restrictions apply to the Company.

#### **1.1 Investment restrictions**

The property of the Company will be invested with the aim of achieving its investment objective but subject to the limits on investment set out in the FCA Regulations and its investment policy. These limits apply to the Company as summarised below:

1.1.1 Generally the Company will invest in the investments to which it is dedicated including units in collective investment schemes and up to 100% of the scheme property can be invested in deposits and cash.

1.1.2 Eligible markets are regulated markets or markets established in the United Kingdom or an EEA State which are regulated, operate regularly and are open to the public; and markets which the ACD, after consultation with the Depositary, has decided are appropriate for the purpose of investment of or dealing in the property of the Company having regard to the relevant criteria in the FCA Regulations and guidance from the FCA. Such markets must operate regularly, be regulated, recognised, open to the public, adequately liquid and have arrangements for unimpeded transmission of income and capital to or to the order of the investors. The eligible securities and derivatives markets for the Company are set out in Appendices 4 and 5.

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

#### **1.2 Transferable securities**

1.2.1 The Company may invest in transferable securities which are admitted to or normally dealt on Eligible Markets. Up to 20% in value of the Scheme Property can be invested in transferable securities which are not approved securities.

Save as set out in 1.3.1 below, up to 10% of the Scheme Property may be invested in transferable securities issued by any single body.

1.2.2 The limit of 5% in 1.2.1 is raised to 25% in value of the scheme property in respect of covered bonds.

1.2.3 A transferable security is an investment falling within article 76 (Shares etc), article 77 (Instruments creating or acknowledging indebtedness), article 78 (Government and public securities), article 79 (Instruments giving entitlement to investments) and article 80 (Certificates representing certain securities) of the Regulated Activities Order.

1.2.4 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.

1.2.5 In applying paragraph 1.2.3 to an investment which is issued by a body corporate, and which is an investment falling within articles 76 (Shares, etc) or 77 (Instruments creating or acknowledging indebtedness) of the Regulated Activities Order, the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored.

1.2.6 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.

### 1.3 **Government and public securities**

1.3.1 **Up to 100% of the Scheme Property may be invested in government and public securities issued by or on behalf of or guaranteed by a single named issuer which may be one of the following: the government of the United Kingdom and Northern Ireland and the governments of Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Liechtenstein, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, United Kingdom; or by or on behalf of the Governments of Australia, Canada, Japan, New Zealand, Switzerland or the United States of America.**

If more than 35% in value of the Scheme Property is invested in government and public securities issued by any one issuer other than the ones listed above at Clause 1.3.1, no more than 30% in value of the scheme property of the Company may consist of such securities of any one issue and the scheme property must include at least six different issues whether of that issuer or another issuer.

#### 1.4 **Collective Investment Schemes**

- 1.4.1 Up to 100% in value of the scheme property of the Company may be invested in units in other schemes. The Company may be invested in schemes managed or operated by the ACD or its associates, (including an ICVC whose operator is the ACD or an associate of the ACD), subject to the rules contained in COLL 5.6.11. The Company may invest in collective investment schemes, established anywhere, provided the investee scheme (1) is a UK UCITS scheme or satisfies the conditions necessary for it to enjoy the rights conferred by the UCITS Directive as implemented in the EEA; or (2) is a non-UCITS retail scheme; or (3) is a recognised scheme; or (4) is constituted outside the United Kingdom and the investment and borrowing powers of which are the same or more restrictive than those of a non-UCITS retail scheme; or (5) is a scheme not falling within (1) to (4) and in respect of which no more than 20% in value of the scheme property (including any transferable securities which are not approved securities) is invested.
- 1.4.2 In addition the investee scheme must operate on the principle of the prudent spread of risk, must be prohibited from having more than 15% in value of its scheme property consisting of units in collective investment schemes and its participants must be entitled to have their units redeemed in accordance with the scheme at a price related to the net value of the property to which the units relate and determined in accordance with the scheme.
- 1.4.3 The Company may invest in units of collective investment schemes and pay any related charges or expenses for investing in such units unless the schemes are managed, operated or administered by the ACD (or one of its associates) in which case, the Company will pay no additional management or administrative charges to the ACD or its associate (as the case may be).



## 1.5 **Warrants and nil and partly paid securities**

A warrant (“the proposed warrant”) falls within any power of investment only if, on the assumptions that:

- 1.5.1           there is no change to the Scheme Property between the acquisition of the proposed warrant and its exercise; and
- 1.5.2           the rights conferred by the proposed warrant and all other warrants forming part of the Scheme Property at the time of the acquisition of the proposed warrant will be exercised (whether or not it is intended that they will be),

it is reasonably foreseeable that the right conferred by the proposed warrant could be exercised by the Company without contravening the rules in Chapter 5 of the FCA Regulations.

- 1.5.3           A transferable security on which any sum is unpaid falls within a power of investment only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Company, at the time when payment is required, without contravening the rules in COLL 5 of the FCA Regulations.
- 1.5.4           A warrant which is an investment falling within article 80 of the Regulated Activities Order (Certificates representing certain securities) and which is akin to an investment falling within article 79 (Instruments giving entitlement to investments) of the Regulated Activities Order may not be included in the scheme property unless it is listed on an eligible securities market.
- 1.5.5           Not more than 5% in value of the scheme property is to consist of warrants.

## 1.6 **Money market instruments**

- 1.6.1           Up to 100% in value of the scheme property of the Company can consist of money market instruments which are admitted to or normally dealt on Eligible Markets. Up to 20% in value of the scheme property of the Company can be invested in money market instruments which are not approved securities or

money market instruments which are liquid and have a value which can be determined accurately at any time.

- 1.6.2 Notwithstanding the above, up to 10% of the scheme property of the Company may be invested in money market instruments issued by any single body.

## 1.7 **Deposits**

Up to 100% in value of the scheme property of the Company can consist of deposits of which not more than 20% is to consist of deposits with a single body. The Company 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.

## 1.8 **Derivatives and forward transactions**

- 1.8.1 **Derivative transactions may be used for efficient portfolio management<sup>2</sup> only. This will not compromise the risk profile of the Company. Use of derivatives will not contravene any relevant investment objectives or limits.**

In broad terms, the FCA Regulations permit the following techniques:

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<sup>2</sup> Efficient Portfolio Management (“EPM”) transactions may involve options, futures or contracts for differences or forward transactions in accordance with the FCA Regulations. There is no limit on the amount of the property of a Scheme which may be used for these purposes, but there are various requirements which must be satisfied. The specific aims of EPM are:

- (a) the reduction of risk - to hedge against either price or currency fluctuation to avoid volatility in the market and limit the down side of the risk;
- (b) the reduction of cost; and
- (c) the generation of additional capital or income for a Scheme with a risk level which is consistent with the risk profile of a Scheme and the risk diversification rules laid down in the Collective Investment Schemes sourcebook.

The transaction must be economically appropriate for the purposes of EPM and any exposure must be fully covered by cash or other property sufficient to meet any obligation to pay or deliver that could arise

1.8.2 Except as set out in 1.8.5 and 1.8.7 below there is no upper limit on the use of transactions in derivatives or forward transactions for the Company but they must fall under 1.8.3 and 1.8.4.

1.8.3 A transaction in a derivative or forward transaction must:

- (1)
  - (a) if an OTC, be in an approved derivative; or
  - (b) be in a future, an option or a contract for differences which must be entered into with a counterparty that is acceptable in accordance with the FCA Regulations, must be on approved terms as to valuation and close out and must be capable of valuation.
- (2) have the underlying consisting of any or all of the following to which the Company is dedicated:
  - (a) transferable securities;
  - (b) permitted money market instruments;
  - (c) permitted deposits;
  - (d) permitted derivatives;
  - (e) permitted collective investment scheme units;
  - (f) financial indices;
  - (g) interest rates;
  - (h) foreign exchange rates; and
  - (i) currencies.
- (3) be effected on or under the rules of an eligible derivatives market, it must not cause the Company to diverge from its investment objectives, 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 derivatives and must be with an approved counterparty.

Use of derivatives must be supported by a risk management process maintained by the ACD which should take account of the investment objectives and policy of the Company.

1.8.4 The ACD must ensure that the global exposure relating to derivatives and forward transactions held in the Company does not exceed the net value of the scheme property. The ACD must calculate the global exposure on a daily basis taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions. The ACD must calculate the global exposure of the Company either as:

- (1) the incremental exposure and leverage generated through the use of derivatives and forward transactions (including embedded derivatives), which may not exceed 100% of the net value of the scheme property; or
- (2) the market risk of the scheme property.

The ACD must calculate the global exposure of the Company by using either the commitment approach or the value at risk approach ensuring the selected method is appropriate taking into account the investment strategy, the types and complexities of the derivatives and forward transactions used and the proportion of the scheme property comprising derivatives and forward transactions.

Where the Company employs techniques and instruments including repo contracts or stock lending transactions in order to generate additional leverage or exposure to market risk, the ACD must take those transactions into account when calculating global exposure.

1.8.5 The exposure to any one counterparty in an OTC derivative transaction must not exceed 10% in value of the scheme property of the Company.

1.8.6 In applying the limits in 1.8, the exposure in respect of an OTC derivative may be reduced to the extent that collateral is held in respect of it provided the collateral meets each of the following conditions:

- 1.8.6.1 it is marked-to-market on a daily basis and exceeds the value of the amount at risk;
- 1.8.6.2 it is exposed only to negligible risks (e.g. government bonds of first credit rating or cash) and is liquid;

- 1.8.6.3 it is held by a third party custodian not related to the provider or is legally secured from the consequences of a failure of a related party; and
  - 1.8.6.4 can be fully enforced by the Company at any time.
- 1.8.7 Not more than 20% of the Company is to be put at risk in respect of an exposure from an OTC derivative transaction to a single entity or one or more such entities within a group, after taking into account any collateral received from that entity or group, both at individual level or group level.
- 1.8.8 In applying the limits in 1.8, OTC derivative positions with the same counterparty may be netted provided that the netting procedures:
  - 1.8.8.1 comply with the conditions set out in Section 7 (Contractual netting Contracts for novation and other netting agreements) of Annex III to the Banking Consolidation Directive; and
  - 1.8.8.2 are based on legally binding agreements.
- 1.8.9 All derivative transactions are deemed to be free of counterparty risk if they are performed on an exchange where the clearing house meets each of the following conditions:
  - 1.8.9.1 it is backed by an appropriate performance guarantee; and
  - 1.8.9.2 it is characterized by a daily mark-to-market valuation of the derivative positions and at least daily margining.
- 1.8.10 No agreement by or on behalf of the Company to dispose of property or rights may be made unless:
  - 1.8.10.1 the obligation to make the disposal and any other similar obligation could immediately be honoured by the Company by delivery of property or the assignment (or, in Scotland, assignation) of rights; and

- 1.8.10.2 the property and rights at 1.8.10.1 are owned by the Company at the time of the agreement.
- 1.8.11 1.8.10.1 and 1.8.10.2 do not apply to a deposit. They also do not apply where:-
- 1.8.11.1 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
- 1.8.11.2 the ACD or the Depositary has the right to settle the derivative in cash and cover exists within the scheme property which falls within one of the following asset classes:
- (i) cash;
  - (ii) liquid debt instruments (e.g. government bonds of first credit rating) with appropriate safeguards (in particular, haircuts); or
  - (iii) other highly liquid assets which are recognised considering their correlation with the underlying of the financial derivative instruments, subject to appropriate safeguards (e.g. haircuts where relevant).
- 1.8.12 In the asset classes referred to in 1.8.11.1 and 1.8.11.2, assets may be considered as liquid where the instruments can be converted into cash in no more than seven Dealing Days at a price closely corresponding to the current valuation of the financial instrument on its own market.
- 1.9 **General**
- 1.9.1 Underwriting and sub-underwriting contracts and placings may also, subject to certain conditions set out in the FCA Regulations, be entered into for the account of the Company.
- 1.9.2 Cash or near cash must not be retained in the scheme property of the Company except in order to enable the pursuit of its investment objective; or for redemption of shares in the Company; or efficient management of the Company

in accordance with its investment objective or for a purpose which may reasonably be regarded as ancillary to its investment objectives.

1.9.3 The aggregate value of investments in deposits and cash may be up to 100% of the value of the scheme property (to the extent that this would not affect its ability to be held within the stocks and shares component of an ISA).

1.9.4 Leverage is limited to overdraft use and the gross exposure from EPM techniques. Although the ACD may use derivatives for EPM, no collateral arrangements are currently in place and no asset re-use arrangements are in place.

1.9.5 The maximum leverage expressed as the ratio of the exposure to net asset value using the commitment method is 1.1:1.0 and using the gross method 3.3:1.0. *Please note that the maximum leverage under the gross method is theoretical and would only occur if market risk and currency risk were hedged across the entire Company whilst it was using the maximum borrowing facility of 10%. It is not anticipated that both market risk and currency risk would be simultaneously hedged and therefore the likely maximum leverage which would be used in normal circumstances using the commitment method is 1.1:1.0 and using the gross method 2.2:1.0.*

## **2 Stock lending**

The Company will not enter into stock lending transactions.

## **3 Borrowing powers**

3.1 The Company may, subject to the FCA Regulations, 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.

3.1.1 The ACD must ensure that borrowing does not, on any Dealing Day, exceed 10% of the value of the scheme property of the Company.

3.2 These borrowing restrictions do not apply to “back to back” borrowing to be cover for transactions in derivatives and forward transactions.

**APPENDIX 3**

**LIST OF OTHER AUTHORISED COLLECTIVE INVESTMENT SCHEMES**

**OPERATED BY THE ACD**

<b>Authorised collective investment schemes of which the ACD is the authorised corporate director</b>			
<b>Name</b>	<b>Place of registration</b>	<b>Registration number</b>	<b>Product Reference</b>
Alligator Fund ICVC	England and Wales	IC000203	407790
Moray Place Investment Company*	Scotland	IC000934	573760
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 Prestney Fund	England and Wales	IC000175	407766
The Teal Fund	England and Wales	IC000257	227831
The VT Cindabella Fund	England and Wales	IC001049	714901
The VT Oxeye Funds**	England and Wales	IC001063	743815
Valu-Trac Investment Funds ICVC	Scotland	IC000953	581955
VT AI-FUNDS ICVC	England and Wales	IC016426	913889
VT AJ Bell ICVC	England and Wales	IC001082	769363
VT Argonaut Funds	England and Wales	IC000943	576956
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 Contra Capital Funds ICVC	England and Wales	IC021606	918272
VT Dominion Holdings ICVC*	England and Wales	IC001093	778841
VT Downing Investment Funds ICVC	England and Wales	IC000824	521374
VT Downing Investor Funds ICVC	England and Wales	IC024590	921279
VT EPIC Investment Funds ICVC	England and Wales	IC000935	573884
VT EPIC Investment Fund Series III	England and Wales	IC000584	472521
VT Esprit FS ICVC	England and Wales	IC001105	794635
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 Gravis UK Listed Property (Feeder) Fund	England and Wales	Unit Trust	913629
VT Gravis Funds ICVC	England and Wales	IC001055	724240
VT Gravis Real Assets Fund	England and Wales	IC016070	913626
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 Johnston Financial Funds ICVC	England and Wales	IC027796	926097
VT KMGIM Strategies ICVC	England and Wales	IC016648	914127
VT Momentum Investment Funds	England and Wales	IC000851	531222
VT Momentum Investment Funds II	England and Wales	IC000342	407990
VT Munro Smart-Beta Fund	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 GBP 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 SG Defined Return Assets ICVC	England and Wales	IC001097	784172
VT Sinfonia OEIC	England and Wales	IC000624	478014
VT Sorbus Vector Funds ICVC	England and Wales	IC001059	731963
VT Tatton Oak ICVC	England and Wales	IC000737	494501
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 Woodhill Investment Funds ICVC	England and Wales	IC001009	618204

\* denotes a Non-UCITS Retail Scheme

\*\* denotes a Qualified Investor Scheme

## **APPENDIX 4**

### **ELIGIBLE SECURITIES MARKETS**

The Company may deal through securities markets established in the United Kingdom or EEA Member States on which transferable securities admitted to official listing in these states are dealt in or traded.

The Company may also deal in certain of the securities markets listed below and those derivatives markets indicated below.

1	UK and Ireland	Alternative Investment Market
2	Australia	The Australian Securities Exchange
3	Channel Islands	The Channel Islands Stock Exchange
4	Hong Kong	The Hong Kong Exchange
5	Japan	The Tokyo Stock Exchange
6	Singapore	The Singapore Stock Exchange
7	United States	NYSE MKT NYSE Euronext NASDAQ OMX PHLX The United States Bond Market NASDAQ

## **APPENDIX 5**

### **ELIGIBLE DERIVATIVES MARKETS**

1. NYSE Amex Equities
2. London International Financial Futures Exchange
3. New York Futures Exchange
4. New York Mercantile Exchange
5. New York Stock Exchange
6. Euronext Paris
7. Tokyo Stock Exchange
8. Tokyo International Financial Futures Exchange (TIFFE)
9. Toronto Futures Exchange
10. Toronto Stock Exchange

## **APPENDIX 6**

### **Directory**

#### **The Company and Head Office**

VT Greystone Conservative Managed Fund  
Level 4, Dashwood House  
69 Old Broad Street  
London  
EC2M 1QS

#### **Authorised Corporate Director, Administrator and Registrar**

Valu-Trac Investment Management Limited  
Mains of Orton  
Orton  
Moray  
IV32 7QE

#### **Investment Manager**

Foundation Investment Management Ltd  
Foundation House  
Scott Drive  
Altrincham  
Cheshire  
WA15 8AB

#### **Depository**

NatWest Trustee and Depository Services Limited  
House A, Floor 0  
175 Glasgow Road  
Gogarburn  
Edinburgh  
EH12 1HQ

#### **The Auditor**

Johnston Carmichael LLP  
Strathlossie House  
Kirkhill Avenue  
Elgin, IV30 8DE

## APPENDIX 7

### Historical Performance and investor profiles

This performance information is for Accumulation R shares and is net of tax and charges (subscription and redemption fees) but does not include the effect of any preliminary charge that may be paid on the purchase of an investment. Please note that all performance information is at 31 December each year. For more up-to-date performance information, please contact the ACD.

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
4.5%	1.6%	5.7%	6.4%	-3.1%	7.9%	4.9%	1.7%	- 11.7%	6.6%	4.0%

**NOTE: PAST PERFORMANCE SHOULD NOT BE TAKEN AS A GUIDE TO THE FUTURE. THE VALUE OF INVESTMENTS AND INCOME FROM THEM CAN GO DOWN AS WELL AS UP AND INVESTORS MAY NOT GET BACK THE AMOUNT ORIGINALLY INVESTED.**

#### Profile of a typical investor

The Company is suitable for investors seeking to invest for the long term who wish to gain access to a portfolio managed in accordance with a specific investment objective and policy. Investors will have a risk profile that aligns to the volatility of the Fund and accept that income and capital values will fluctuate and may fall as well as rise over a 5 year rolling term. The Share Classes currently available in the Company are set out in Appendix I. The Company can be marketed to all types of eligible investor subject to the applicable legal and regulatory requirements in the relevant jurisdiction(s). Investors should read the risk warnings set out in this Prospectus before investing.

#### **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 Company.

**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)



## APPENDIX 8

### List of Directors of the ACD

<b>Directors of the ACD and their Significant Business Activities Not Connected with the business of the Company (as at 27/2/25)</b>	
Anne Laing	None
Jeremy Brettell	Non Executive Director: <ul style="list-style-type: none"> <li>- Anderson Strathern Asset Management Ltd</li> <li>- AlbaCo Ltd</li> <li>- Foster Denovo Ltd</li> <li>- Foster Denovo Group Ltd</li> <li>- Integralife UK Ltd</li> </ul>
Aidan O'Carroll	Chair: <ul style="list-style-type: none"> <li>- Revenue Scotland</li> </ul> Non Executive Director: <ul style="list-style-type: none"> <li>- Hillhouse Estates Ltd</li> <li>- ABE Global Ltd</li> </ul>
Andrew Lewis	Non Executive Director: <ul style="list-style-type: none"> <li>- Apex Depositary UK Ltd</li> <li>- BlackRock Fund Managers Ltd</li> </ul>
John Brett	Non Executive Director & Chair <ul style="list-style-type: none"> <li>- Royal London Unit Trust Managers Ltd;</li> <li>- RLUM Ltd;</li> <li>- Anderson Strathern Asset Management Ltd.</li> </ul>
Adrian Bond	None
Jonathan Sim	Chair: <ul style="list-style-type: none"> <li>- Opmodal Ltd</li> </ul> Director: <ul style="list-style-type: none"> <li>- Balthazar Consulting Ltd</li> </ul>