

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

Valu-Trac Investment Management Limited, the authorised corporate director of the Fund, 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 applicable rules to be included in it. Valu-Trac Investment Management Limited accepts responsibility accordingly.

**PROSPECTUS**

**OF**

**VT VANNECK GLOBAL EQUITY  
INCOME FUND**

(An open-ended investment company  
incorporated with limited liability and  
registered in England and Wales  
under registered number IC001003)

This document constitutes the Prospectus for VT Vanneck Global Equity Income Fund which has been prepared in accordance with the requirements of the Financial Conduct Authority.

This Prospectus is dated, and is valid as at 23 February 2024.

Copies of this Prospectus have been sent to the Financial Conduct Authority and the Depositary.

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## **IMPORTANT INFORMATION**

No person has been authorised by the Fund or the ACD to give any information or to make any representations in connection with the offering of Shares other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been made by the Fund or the ACD. The delivery of this Prospectus (whether or not accompanied by any reports) or the issue of Shares shall not, under any circumstances, create any implication that the affairs of the Fund 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 Fund to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

The Shares have not been and will not be registered in the United States of America under any applicable legislation. They may not be offered or sold in the United States of America, any state of the United States of America or in its territories and possessions or offered or sold to US persons. The Fund and the ACD have not been and will not be registered in the United States of America under any applicable legislation.

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

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

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

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

The ACD shall not divulge any confidential information concerning investors unless required to do so by law or regulation or as set out in this Prospectus or the ACD's Privacy Policy (available at [www.valu-trac.com](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 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.

This Prospectus is based on information, law and practice at the date hereof. The Fund and ACD cannot be bound by an out of date prospectus when a new version has been issued and investors should check with Valu-Trac Investment Management Limited that this is the most recently published prospectus.

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

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

## DIRECTORY

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

VT Vanneck Global Equity Income Fund  
Level 4  
Dashwood House  
69 Old Broad Street  
London EC2M 1QS

### **Authorised Corporate Director**

#### *Head office:*

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

#### *Registered office:*

Valu-Trac Investment Management Limited  
Level 4  
Dashwood House  
69 Old Broad Street  
London EC2M 1QS

### **Depository**

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

### **Investment Managers**

Vanneck Limited  
Little Tufton House  
3 Dean Trench Street  
Westminster  
London SW1P 3HB

### **Registrar**

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

### **Auditors**

Johnston Carmichael LLP  
Commerce House  
South Street  
Elgin IV30 1JE

1 DEFINITIONS

<b>“ACD”</b>	Valu-Trac Investment Management Limited, the authorised corporate director of the Fund.
<b>“ACD Agreement”</b>	An agreement between the Fund and the ACD.
<b>“Administrator”</b>	Valu-Trac Investment Management Limited or such other entity as is appointed to act as Administrator to the Fund from time to time.
<b>“AMC”</b>	means the Annual Management Charge.
<b>“Approved Bank”</b>	(in relation to a bank account opened by the Fund):  (a) if the account is opened at a branch in the United Kingdom: <ul style="list-style-type: none"><li>(i) the Bank of England; or</li><li>(ii) the central bank of a member state of the OECD; or</li><li>(iii) a bank; or</li><li>(iv) a building society; or</li><li>(v) a bank which is supervised by the central bank or other banking regulator of a member state of the OECD; or</li></ul> (b) if the account is opened elsewhere: <ul style="list-style-type: none"><li>(i) a bank in (a); or</li><li>(ii) a credit institution established in an EEA State and duly authorised by the relevant Home State Regulator; or</li><li>(iii) a bank which is regulated in the Isle of Man or the Channel Islands; or</li><li>(iv) a bank supervised by the South African Reserve Bank.</li></ul>
<b>“Associate”</b>	any other person whose business or domestic relationship with the ACD or the ACD’s associate might reasonably be expected to give rise to a community of interest between them which may involve a conflict of interest in dealings with third parties.
<b>“Auditor”</b>	Johnston Carmichael LLP, or such other entity as is appointed to act as auditor to the Fund from time to time.
<b>“Business Day”</b>	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 Fund’s portfolio of securities or a significant portion thereof, the ACD may decide that any business day shall not be construed as such.
<b>“Class” or “Classes”</b>	in relation to Shares, means (according to the context) all of the Shares of the Fund or a particular class or classes of Share.
<b>“Custodian”</b>	RBC Investor Services Trust, UK Branch or such other entity as is appointed to act as custodian.
<b>“Dealing Day”</b>	Monday to Friday where these days are Business Days.
<b>“Depositary”</b>	NatWest Trustee and Depositary Services Limited or such other entity as is appointed to act as depositary.



<b>“Director” or “Directors”</b>	the directors of the Fund from time to time (including the ACD).
<b>“EEA State”</b>	a member state of the European Union and any other state which is within the European Economic Area.
<b>“Efficient Portfolio Management” or “EPM”</b>	the use of derivative techniques and instruments (relating to transferable securities and approved money-market instrument) used for one or more of the following purposes: reduction of risk, reduction of costs or generation of additional capital or income consistent with the risk profile of a Fund.
<b>“Eligible Institution”</b>	one of certain eligible institutions as defined in the glossary of definitions to the FCA Handbook.
<b>“the FCA”</b>	the Financial Conduct Authority or any other regulatory body which may assume its regulatory responsibilities from time to time.
<b>“the FCA Handbook”</b>	the FCA Handbook of Rules and Guidance, as amended from time to time.
<b>“the Financial Services Register”</b>	the public record, as required by section 347 of the Financial Services and Markets Act 2000 and as defined in the glossary of the FCA Handbook.
<b>“Fund”</b>	VT Vanneck Global Equity Income Fund.
<b>“Home State”</b>	has the meaning given to it in the glossary of definitions to the FCA handbook.
<b>“ICVC”</b>	Investment Company with Variable Capital.
<b>“Instrument of Incorporation”</b>	the instrument of incorporation of the Fund as amended from time to time.
<b>“The International Tax Compliance Regulations”</b>	The International Tax Compliance Regulations – means SI 878/2015 implementing obligations arising under the following agreements and arrangements: European Union Council Directive 2011/16/EU (sometimes known as “the DAC”); the Multilateral Competent Authority Agreement on the Automatic exchange of Financial Account Information signed by the government of the UK on 29th October 2014 in relation to agreements with various jurisdictions to improve international tax compliance based on the standard for automatic exchange of financial account information developed by the Organisation for Economic Co-Operation and Development (sometimes known as “the CRS”); and the agreement reached between the government of the UK and the government of the USA to improve tax compliance (sometimes known as “the FATCA Agreement”).
<b>“Investment Manager”</b>	Vanneck Limited, the investment manager to the ACD in respect of the Fund.
<b>“Net Asset Value” or “NAV”</b>	the value of the Scheme Property of the Fund less the liabilities of the Fund as calculated in accordance with the Instrument of Incorporation.
<b>“OEIC Regulations”</b>	the Open-Ended Investment Companies Regulations 2001 as amended or re-enacted from time to time.
<b>“Register”</b>	the register of Shareholders of the Fund.
<b>“Registrar”</b>	Valu-Trac Investment Management Limited or such other entity as is appointed to act as registrar to the Fund from time to time.
<b>“Regulated Activities Order”</b>	the Financial Services and Markets Act 2000 (Regulated Activities)

	Order 2001 (SI 2001/544).
<b>“Regulations”</b>	the OEIC Regulations and the FCA Handbook (including the Sourcebook).
<b>“Scheme Property”</b>	the scheme property of the Fund required under the Sourcebook to be given for safekeeping to the Depositary.
<b>“SDRT”</b>	Stamp Duty Reserve Tax.
<b>“Share” or “Shares”</b>	a share or shares in the Fund (including larger denomination shares, and smaller denomination shares equivalent to one thousandth of a larger denomination share).
<b>“Shareholder”</b>	a holder of registered Shares in the Fund.
<b>“Sourcebook”</b>	that part of the FCA Handbook which relates to authorised collective investment schemes.
<b>“Switch”</b>	the exchange where permissible of Shares of one Class for Shares of another Class.
<b>“UCITS Scheme”</b>	a UK UCITS.
<b>“UK UCITS”</b>	has the meaning given to it in the FCA Handbook.
<b>“Valuation Point”</b>	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 Fund for the purpose of determining the price at which Shares of a Class may be issued, cancelled or redeemed. The current Valuation Point for the Fund is 12:00 noon London time on each Dealing Day.
<b>“VAT”</b>	Value Added Tax.

## 2 DETAILS OF THE FUND

### 2.1 General Information

#### 2.1.1 General

VT Vanneck Global Equity Income Fund (the Fund) is an investment company with variable capital incorporated in England and Wales under registered number IC001003 and authorised by the Financial Conduct Authority with effect from 13 March 2014 (PRN: 613235). The Fund has an unlimited duration.

Shareholders are not liable for the debts of the Fund. A Shareholder is not liable to make any further payment to the Fund after he has paid the price on purchase of the Shares.

#### 2.1.2 Head Office

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

#### 2.1.3 Address for Service

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

#### 2.1.4 Base Currency

The base currency of the Fund is Pounds Sterling.

#### 2.1.5 Share Capital

Maximum £100,000,000,000

Minimum £1,000,000

Shares have no par value. The share capital of the Fund at all times equals the sum of the Net Asset Values of the Fund.

Shares in the Fund may be marketed in other countries outside the UK subject to the Regulations, and any regulatory constraints in those countries, if the ACD so decides.

The Fund is designed and managed to support longer-term investment and active trading is discouraged. Short-term or excessive trading into and out of the Fund may harm performance by disrupting portfolio management strategies and by increasing expenses. The ACD may at its discretion refuse to accept applications for, or switching of, Shares, especially where transactions are deemed disruptive, particularly from possible market timers or investors who, in its opinion, have a pattern of short-term or excessive trading or whose trading has been or may be disruptive to the Fund. For these purposes, the ACD may consider an investor's trading history in the Fund or other Valu-Trac Investment Management Limited funds and accounts under common ownership or control.

## 2.2 The Structure of the Fund

### 2.2.1 The Fund

The Fund is structured as an investment company with variable capital.

The Fund is a UCITS scheme.

The eligible securities markets and eligible derivatives markets on which the Fund may invest are set out in APPENDIX II. A detailed statement of the general investment and borrowing restrictions in respect of the Fund is set out in APPENDIX III.

### 2.2.2 Shares

#### Classes of Share

Shares will be issued in larger and smaller denominations. There are 1,000 smaller denomination Shares to each larger denomination Share. Smaller denomination Shares represent what, in other terms, might be called fractions of a larger Share and have proportionate rights.

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

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

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

The Fund may issue income and accumulation Shares. Further details of the Shares presently available, including details of their criteria for subscription and fee structure, are set out in APPENDIX I.

A Regular Savings Plan is available on certain Classes of Share. Details of which Share Classes are set out in APPENDIX I.

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

Holders of accumulation Shares are not entitled to be paid the income attributed to such Shares, but that income is automatically transferred to (and retained as part of) the capital

assets of the Fund on the relevant interim and/or annual accounting dates. This is reflected in the price of an accumulation Share.

The Instrument of Incorporation allows income and accumulation Shares to be issued. In addition the Instrument of Incorporation allows for limited issue Shares but there are none in issue at the present moment.

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

Shareholders are entitled (subject to certain restrictions) to Switch all or part of their Shares in a Class for Shares of another Class. Details of this switching facility and the restrictions are set out in paragraph 1.3.5 "Switching".

### 3 BUYING, REDEEMING, SWITCHING AND CONVERSION OF SHARES

The dealing office of the ACD is normally open from 9.00 a.m. to 5.00 p.m. (London time) on each Business Day to receive postal requests for the purchase, sale and switching of Shares. The ACD may vary these times at its discretion. Requests to deal in Shares may be made by sending clear written instructions (or an application form) to the ACD. The initial purchase must, at the discretion of the ACD, be accompanied by an application form.

The ACD will accept instructions to transfer or renunciation of title to shares on the basis of an authority communicated by electronic means and sent by the shareholder or delivered on their behalf by a person that is authorised by the FCA or regulated in another jurisdiction by an equivalent supervisory authority, subject to:

- a) prior agreement between the ACD and the person making the communication as to:
  - i) the electronic media by which such communications may be delivered; and
  - ii) how such communications will be identified as conveying the necessary authority; and
- b) assurance from any person who may give such authority on behalf of the investor that they will have obtained the required appointment in writing from the shareholder.

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

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

#### 3.1 Money Laundering

As a result of legislation in force in the UK to prevent money laundering, the ACD is responsible for compliance with anti-money laundering regulations. In order to implement these regulations, in certain circumstances investors may be asked to provide proof of identity when buying or redeeming Shares. Until satisfactory proof of identity is provided, the ACD reserves the right to refuse to issue Shares, pay the proceeds of 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.

#### 3.2 Buying Shares

##### 3.2.1 Procedure

Shares may be bought directly from the ACD or through a professional adviser or other intermediary. In addition, the ACD may from time to time make arrangements to allow Shares to be bought through other communication media. For details of dealing charges see paragraph 3.6 below. Application forms may be obtained from the ACD.

Valid applications to purchase Shares in the Fund will be processed at the Share price

calculated, based on the Net Asset Value per Share, at the next Valuation Point following receipt of the application, except in the case where dealing in the Fund has been suspended as set out in paragraph 3.11.

The ACD, at its discretion, has the right to cancel a purchase deal if settlement is materially overdue and any loss arising on such cancellation shall be the liability of the applicant. For postal applications payment in full must accompany the instruction. At the ACD's discretion, payment for large purchases of Shares may be made by bank transfer. The ACD is not obliged to issue Shares unless it has received cleared funds from an investor.

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

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

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

### 3.2.2 Documents the buyer will receive

A confirmation giving details of the number and price of Shares bought will be issued no later than the end of the Business Day following the Valuation Point by reference to which

the price is determined, together with, where appropriate, a notice of the applicant's right to cancel.

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

Settlement is due within four Business Days of the Valuation Point. An order for the purchase of Shares will only be deemed to have been accepted by the ACD once it is in receipt of cleared funds for the application. If settlement is not made within a reasonable period, then the ACD has the right to cancel any Shares issued in respect of the application. In the event of such a sale or realisation, the ACD shall be entitled to transfer such investment to such persons as it may specify and recover any shortfall from that investor.

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

### 3.2.3 Regular Savings Plan

The ACD may make available certain Classes of Shares of the Fund through the Regular Savings Plan (details of current Classes of Shares which are available are shown in APPENDIX I). Further information on how to invest through the Regular Savings Plan is available from the ACD.

### 3.2.4 Minimum Subscriptions and Holdings

The minimum initial subscriptions, subsequent subscriptions and holdings levels for each Class of Share are set out in APPENDIX I.

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

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

## 3.3 Redeeming Shares

### 3.3.1 Procedure

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



Valid instructions to the ACD to redeem Shares will be processed at the Share price calculated, based on the Net Asset Value per Share, at the next Valuation Point following receipt of the instruction, except in the case where dealing in the Fund has been suspended as set out in paragraph 3.11.

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

If requested redemptions of Shares on a particular Dealing Day exceed 10% of the Fund's value, redemptions of Shares of the Fund may be deferred to the next Valuation Point. Any such deferral would only be undertaken in such manner as to ensure consistent treatment of all Shareholders who had sought to redeem Shares at the Valuation Point at which redemptions were deferred, and so that all deals relating to the earlier Valuation Point were completed before those relating to a later Valuation Point were considered. The intention of the deferred redemption power is to reduce the impact of dilution on the Scheme Property. In times of high levels of redemption, deferred redemption provisions would enable the ACD to protect the interests of continuing Shareholders by allowing it to match the sale of property of the Fund to the level of redemptions of Shares in that Fund.

For details of dealing charges see paragraph 3.6 below.

### 3.3.2 Documents a redeeming Shareholder will receive

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

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

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

### 3.3.3 Minimum Redemption

Part of a Shareholder's holding may be redeemed but the ACD reserves the right to refuse a redemption request if the value of the Shares of the Fund is less than the minimum stated in respect of the appropriate Class (see APPENDIX I).

### 3.4 Money held for Investors from time to time

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 in the Fund by close of business on the Business Day following receipt of money from the investor; or (ii) the ACD holds the money in the course of redeeming Shares provided that the proceeds of that redemption are paid to an investor by close of business on the Business Day following receipt from the Depositary.

Accordingly under the exemption when investors are buying Shares the ACD will protect investor money in a client money account if it does not pass the investor's money onto the Depositary by the close of the Business Day following receipt. Similarly when Shareholders sell shares in 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 Depositary.

### 3.5 Switching

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

Shareholders are required to provide written switching instructions to the ACD (which, in the case of joint Shareholders, must be signed by all the joint Shareholders) before switching is effected.

The ACD may at its discretion make a charge on the switching of Shares between Classes. Any such charge on switching does not constitute a separate charge payable by a Shareholder, but is rather the application of any redemption charge on the Original Shares and any initial charge on the New Shares, subject to certain waivers. For details of the charges on switching currently payable, please see paragraph 3.7.3 "Charges on Switching".

If a partial Switch would result in the Shareholder holding a number of Original Shares or New Shares of a value which is less than the minimum holding in the Class concerned, the ACD may, if it thinks fit, convert the whole of the applicant's holding of Original Shares to New Shares (and make

a charge on switching on such conversion) or refuse to effect any Switch of the Original Shares. Save as otherwise specifically set out, the general provisions on procedures relating to redemption will apply equally to a Switch. Written instructions must be received by the ACD before the Valuation Point on a Dealing Day to be dealt with at the prices at the Valuation Point on that Dealing Day or at such other Valuation Point as the ACD at the request of the Shareholder giving the relevant instruction may agree. Switching requests received after a Valuation Point will be held over until the next day which is a Dealing Day.

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

**Please note that a switch of Shares in one Fund for Shares in any other Fund is treated as a redemption and sale and will, for persons subject to United Kingdom taxation, be a realisation for the purposes of capital gains taxation. The disposal of Original Shares may give rise to a liability to tax, depending on the Shareholder's circumstances. This is not the case for a conversion from one Class to another within the Fund, which is not considered to be a realisation for the purposes of capital gains taxation.**

**A Shareholder who switches Shares in one Fund for Shares in any other Fund will not be given a right by law to withdraw from or cancel the transaction.**

### 3.6 Dealing Charges

The price per Share at which Shares are bought, redeemed or switched is the Net Asset Value per Share. Any initial charge or redemption charge, (or SDRT on a specific deal, if applicable) subject to any dilution adjustment referred to below at paragraph 3.7.4, is payable in addition to the price or deducted from the proceeds and is taken from the gross subscription or redemption monies.

#### 3.7.1 Initial Charge

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

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

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

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

### 3.7.2 Redemption Charge

The ACD may make a charge on the redemption of Shares in each Class. At present, no redemption charge is levied.

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

### 3.7.3 Charges on Switching

On the switching of Shares between Classes in the Fund, the Instrument of Incorporation authorises the Fund to impose a charge. If a redemption charge is payable in respect of the Original Shares, this may become payable instead of, or as well as, the then prevailing initial charge for the New Shares. The charge on switching is payable by the Shareholder to the ACD.

The ACD's current policy is to only levy a charge on conversion between share classes that is no more than the excess of the initial charge applicable to New Shares over the initial charge applicable to the Original Shares as specified in Appendix I. There is currently no charge for switching Shares in one Class for Shares in another Class.

### 3.7.4 Dilution Adjustment

The basis on which the Fund's investments are valued for the purpose of calculating the price of Shares as stipulated in the Regulations and the Instrument of Incorporation is summarised in paragraph **Error! Reference source not found.** Shares in the Fund are single priced.

However, the actual cost of purchasing or selling investments for the Fund may deviate from the mid-market value used in calculating the price of Shares in the Fund due to dealing costs such as broking charges, taxes, and any spread between the buying and selling prices of the underlying investments. These dealing costs can have an adverse effect on the value of the Fund, known as "dilution".

It is not, however, possible to predict accurately whether dilution will occur at any point in time. The Regulations allow the cost of dilution to be met directly from the Fund's assets or to be recovered from investors on the purchase or redemption of Shares by means of a dilution adjustment to the dealing price (also known as swinging single pricing), 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 Fund.

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

Shareholders and potential Shareholders.

The ACD reserves the right to make a dilution adjustment on every Dealing Day where the ACD is of the opinion that it is in the best interest of Shareholders to do so. For example, where the Fund is in continual decline, if the Fund is 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.

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

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

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

The dilution adjustment methodology has been in place since 23 February 2024 and so there is no historical data on how often a dilution adjustment has been applied to the Fund. The ACD expects that the average dilution adjustment applied to the Fund will be between 0.1% and 0.2% increase or decrease on the mid-market value in normal market conditions and the maximum adjustment that the ACD would expect in stressed market conditions is 1.05%.

Further information on the dilution adjustment in relation to the Fund is available from the ACD on request.

#### 3.7.5 Stamp Duty Reserve Tax ("SDRT")

The SDRT charge on UK open-ended investment companies (OEICs) has been abolished with effect from 30 March 2014. A principal SDRT charge of 0.5% has been retained to be made on the value of non-pro rata in specie redemptions. This is a principal SDRT charge payable by the investor by reference to the value of chargeable securities redeemed in this type of transaction.

### 3.7 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.

### 3.8 Restrictions and Compulsory Transfer and Redemption

The ACD may from time to time impose such restrictions as it may think necessary for the purpose of ensuring that no Shares are acquired or held by any person in breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory or which would result in the Fund incurring any liability to taxation which the Fund is not able to recoup itself or suffering any other adverse consequence. In this connection, the ACD may, inter alia, reject in its discretion any application for the purchase, redemption, transfer or switching of Shares.

If it comes to the notice of the ACD that any Shares (“affected Shares”):

- (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 Fund incurring any liability to taxation which the Fund 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;

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 Sourcebook. If any Shareholder upon whom such a notice is served does not within 30 days after the date of such notice transfer his 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 he or the beneficial owner is qualified and entitled to own the affected Shares, he shall be deemed upon the expiry of that 30 day period to have given a request in writing for the redemption or cancellation (at the discretion of the ACD) of all the affected Shares.

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

Subject to any restrictions on the eligibility of investors for a particular Share Class, with the agreement of the Depositary the ACD may effect a mandatory Conversion of all or some of a Shareholder's shares in one Share Class for shares of another Share Class if this is in the best interests of Shareholders. Shareholders will be advised at least 60 days in advance of any such mandatory Conversion.

### 3.9 Issue of Shares in exchange for in Specie Assets

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

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

The ACD will not issue Shares in the Fund in exchange for assets the holding of which would be inconsistent with the investment objective or policy of the Fund.

### 3.10 In Specie Redemptions

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

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

### 3.11 Suspension of dealings in the Fund

The ACD may, with the prior agreement of the Depositary, and must without delay if the Depositary so requires temporarily suspend the issue, cancellation, sale and redemption of Shares in the Fund where due to exceptional circumstances it is in the interests of the Shareholders.

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

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

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

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

During the suspension certain of the obligations in the Sourcebook are not applied but the ACD will comply with as much of the Sourcebook during the period of suspension as is practicable in light of the suspension.

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

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

### 3.12 Governing Law

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

### 3.13 Business Changes

The ACD has the right to close the Fund in accordance with the FCA's Handbook. In this context, the ACD will comply with the FCA's Handbook on client money discharge of fiduciary duty and allocated but unclaimed client money. These rules apply to both repayment and transfer to a third party.



## 4 VALUATION OF THE FUND

### 4.1 General

The price of a Share is calculated by reference to the Net Asset Value of the Fund. The Net Asset Value per Share of the Fund is currently calculated at 12:00 noon (London time) (this being the Valuation Point) on each Dealing Day.

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

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

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

### 4.2 Calculation of the Net Asset Value

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

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

4.2.2 Scheme Property which is not cash (or other assets dealt with in paragraph 4.2.2.4 below) or a contingent liability transaction shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:

4.2.2.1 Units or shares in a collective investment scheme:

- a) if a single price for buying and redeeming units or shares is quoted, at that price; or
- b) if separate buying and redemption prices are quoted, at the average of the two prices provided the buying price has been reduced by any initial charge included therein and the redemption price has been increased by any exit or redemption charge attributable thereto; or

- c) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists or if the most recent price available does not reflect the ACD's best estimate of the value of the units or shares, at a value which, in the opinion of the ACD, is fair and reasonable;
- 4.2.2.2 Any other transferable security:
  - a) if a single price for buying and redeeming the security is quoted, at that price; or
  - b) if separate buying and redemption prices are quoted, at the average of the two prices; or
  - c) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists or if the most recent price available does not reflect the ACD's best estimate of the value of the security, at a value which, in the opinion of the ACD, is fair and reasonable;
- 4.2.2.3 Scheme Property other than that described in paragraphs 4.2.2.1 and 4.2.2.2 above, at a value which, in the opinion of the ACD, is fair and reasonable;
- 4.2.2.4 Cash and amounts held in current and deposit accounts and in other time related deposits shall be valued at their nominal values.
- 4.2.3 Scheme Property which is a contingent liability transaction shall be treated as follows:
  - 4.2.3.1 if it is a written option (and the premium for writing the option has become part of the Scheme Property), deduct the amount of the net valuation of premium receivable. If the Scheme Property is an off exchange option the method of valuation shall be agreed between the ACD and the Depositary;
  - 4.2.3.2 if it is an off exchange future, include it at the net value of closing out in accordance with a valuation method agreed between the ACD and the Depositary;
  - 4.2.3.3 if it is any other form of contingent liability transaction, include it at the net value of margin on closing out (whether as a positive or negative value). If the Scheme Property is an off exchange derivative, include it at a valuation method agreed between the ACD and the Depositary.
- 4.2.4 In determining the value of the Scheme Property, all instructions given to issue or cancel Shares shall be assumed to have been carried out (and any cash paid or received) whether or not this is the case.
- 4.2.5 Subject to paragraphs 4.2.6 and 4.2.7 below, agreements for the unconditional sale or purchase of Scheme Property which are in existence but uncompleted shall be assumed to

have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and if, in the opinion of the ACD, their omission will not materially affect the final net asset amount.

- 4.2.6 Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph 4.2.5.
- 4.2.7 All agreements are to be included under paragraph 4.2.5 which are, or ought reasonably to have been, known to the person valuing the Scheme Property.
- 4.2.8 Deduct an estimated amount for anticipated tax liabilities at that point in time including (as applicable and without limitation) capital gains tax, income tax, corporation tax, VAT, stamp duty, SDRT and any foreign taxes or duties.
- 4.2.9 Deduct an estimated amount for any liabilities payable out of the Scheme Property and any tax or duty thereon, treating periodic items as accruing from day to day.
- 4.2.10 Deduct the principal amount of any outstanding borrowings whenever repayable and any accrued but unpaid interest on borrowings.
- 4.2.11 Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.
- 4.2.12 Add any other credits or amounts due to be paid into the Scheme Property.
- 4.2.13 Add a sum representing any interest or any income accrued due or deemed to have accrued but not received.
- 4.2.14 Currencies or values in currencies other than Sterling shall be converted at the relevant Valuation Point at a rate of exchange that is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders.

#### 4.3 Price per Share in each Class

The price per Share at which Shares are bought or are redeemed is the Net Asset Value per Share. Any initial charge or redemption charge, (or SDRT on a specific deal, if applicable) subject to any dilution adjustment referred to above at paragraph 3.7.4, is payable in addition to the price or deducted from the proceeds and is taken from the gross subscription or redemption monies.

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

#### 4.4 Pricing Basis

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

#### 4.5 Publication of Prices

The prices of all Shares are published on the ACD's website [www.valu-trac.com](http://www.valu-trac.com). Prices of Shares may also be obtained by calling 01343 880 344 during the ACD's normal business hours. 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.

### 5 RISK FACTORS

Potential investors should consider the following risk factors before investing in the Fund.

#### 5.1 General

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

The entire market of a particular asset class or geographical sector may fall, having a more pronounced effect on funds heavily invested in that asset class or region.

#### 5.2 Effect of Initial Charge or Redemption Charge

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

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

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

### 5.3 Dilution

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

### 5.4 Suspension of Dealings in Shares

Investors are reminded that in certain circumstances their right to redeem Shares (including a redemption by way of switching) may be suspended (see paragraph 3.10).

### 5.5 Derivatives

The Investment Manager may employ derivatives for the purposes of hedging with the aim of reducing the risk profile of the Fund, or reducing costs, or generating additional capital or income, in accordance with Efficient Portfolio Management (“EPM”).

To the extent that derivative instruments are utilised for hedging purposes, the risk of loss to the Fund may be increased where the value of the derivative instrument and the value of the security or position which it is hedging are insufficiently correlated.

For more information in relation to investment in derivatives, please see paragraphs 19, 20 and 21 in APPENDIX III.

### 5.6 Smaller Companies

Investments in smaller companies may be more volatile than investments in larger companies. The Fund may be significantly invested in smaller companies from time to time.

### 5.7 Inflation and Interest Rates

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

### 5.8 Liquidity

Depending on the types of assets the Fund invests in there may be occasions where there is an increased risk that a position cannot be liquidated in a timely manner at a reasonable price.

### 5.9 Custody

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

### 5.10 Currency

Where an underlying investment of any Fund is not denominated in the currency of the Share Class which you hold, the effect of fluctuations in the rate of exchange between that currency and the currency of denomination of the investment may adversely affect the value of that investment, and this will be reflected in the value of Shares in that Fund.

#### 5.11 Counterparty and Settlement

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

#### 5.12 Tax

Tax laws currently in place may change in the future which could affect the value of your investments.

#### 5.13 Foreign exchange/currency risk

Although Shares may be denominated in a Fund's base currency, it may invest its assets in securities denominated in a wide range of currencies, some of which may not be freely convertible. The value of securities as expressed in the base currency of the Fund will fluctuate in accordance with the changes in the foreign exchange rate between the base currency of the Fund and the currencies in which the Fund's investments are denominated. The Fund may therefore be exposed to a foreign exchange/currency risk.

#### 5.14 Equity risk

Equities as a class have historically outperformed other types of investments over the long term. Individual stock prices, however, tend to go up and down more dramatically over the short term. These price movements may result from factors affecting individual companies or industries, or the securities markets as a whole.

#### 5.15 Higher Volatility and Concentration

Where the Fund holds a limited number of securities, and one or more of those securities declines in value or is otherwise adversely affected, this may have a more pronounced effect on the Fund's NAV than if a larger number of securities were held. The Fund may invest directly in a particular type of asset, industry, or geographical preference, or indirectly via other funds, with such concentration potentially giving rise to a volatile Share price. Accordingly, investment by the Fund may be subject to sudden and large falls in value and the Fund may not get back the full amount originally invested.

#### 5.16 Cyber Security

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 Fund and its service providers. Cyber security risks may result in financial losses to the Fund and the Shareholders; the inability of the Fund 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 Fund's service providers (including but not limited to the ACD and the Depositary and their agents), financial intermediaries, companies in which the Fund invests and parties with which the Fund 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 Fund 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 Fund does not directly control the cyber security defences or plans of its service providers, financial intermediaries and companies in which it invests or with which it does business.

5.17 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.

5.18 Insolvency

If a third party becomes insolvent the ACD will not be liable. Investors may claim through the Financial Services Compensation Scheme.

5.19 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.

## 6 MANAGEMENT AND ADMINISTRATION

### 6.1 Regulatory Status

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

### 6.2 Authorised Corporate Director

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

The directors of the ACD are:-

Anne Laing  
Jeremy Brettell  
Aidan O'Carroll  
Andrew Lewis  
John Brett  
Adrian Bond

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

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

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

It has therefore delegated to the Investment Manager the function of managing and acting as the Investment Manager for the investment and reinvestment of the assets of the Fund (as further explained in paragraph 6.4 below).

#### 6.2.1 Terms of Appointment

The appointment of the ACD has been made under an agreement between the Fund and the ACD, as amended from time to time (the "ACD Agreement").

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



The ACD Agreement may be terminated by either party on not less than six months' written notice or earlier upon the happening of certain specified events. The ACD Agreement contains detailed provisions relating to the responsibilities of the ACD and excludes it from any liability to the Fund or any Shareholder for any act or omission except in the case of negligence, wilful default, breach of duty or breach of trust in relation to the Fund on its part. The ACD Agreement provides indemnities to the ACD to the extent allowed by the Regulations and other than for matters arising by reason of its negligence, wilful default, breach of duty or breach of trust in the performance of its duties and obligations. Subject to certain limited exceptions set out in the Regulations, the ACD may retain the services of any person to assist it in the performance of its functions.

Details of the fees payable to the ACD are set out in paragraph 7 "Fees and Expenses" below.

The ACD is also under no obligation to account to the Depositary, the Fund or the Shareholders for any profit it makes on the issue or re-issue or cancellation of Shares which it has redeemed.

The Fund has no directors other than the ACD. The ACD is the manager of certain authorised unit trusts and the authorised corporate director of certain open-ended investment companies details of which are set out in APPENDIX IV.

#### 6.2.2 Remuneration Policy

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

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

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

In respect of any investment management delegates, the ACD requires that: (i) the entities to which such activities have been delegated are subject to regulatory requirements on remuneration that are equally as effective as those applicable under the European Securities and Market's Authority's ("ESMA's") Guidelines on Sound Remuneration Policies under the UCITS Directive; or (ii) appropriate contractual arrangements are put in place with entities to which such activities have been delegated in order to ensure that there is no circumvention of the remuneration rules set out in the ESMA Guidelines or the FCA Handbook.

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

- a) are consistent with and promote sound and effective risk management;
- b) do not encourage risk taking and are consistent with the risk profiles of the funds which the ACD manages; and
- c) do not impair the ACD's ability to comply with its duty to act in the best interests of the funds which it manages.

Details of the Remuneration Policy, including a description of how remuneration and benefits are calculated, and the identities of persons responsible for awarding the remuneration and benefits, will be made available on the ACD's website ([www.valu-trac.com](http://www.valu-trac.com)) and a paper copy will be made available free of charge from the ACD upon request.

### 6.2.3 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 or sub-funds which follow similar investment objectives to that of the Fund. 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 Fund or that a conflict exists between the Fund 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 Fund 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 Fund 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 Fund 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 an appropriate format.

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

## 6.3 The Depositary

### *The Depositary*

NatWest Trustee and Depositary Services Limited is the Depositary of the Fund.

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.

#### *Duties of the Depositary*

The Depositary is responsible for the safekeeping of scheme property, monitoring the cash flows of the Fund, and must ensure that certain processes carried out by the ACD are performed in accordance with the applicable rules and scheme documents.

#### *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 Fund 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 Fund, 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 Fund, 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.

#### *Delegation of safekeeping functions*

The Depositary is permitted to delegate (and authorise its delegate to sub-delegate) the safekeeping of Scheme Property.

The Depositary has delegated safekeeping of the Scheme Property to RBC Investor Services, UK Branch ("the Custodian"). In turn, the Custodian has delegated the custody of assets in certain markets in which the Fund may invest to various sub-delegates ("Sub-custodians"). A list of sub-custodians is given in Appendix VI. Investors should note that the list of Sub-custodians is updated only at each Prospectus review. An updated list of Sub-custodians is maintained by the ACD at [www.valu-trac.com](http://www.valu-trac.com).

### *Updated information*

Up-to-date information regarding the Depositary, its duties, its conflicts of interest, the delegation of its safekeeping functions and a list showing the identity of each delegate and sub-delegate will be made available to Shareholders on request.

### *Terms of Appointment*

The Depositary was appointed under an agreement between the ACD, the Fund and the Depositary (the "Depositary Agreement").

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

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

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

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.

It also provides that the Fund 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.

The Depositary Agreement may be terminated on 6 months' notice by the Fund or the Depositary or earlier on certain breaches or the insolvency of a party. However, termination of the Depositary Agreement will not take effect, nor may the Depositary retire voluntarily, until the appointment of a new Depositary.

Details of the fees payable to the Depositary are given in paragraph 7 "Fees and Expenses" below.

## 6.4 The Investment Manager

The ACD has appointed the Investment Manager, Vanneck Limited (registered number 05473044) to provide investment management services to the Fund by way of an agreement between the ACD and the Investment Manager (as may be amended from time to time) (the "**Investment Management Agreement**").

The principal activity of the investment manager is the provision of investment, management and advisory services.

Vanneck Limited is authorised and regulated by the FCA.

#### 6.5.1 Investment Management Agreement

The Investment Management Agreement authorises the Investment Manager to manage and to act as investment manager for the investment and reinvestment of the assets of the Fund and on the exercise of voting rights relating to such investments. In the exercise of the ACD's investment functions, the Investment Manager will be allowed complete discretion subject to compliance with the investment objective and policy applicable to the Fund, the Instrument of Incorporation, the Regulations and supervision by the ACD. The Investment Management Agreement may be terminated by either party on not less than six months' written notice or earlier upon the happening of certain specified events. The Investment Manager will receive a fee paid by the ACD out of its remuneration received each month from the Fund as explained in paragraph 7 "Fees and Expenses" below.

#### 6.5 The Administrator

The ACD will also act as administrator to the Fund with responsibility for the provision of administration services. The Administrator is regulated by the Financial Conduct Authority.

#### 6.6 The Registrar

The ACD will also act as registrar to the Fund with responsibility for maintaining the Register. The Register will be kept at the head office of the ACD, where it can be inspected by Shareholders during normal business hours.

The plan register, where applicable, (being a record of persons who subscribe for Shares through Individual Savings Accounts (ISAs) can be inspected at the office of the Registrar).

#### 6.7 The Auditors

The auditors of the Fund are Johnston Carmichael LLP of Commerce House, South Street, Elgin, IV30 1JE.

## 7 FEES AND EXPENSES

### 7.1 Fixed Expenses

Ordinary operating expenses incurred by the Fund may be paid out of the Scheme Property. However, to protect the Shareholders from fluctuations in these expenses the ACD has agreed to fix the total amount of these expenses to be borne by each Class at the levels given in Appendix 1. Fixed expenses will be calculated and accrued daily and deducted monthly, in arrears, from each Share Class. The ACD believes the level of fixed expenses charged to a Share Class may be more or less than the actual operating costs attributable to such Share Class in any given period. All payments will be made out of the capital of the Scheme Property.

Therefore, the ACD will bear any excess of the actual operating expenses of the Fund above the levels of fixed expenses charged in accordance with the levels given. Conversely, the ACD will be entitled to retain any amount by which the levels of fixed expenses specified exceed the actual operating expenses incurred by the Fund. In some instances, Shareholders may get less of the benefit than others. The levels of fixed expenses to be borne by each Class will be reviewed in exceptional circumstances and, in any event, annually to ensure that they remain fair to Shareholders. These expenses include (but are not limited to) the following:

- 7.1.1 Registration fees to the Registrar;
- 7.1.2 The fees of the FCA under the Regulations, or any corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which Shares are or may be marketed;
- 7.1.3 Any costs incurred in modifying the Instrument of Incorporation or the Prospectus;
- 7.1.4 Any costs incurred in respect of meetings of the Shareholders (including meetings of Shareholders in any particular Fund or Class);
- 7.1.5 The fees of the Auditors and the tax, legal and other professional advisers to the Fund and to the ACD and the Depositary properly payable and any proper expenses of the Auditors, tax, legal and other professional advisers to the Fund and to the ACD and the Depositary;
- 7.1.6 The fees to the Depositary. The Depositary is entitled to a fee payable monthly from the Scheme Property for its services as depositary. In addition, where relevant the Depositary may also charge for all costs and expenses properly incurred by the Depositary in the performance of, or arranging the performance of, functions conferred on it as depositary by the Instrument, the Sourcebook and by the general law. This includes its services in relation to distributions or engaging in derivative transactions in relation to the Funds;
- 7.1.7 The fees of the custodian (RBC Investor Services Trust, UK Branch);
- 7.1.8 Fees in respect of the publication and circulation of details of the prices and yields of Shares, and other such information which the ACD is required by law to publish;

- 7.1.9 The costs of printing and distributing reports, accounts, the Prospectus, and any costs incurred as a result of periodic updates of the Prospectus and any other administrative expenses;
  - 7.1.10 It is not currently proposed to seek a listing for the Shares on any stock exchange, but if a listing is sought in future, the fees connected with the listing;
  - 7.1.11 Insurance which the Fund may purchase and/or maintain for the benefit of and against any liability incurred by any directors of the Fund in the performance of their duties;
  - 7.1.12 Collateral management costs incurred in respect of any permitted transactions in derivatives and forwards.
- 7.2 Other Expenses Payable out of the Scheme Property
- 7.2.1 Other expenses incurred by the Fund may be paid out of the Scheme Property (the expenses which are mitigated through the application of a dilution adjustment are practically met through the Scheme Property), including (but not limited to):
    - 7.2.2 Broker's commission, fiscal charges and any other disbursements which are necessarily incurred in effecting transactions for the Fund. This will include expenses incurred in acquiring and disposing of investments including legal fees and expenses, whether or not the acquisition or disposal is carried out.
    - 7.2.3 Interest on borrowings permitted under the Instrument of Incorporation or the Prospectus and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings.
    - 7.2.4 The costs associated with stock lending transactions or other permitted transactions.
    - 7.2.5 Taxation and duties payable in respect of the Scheme Property, including any stamp duty, stamp duty reserve tax (SDRT) or foreign transfer taxes on the purchase of investments, the Instrument of Incorporation, the Prospectus or the creation, issue, redemption or cancellation of Shares.
    - 7.2.6 Liabilities under a scheme of arrangement arising where the property of a body corporate or another collective investment scheme is transferred to the Depositary in consideration for the issue of Shares to the Shareholders in that body or to participants in that other scheme, provided that any liability arising after the transfer could have been paid out of that other property had it arisen before the transfer and, in the absence of any express provision in the Instrument of Incorporation forbidding such payment, the ACD is of the opinion that proper provision was made for meeting such liabilities as were known or could reasonably have been anticipated at the time of transfer.
    - 7.2.7 These payments will be inclusive of Value Added Tax where applicable.

The expenses for the Fund are payable from capital. Shareholders should note that if deductions are made from capital, this may result in capital erosion and constrain growth.

### 7.3 Remuneration of Depositary

The Depositary receives for its own account a periodic fee (from the fixed expense fee which the ACD receives) which will accrue 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 Fund on the last Valuation Point of the preceding month. The rate of the periodic fee shall be as agreed between the ACD and the Depositary from time to time and is currently based on the value of the Fund:

- Up to £100million – 3 bps per annum
- £100 million to £200 million – 2.5 bps per annum
- £200 million to £400 million – 2 bps per annum
- thereafter – 1.5 bps per annum

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

These rates can be varied from time to time in accordance with the OEIC Regulations and the FCA Handbook. In addition to the periodic fee referred to above, the Depositary shall also be entitled to be paid transaction and custody charges in relation to transaction handling and safekeeping of the Scheme Property as follows:

<b>Item</b>	<b>Range</b>
Custody charges	0.0% to 0.12%
Transaction charges	£0 to £40 per transaction

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

Where relevant, the Depositary may make a charge for (or otherwise benefit from) providing services in relation to: distributions, the provision of banking services, holding money on deposit, lending money or engaging in stock lending or derivative transactions in relation to the Fund and may purchase or sell or deal in the purchase or sale of Scheme Property, provided always that the services concerned and any such dealing are in accordance with the provisions of the OEIC Regulations or the FCA Handbook.

In addition to the periodic fee, the Depositary will also be entitled to payment and reimbursement of all costs, liabilities and expenses properly incurred in the performance of, or arranging the performance of, functions conferred on it by the Instrument of Incorporation, the OEIC Regulations, the FCA Handbook or the general law.



On a winding up, redemption or termination of the Fund, the Depositary will be entitled to its pro rata fees, charges and expenses to the date of winding up, redemption or termination (as appropriate) and any additional expenses necessarily realised in settling or receiving any outstanding obligations.

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

Any of the Depositary's fees, charges and expenses described above may be payable to any person (including the ACD or any associate or nominee of the Depositary or of the ACD) who has had the relevant duty delegated to it by the Depositary pursuant to the FCA Handbook.

8 INSTRUMENT OF INCORPORATION

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

## 9 SHAREHOLDER MEETINGS AND VOTING RIGHTS

### 9.1 Class and Fund Meetings

The provisions below, unless the context otherwise requires, apply to Class meetings and to general meetings of the Fund, but by reference to Shares of the Class and the Shareholders and value and prices of such Shares.

### 9.2 Requisitions of Meetings

The ACD may requisition a general meeting at any time (although annual general meetings will not be held).

Shareholders may also requisition a general meeting of the Fund. 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 Fund. The ACD must convene a general meeting no later than eight weeks after receipt of such requisition.

### 9.3 Notice and Quorum

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

### 9.4 Voting Rights

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

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

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

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

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

The ACD may not be counted in the quorum for a meeting and neither the ACD nor any associate (as defined in the Sourcebook) of the ACD is entitled to vote at any meeting of the Fund except in respect of Shares which the ACD or associate holds on behalf of or jointly with a person who, if the registered Shareholder, would be entitled to vote and from whom the ACD or associate has received voting instructions.

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

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

#### 9.5 Variation of Class Rights

The rights attached to a Class may not be varied without the sanction of an extraordinary resolution passed at a meeting of Shareholders of that Class.

## 10 TAXATION

### 10.1 General

The information below is a general guide based on current United Kingdom law and HM Revenue & Customs practice, which are subject to change. It summarises the tax position of the Fund and of investors who are United Kingdom resident individuals and hold Shares as investments. The regime for taxation of income and capital gains received by individual investors depends on the tax law applicable to their personal circumstances. 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.

### 10.2 The Fund

The Fund is generally exempt from United Kingdom tax on capital gains realised on the disposal of its investments (including interest-paying securities and derivatives) held within it. However, any gains realised on disposing of holdings in non-reporting offshore funds are charged to tax as income and not capital.

Any dividend received by the Fund (whether directly or through another United Kingdom authorised investment fund) will generally be exempt from corporation tax. The Fund will be subject to corporation tax on most other types of income but after deducting allowable management expenses and where relevant the gross amount of interest distributions. Where the Fund suffers foreign tax on income received, this will generally be an irrecoverable tax expense.

The Fund will make dividend distributions except where more than 60% of the Fund's property has been invested throughout the distribution period in interest-paying investments, in which case it may make interest distributions.

### 10.3 Shareholders – Income Distributions

Any income distribution made by the Fund, unless designated by the Fund 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.

### 10.4 Income equalisation

The first income allocation received by an investor after buying Shares may include an amount of income equalisation, which will be shown on the issued Tax Voucher. This is effectively a repayment of the income equalisation paid by the investor as part of the purchase price. It is a return of capital,

and is not taxable. Rather it should be deducted from the acquisition cost of the Shares for capital gains tax purposes.

#### 10.5 Tax Vouchers

A tax voucher will be issued in line with the income distribution dates set out in APPENDIX I. This voucher should be retained for tax purposes as evidence for HM Revenue & Customs.

The ACD reserves the right to charge an administration fee of £10 if a duplicate copy is required. To obtain a duplicate copy you will need to submit your request in writing, along with payment, to Valu-Trac Investment Management Limited, Mains of Orton, Orton, Moray, IV32 7QE.

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

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

#### 10.7 Reporting of tax information

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

To the extent the Fund is subject to withholding tax as a result of:

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

(each a "Chargeable Event"),

the ACD may take any action in relation to a Shareholder's or beneficial owner's holding to ensure that such withholding is economically borne by the relevant Shareholder or beneficial owner, and/or the ACD and/or its delegate or agent shall be entitled to deduct from the payment arising on a Chargeable Event an amount equal to the appropriate tax. The action by the ACD may also include, but is not limited to, removal of a non-compliant Shareholder from the Fund 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 Fund and/or the ACD and its delegates/agents for any loss caused by such investor arising to the Fund and/or ACD and/or its delegates/agents by reason of them becoming liable to account for tax in any jurisdiction on the happening of a Chargeable Event.

The foregoing statements are based on UK law and HMRC practice as known at the date of this Prospectus and 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.

## 11 WINDING UP OF THE FUND

- 11.1 The Fund will not be wound up except as an unregistered company under Part V of the Insolvency Act 1986 or under the Sourcebook. Where the Fund is to be wound up under the Sourcebook, 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 Fund) that the Fund will be able to meet its liabilities within 12 months of the date of the statement or that the Fund will be unable to do so. The Fund may not be wound up under the Sourcebook if there is a vacancy in the position of ACD at the relevant time.
- 11.2 The Fund shall be wound up under the Sourcebook:
- 11.2.1 if an extraordinary resolution to that effect is passed by Shareholders;
  - 11.2.2 when the period (if any) fixed for the duration of the Fund by the Instrument of Incorporation expires or any event occurs, for which the Instrument of Incorporation provides that the Fund is to be wound up (for example, if the Share capital of the Fund is below £1 million, or if a change in the laws or regulations of any country means that, in the ACD's opinion, it is desirable to terminate the Fund)
  - 11.2.3 on the date stated in any agreement by the FCA to a request by the ACD for the revocation of the authorisation order in respect of the Fund or for the termination of the Fund; or
  - 11.2.4 on the effective date of a duly approved scheme of arrangement which is to result in the Fund ceasing to hold any Scheme Property.
- 11.3 On the occurrence of any of the above:
- 11.3.1 a number of provisions in the Sourcebook will cease to apply to the Fund;
  - 11.3.2 the Fund will cease to issue and cancel Shares in the Fund and the ACD shall cease to sell or redeem Shares or arrange for the Fund to issue or cancel them for the Fund;
  - 11.3.3 no transfer of a Share shall be registered and no other change to the Register of Shareholders shall be made without the sanction of the ACD;
  - 11.3.4 where the Fund is being wound up, the Fund shall cease to carry on its business except in so far as it is beneficial for the winding up of the Fund;
  - 11.3.5 the corporate status and powers of the Fund and subject to 11.4 to 11.7 below, the powers of the Depositary shall continue until the Fund is dissolved.
- 11.4 The ACD shall, as soon as practicable after the Fund falls to be terminated, realise the assets and meet the liabilities of the Fund and, after paying out or retaining adequate provision for all liabilities properly payable and retaining provision for the costs of winding up or the termination, arrange for the Depositary to make one or more interim distributions out of the proceeds to Shareholders proportionately to their rights to participate in the Scheme Property. If the ACD has not previously notified Shareholders of the proposal to wind up the Fund, the ACD shall, as soon as practicable after



the commencement of winding up of the Fund, give written notice of the commencement to Shareholders. When the ACD has caused all of the Scheme Property to be realised and all of the liabilities of the Fund to be realised, the ACD shall arrange for the Depositary to make a final distribution to Shareholders on or prior to the date on which the final account is sent to Shareholders of any balance remaining in proportion to their holdings in the Fund.

- 11.5 As soon as reasonably practicable after completion of the winding up of the Fund, the Depositary shall notify the FCA that the winding up or termination has been completed.
- 11.6 On completion of a winding up of the Fund, the Fund will be dissolved and any money (including unclaimed distributions) still standing to the account of the Fund, will be paid into court by the ACD within one month of the dissolution or the termination.
- 11.7 Following the completion of a winding up of the Fund, 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 Fund shall make a report in respect of the final account stating their opinion as to whether the final account has been properly prepared. This final account and the auditors' report must be sent to the FCA and to each Shareholder (or the first named of joint Shareholders) on it within four months of the completion of the winding up or termination.

## 12 GENERAL INFORMATION

### 12.1 Accounting Periods

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

The ACD may even out the payments of income within an accounting period by carrying forward income otherwise distributable with a view to augmenting amounts to be paid out at a later date. Details of this policy are set out in APPENDIX I.

### 12.2 Notice to Shareholders

All notices or other documents sent by the ACD to a Shareholder will be sent by normal post to the last address notified in writing to the Fund by the Shareholder.

### 12.3 Income Allocations

The Fund has interim and final income allocations dates (see APPENDIX I). Income is allocated in respect of the income available at the accounting date.

The income of Accumulation Shares will become part of the capital property of the Fund and will be reflected in the price of each such accumulation Share as at the end of the relevant accounting period.

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

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

### 12.4 Annual Reports

The annual report of the Fund will be published within four months from the end of each annual accounting period and the half yearly report will be published within two months of the end of each interim accounting period. The full accounts are available to any person free of charge on request to the ACD.

### 12.5 Documents of the Fund

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

#### 12.5.1 the Prospectus;

- 12.5.2 the most recent annual and half yearly reports of the Fund;
- 12.5.3 the Instrument of Incorporation (and any amending documents); and
- 12.5.4 the material contracts referred to below.

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

## 12.6 Material Contracts

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

- 12.6.1 the ACD Agreement between the Fund and the ACD; and
- 12.6.2 the Depositary Agreement between the Fund, the Depositary and the ACD.

Details of the above contracts are given under section 7 “Management and Administration”.

## 12.7 Provision of Investment Advice

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

## 12.8 Telephone Recordings

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

## 12.9 Complaints

Complaints may be brought in writing to Valu-Trac Investment Management Limited, Mains of Orton, Orton, Moray, IV32 7QE, or by telephone to 01343 880 344.

In the event that an unsatisfactory response is provided, you can refer your complaint to The Financial Ombudsman Service at: The Financial Ombudsman Service, Exchange Tower, London E14 9SR. A copy of the ACD’s Guide to making a complaint is available upon request.

A customer may directly complain to the FOS prior to complaining to a firm, if the firm consents. **We do not consent to this.** Also Firms can consent to waive the time limits for a customer to refer a complaint to the FOS. **We also do not consent to this.**

#### 12.10 Financial Services Compensation Scheme

The ACD is covered by the Financial Services Compensation Scheme. Shareholders may be entitled to compensation from the scheme if the ACD cannot meet its obligations. This depends on the type of business and the circumstances of the claim. Most types of investment businesses are covered for 100% of investments up to £85,000. Further information is available from:

The Financial Services Compensation Scheme

PO BOX 300

Mitcheldean

GL17 1DY

Tel: 0800 678 1100

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

#### 12.11 Risk Management

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

- 12.10.1 the quantitative limits applying in the risk management of the Fund;
- 12.10.2 the methods used in relation to 12.11.1; and
- 12.10.3 any recent development of the risk and yields of the main categories of investment.

#### 12.12 Indemnity

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

#### 12.13 Additional Permitted Subscriptions (APS)

As ISA manager, the ACD must offer APS valuations to, and support the surviving spouse with associated certification so that the surviving spouse may choose to exploit APS with another ISA manager.

The Fund does not accept APSs but allows the transfer out, in cash, of the holding if the deceased and the surviving spouse were "living together" at the date of death.

The current process for a deceased investor is that on notification of a death the units are unwrapped and held until the ACD has probate and instruction to confirm whether the shares are to be sold.

#### 12.14 Third Party Information and Investing

Information provided by third parties and not Valu-Trac Investment Management Limited should not be relied upon when making investment decisions into our Funds as they may be incorrect and misleading.

12.15 Genuine diversity of ownership

Shares in the Fund and information on the Fund are and will continue to be marketed and made easily and widely available to reach the intended categories of investors. The intended categories of investors are retail investors and non-retail, professional investors. Different Share Classes of the Fund are issued to different types of investors.

## APPENDIX I

### FUND DETAILS

<b>Name</b>	<b>VT Vanneck Global Equity Income Fund</b>
<b>Type of Fund</b>	UCITS scheme
<b>Investment Objective and Policy</b>	<p>The objective of the Fund is to generate income whilst also achieving capital growth over the long term (5 years).</p> <p>The Fund aims to achieve its objective by investing at least 80% in a concentrated portfolio of shares in companies (the Fund will typically comprise between 35-45 holdings). The investment manager will aim to achieve this objective and spread investment risk through an actively managed and diversified portfolio of shares in companies. These may include companies of any market capitalization, anywhere in the world and across various industries and sectors.</p> <p>The use of derivatives and/or hedging transactions are permitted in connection with the Efficient Portfolio Management of the Fund (although derivative use is expected to be limited).</p> <p>The Fund will not have any particular geographic, industry or economic sector focus and as such weightings in these may vary as required.</p> <p>To the extent not fully invested as set out above, the Fund may invest in other transferable securities, collective investment schemes, money market instruments, deposits, cash and near cash.</p>
<b>Benchmark</b>	<p>The Fund is not managed to or constrained by a benchmark, and nor does the ACD use a benchmark in order to assess performance.</p> <p>However, many funds sold in the UK are grouped into sectors by the Investment Association (the "IA") (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.</p> <p>In order to assess the Fund's performance, investors may find it useful to compare the Fund against the performance of IA Global Equity Income, which serves as a method of comparing the Fund's performance with other funds which have broadly similar characteristics.</p>

**Final Accounting Date** 30 September

**Interim Accounting Date** 31 December, 31 March and 30 June

**Income Distribution Dates** 30 November (final), last day in February, 31 May and 31 August (interim)

**Shares Classes and type of Shares** R (accumulation and income)  
B (accumulation and income)  
C (accumulation and income)

**Initial Charge** 0% for all share classes but can be raised to 5% subject to 3 months' notice

**Redemption Charge** Nil

**Switching Charge** Nil

**Annual Management Charge**

R Share class 1.00%

B Share class 0.73%

C Share class 0.60%

**Fixed expenses**

Share Class	Fixed Expense Charge*
R	0.35%
B	0.19%
C	0.19%
*Subject to a minimum fee of £40,000 per annum	

**Allocation of Charges**

	<b>Income</b>	<b>Capital</b>
AMC		100%
Expenses		100%
Portfolio Transactions (SDRT, broker's commission)		100%
Charges taken from Income	No	

<b>Investment Minima*</b>	R Accumulation Shares	R Income Shares	B Accumulation Shares	B Income shares	C Accumulation Shares <sup>1</sup>	C Income Shares
Minimum Investment	£10,000	£10,000	£250,000	£250,000	£10 million	£10 million
Minimum Holding	£10,000	£10,000	£250,000	£250,000	£10 million	£10 million
Top-up	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000

<sup>1</sup> Class C shares shall also be open to registered charities at the discretion of the ACD

Regular Savings Plan	£100 per month	£100 per month	£100 per month	£100 per month	£100 per month	£100 per month
Redemption	N/A (providing the minimum holding is maintained)	N/A (providing the minimum holding is maintained)	N/A (providing the minimum holding is maintained)	N/A (providing the minimum holding is maintained)	N/A (providing the minimum holding is maintained)	N/A (providing the minimum holding is maintained)

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



## APPENDIX II

### ELIGIBLE SECURITIES MARKETS AND ELIGIBLE DERIVATIVES MARKETS

The Fund may deal through securities and derivatives markets which are regulated markets (as defined in the glossary to the FCA Handbook) or markets established in the UK or an EEA State which are regulated, operate regularly and are open to the public (excluding Cyprus and Slovenia).

The Fund may also deal through the securities markets and derivatives markets indicated below:

#### Eligible Securities Markets

United States of America	NYSE Euronext New York  The NASDAQ Stock Market (NASDAQ)  NYSE Amex Equities  The market in transferable securities issued by or on behalf of the United States of America conducted through those persons for the time being recognised and supervised by the Federal Reserve Bank of New York and known as primary dealers
Australia	Australian Securities Exchange (ASX)
Canada	Toronto Stock Exchange (TSX)  TSX Venture Exchange
Hong Kong	Hong Kong Stock Exchange
India	National Stock Exchange of India (NSE)
Indonesia	Indonesian Stock Exchange
Japan	Tokyo Stock Exchange  Nagoya Stock Exchange
Korea	Korea Exchange (KRX)
Malaysia	Bursa Malaysia Securities Bhd
Mexico	Bolsa Mexicana de Valores (BMV)
New Zealand	New Zealand Exchange Limited (NZX Limited)
Philippines	Philippine Stock Exchange
Singapore	Singapore Exchange (SGX)
Switzerland	SIX Swiss Exchange (SWX)
Taiwan	Taiwan Stock Exchange

Thailand

The Stock Exchange of Thailand (SET)

**Eligible Derivatives Markets**

United Kingdom

The London International Financial Futures and Options Exchange (NYSE LIFFE)

## APPENDIX III

### INVESTMENT AND BORROWING POWERS OF THE FUND

#### 1 GENERAL

- a) The Scheme Property will be invested with the aim of achieving the investment objective of the Fund but subject to the limits set out in the Fund's investment policy and the limits set out in the Sourcebook and this Prospectus.
- b) The ACD shall ensure that, taking into account the investment objectives and policy of the Fund, the property of the Fund aims to provide a prudent spread of risk.
- c) The Fund is not expected to have high volatility owing to their portfolio composition or the portfolio management techniques used over and above the general market volatility of the markets of the underlying investments.
- d) From time to time and in particular during periods of uncertain or volatile markets, the Investment Manager may choose to hold a substantial proportion of the property of the Fund in money market instruments and/or cash deposits, subject to the rules detailed below.

#### 2 PRUDENT SPREAD OF RISK

The ACD must ensure that, taking account of the investment objective and policy of the Fund, the Scheme Property aims to provide a prudent spread of risk.

#### 3 COVER

- a) Where the Sourcebook allows a transaction to be entered into or an investment to be retained only (for example, investment in warrants and nil and partly paid securities and the general power to accept or underwrite) if possible obligations arising out of the investment transactions or out of the retention would not cause any breach of any limits in the Sourcebook, it must be assumed that the maximum possible liability of the Fund under any other of those rules has also to be provided for.
- b) Where a rule in the Sourcebook permits an investment transaction to be entered into or an investment to be retained only if that investment transaction, or the retention, or other similar transactions, are covered:
  - i) It must be assumed that in applying any of those rules, the Fund must also simultaneously satisfy any other obligation relating to cover; and
  - ii) No element of cover must be used more than once.

#### 4 UCITS SCHEMES – GENERAL

- a) Subject to the investment objective and policy of the Fund, the Scheme Property of the Fund must, except where otherwise provided in the Sourcebook, only consist of any or all of:
- i) transferable securities;
  - ii) approved money-market instruments;
  - iii) permitted units in collective investments schemes;
  - iv) permitted derivatives and forward transactions; and
  - v) permitted deposits.

It is not intended that the Fund will have an interest in any immovable property or tangible movable property.

- b) The requirements on spread of investments do not apply until the expiry of a period of six months after the date of which the authorisation order in respect of the Fund (or on which the initial offer commenced if later) provided that the requirement to maintain prudent spread of risk in paragraph 1 a) of this Appendix is complied with.

#### 5 TRANSFERABLE SECURITIES

- a) 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.
- b) 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.
- c) In applying paragraph 5 a) of this Appendix 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.
- d) 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.
- e) the Fund may invest in a transferable security only to the extent that the transferable security fulfils the following criteria:
- i) the potential loss which the Fund may incur with respect to holding the transferable security is limited to the amount paid for it;
  - ii) its liquidity does not compromise the ability of the ACD to comply with its obligation to redeem Shares at the request of any qualifying Shareholder under the FCA Handbook;

- iii) reliable valuation is available for it as follows:
  - 1. in the case of a transferable security admitted to or dealt in on an eligible market, where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers;
  - 2. in the case of a transferable security not admitted to or dealt in on an eligible market, where there is a valuation on a periodic basis which is derived from information from the issuer of the transferable security or from competent investment research;
- iv) appropriate information is available for it as follows:
  - 1. in the case of a transferable security admitted to or dealt in on an eligible market, where there is regular, accurate and comprehensive information available to the market on the transferable security or, where relevant, on the portfolio of the transferable security;
  - 2. in the case of a transferable security not admitted to or dealt in on an eligible market, where there is regular and accurate information available to the ACD on the transferable security or, where relevant, on the portfolio of the transferable security;
- v) it is negotiable; and
- vi) its risks are adequately captured by the risk management process of the ACD.
- f) Unless there is information available to the ACD that would lead to a different determination, a transferable security which is admitted to or dealt in on an eligible market shall be presumed:
  - i) not to compromise the ability of the ACD to comply with its obligation to redeem Shares at the request of any qualifying Shareholder; and
  - ii) to be negotiable.
- g) No more than 5% of the Scheme Property may be invested in warrants.

## 6 CLOSED END FUNDS CONSTITUTING TRANSFERABLE SECURITIES

- a) A unit or a share in a closed end fund shall be taken to be a transferable security for the purposes of investment by the Fund, provided it fulfils the criteria for transferable securities set out in paragraph 5 e) and either:
  - i) where the closed end fund is constituted as an investment company or a unit trust:
    - 1. it is subject to corporate governance mechanisms applied to companies; and

2. where another person carries out asset management activity on its behalf, that person is subject to national regulation for the purpose of investor protection; or
- ii) Where the closed end fund is constituted under the law of contract:
1. it is subject to corporate governance mechanisms equivalent to those applied to companies; and
  2. it is managed by a person who is subject to national regulation for the purpose of investor protection.

## 7 TRANSFERABLE SECURITIES LINKED TO OTHER ASSETS

- a) the Fund may invest in any other investment which shall be taken to be a transferable security for the purposes of investment by the Fund provided the investment:
- i) fulfils the criteria for transferable securities set out in 5e) above; and
  - ii) is backed by or linked to the performance of other assets, which may differ from those in which the Fund can invest.
- b) Where an investment in 7a) contains an embedded derivative component, the requirements of this section with respect to derivatives and forwards will apply to that component.

## 8 APPROVED MONEY-MARKET INSTRUMENTS

- a) An approved money-market instrument is a money-market instrument which is normally dealt in on the money-market, is liquid and has a value which can be accurately determined at any time.
- b) A money-market instrument shall be regarded as normally dealt in on the money-market if it:
- i) has a maturity at issuance of up to and including 397 days;
  - ii) has a residual maturity of up to and including 397 days;
  - iii) undergoes regular yield adjustments in line with money-market conditions at least every 397 days; or
  - iv) has a risk profile, including credit and interest rate risks, corresponding to that of an instrument which has a maturity as set out in 8a)i) or ii) or is subject to yield adjustments as set out in 8a)iii).
- c) A money-market instrument shall be regarded as liquid if it can be sold at limited cost in an adequately short time frame, taking into account the obligation of the ACD to redeem Shares at the request of any qualifying Shareholder.

- d) A money-market instrument shall be regarded as having a value which can be accurately determined at any time if accurate and reliable valuations systems, which fulfil the following criteria, are available:
  - i) enabling the ACD to calculate a net asset value in accordance with the value at which the instrument held in the Scheme Property of the Fund could be exchanged between knowledgeable willing parties in an arm's length transaction; and
  - ii) based either on market data or on valuation models including systems based on amortised costs.
- e) A money-market instrument that is normally dealt in on the money-market and is admitted to or dealt in on an eligible market shall be presumed to be liquid and have a value which can be accurately determined at any time unless there is information available to the ACD that would lead to a different determination.

9 TRANSFERABLE SECURITIES AND MONEY-MARKET INSTRUMENTS GENERALLY TO BE ADMITTED OR DEALT IN ON AN ELIGIBLE MARKET

- a) Transferable securities and approved money-market instruments held within the Fund must be:
  - i) admitted to or dealt in on an eligible market as described in 10c)i); or
  - ii) dealt in on an eligible market as described in 10c)ii); or
  - iii) admitted to or dealt in on an eligible market as described in 10d); or
  - iv) for an approved money-market instrument not admitted to or dealt in on an eligible market, within 10d); or
  - v) recently issued transferable securities provided that:
    - 1. the terms of issue include an undertaking that application will be made to be admitted to an eligible market; and
    - 2. such admission is secured within a year of issue.
- b) However, the Fund may invest no more than 10% of its Scheme Property in transferable securities and approved money-market instruments other than those referred to in 9a).
- c) The ability to hold 10% of the scheme property in ineligible assets under 9b) is subject to the following limitations:
  - i) For a qualifying money market fund, the 10% restriction is limited to high quality money market instruments with a maturity or residual maturity of not more than 397 days, or regular yield adjustments consistent with such a maturity, and with a weighted average maturity of no more than 60 days;

- ii) For a short term money market fund or a money market fund, the 10% restriction is limited to high quality approved money-market instruments as determined under the Sourcebook.

## 10 ELIGIBLE MARKETS REGIME

- a) To protect investors the markets on which investments of the Fund are dealt in or traded on should be of an adequate quality (“eligible”) at the time of acquisition of the investment and until it is sold.
- b) Where a market ceases to be eligible, investments on that market cease to be approved securities. The 10% restriction on investing in non-approved securities applies and exceeding this limit because a market ceases to be eligible will generally be regarded as an inadvertent breach.
- c) A market is eligible for the purposes of the rules if it is:
  - i) a regulated market as defined in the FCA Handbook; or
  - ii) a market in the United Kingdom or an EEA State which is regulated, operates regularly and is open to the public; or
  - iii) a market falling in paragraph 10d) of this Appendix.
- d) A market falling within paragraph 10c)iii) of this Appendix is eligible for the purposes of the Sourcebook if:
  - i) the ACD, after consultation and notification with the Depositary, decides that market is appropriate for investment of, or dealing in, the Scheme Property;
  - ii) the market is included in a list in the Prospectus; and
  - iii) the Depositary has taken reasonable care to determine that:
    - 1. adequate custody arrangements can be provided for the investment dealt in on that market; and
    - 2. all reasonable steps have been taken by the ACD in deciding whether that market is eligible.
- e) In paragraph 10d)i), a market must not be considered appropriate unless it is regulated, operates regularly, is recognised, is open to the public, is adequately liquid and has adequate arrangements for unimpeded transmission of income and capital to or for the order of investors.
- f) The Eligible Markets for the Fund are set out in APPENDIX II.

## 11 MONEY-MARKET INSTRUMENTS WITH A REGULATED ISSUER

- a) In addition to instruments admitted to or dealt in on an eligible market, the Fund may invest in an approved money-market instrument provided it fulfils the following requirements:
  - i) the issue or the issuer is regulated for the purpose of protecting Shareholders and savings;



- ii) the instrument is issued or guaranteed in accordance with paragraph 12 (Issuers and guarantors of money-market instruments) below; and
  - iii) the issuer is a company whose capital and reserves amount to at least EUR 10 million and which presents and publishes its annual accounts in accordance with the requirements of the Companies Act 2006 applicable to public companies limited by shares or by guarantee, or private companies limited by shares or by guarantee, or, for companies incorporated in the EEA, Directive 22013/34/EU, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line
- b) The issue or the issuer of a money-market instrument, other than one dealt in on an eligible market, shall be regarded as regulated for the purpose of protecting Shareholders and savings if:
- i) the instrument is an approved money-market instrument;
  - ii) appropriate information is available for the instrument (including information which allows an appropriate assessment of the credit risks related to investment in it), in accordance with paragraph 13 (Appropriate information for money-market instruments) below; and
  - iii) the instrument is freely transferable.

## 12 ISSUERS AND GUARANTORS OF MONEY-MARKET INSTRUMENTS

- a) The Fund may invest in an approved money-market instrument if it is:
- i) issued or guaranteed by any one of the following:
    1. a central authority of the United Kingdom or an EEA State or, if the EEA State is a federal state, one of the members making up the federation;
    2. a regional or local authority of the United Kingdom or an EEA State;
    3. the European Central Bank or a central bank of an EEA State;
    4. the European Union or the European Investment Bank;
    5. a non-EEA State or, in the case of a federal state, one of the members making up the federation;
    6. a public international body to which the United Kingdom or one or more EEA States belong; or
  - ii) issued by a body, any securities of which are dealt in on an eligible market; or
  - iii) issued or guaranteed by an establishment which is:

1. subject to prudential supervision in accordance with criteria defined by UK or EU law: or
  2. subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by UK or EU.
- b) An establishment shall be considered to satisfy the requirements in 10a)iii)2. if it is subject to and complies with prudential rules, and fulfils one or more of the following criteria:
- i) It is located in the European Economic Area;
  - ii) it is located in an OECD country belonging to the Group of Ten;
  - iii) it has at least investment grade rating;
  - iv) on the basis of an in-depth analysis of the issuer, it can be demonstrated that the prudential rules applicable to that issuer are at least as stringent as those laid down by UK or EU law.

### 13 APPROPRIATE INFORMATION FOR MONEY-MARKET INSTRUMENTS

- a) In the case of an approved money-market instrument within 12a)ii) or issued by a body of the type referred to in the relevant part of the Sourcebook, or which is issued by an authority within 12a)i)2. or a public international body within 12a)i)6. but is not guaranteed by a central authority within 12a)i)1., the following information must be available:
- i) information on both the issue or the issuance programme, and the legal and financial situation of the issuer prior to the issue of the instrument, verified by appropriately qualified third parties not subject to instructions from the issuer;
  - ii) updates of that information on a regular basis and whenever a significant event occurs; and
  - iii) available and reliable statistics on the issue or the issuance programme.
- b) In the case of an approved money-market instrument issued or guaranteed by an establishment within 12a)iii), the following information must be available:
- i) information on the issue or the issuance programme or on the legal and financial situation of the issuer prior to the issue of the instrument;
  - ii) updates of that information on a regular basis and whenever a significant event occurs; and
  - iii) available and reliable statistics on the issue or the issuance programme, or other data enabling an appropriate assessment of the credit risks related to investment in those instruments.
- c) In the case of an approved money-market instrument:
- i) Within 12a)i)1., 12a)i)4. or 12a)i)5.; or

- ii) which is issued by an authority within 12a)i)2. or a public international body within 12a)i)6. and is guaranteed by a central authority within 12a)i)1.;

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

#### 14 SPREAD: GENERAL

- a) This rule on spread does not apply to government and public securities.
- b) For the purposes of this requirement companies included in the same group for the purposes of consolidated accounts as defined in accordance with section 399 of the Companies Act 2006, Directive 83/349/EEC or in the same group in accordance with international accounting standards are regarded as a single body.
- c) Not more than 20% in value of the Scheme Property is to consist of deposits with a single body.
- d) Not more than 5% in value of the Scheme Property of the Fund is to consist of transferable securities or approved money-market instruments issued by any single body, except that the limit of 5% is raised to 10% in respect of up to 40% in value of the Scheme Property (covered bonds need not be taken into account for the purposes of applying the limit of 40%). For these purposes certificates representing certain securities are treated as equivalent to the underlying security.
- e) The limit of 5% is raised to 25% in value of the Scheme Property in respect of covered bonds provided that when the Fund invests more than 5% in covered bonds issued by a single body, the total value of covered bonds held must not exceed 80% in value of the Scheme Property.
- f) The exposure to any one counterparty in an OTC derivative transaction must not exceed 5% in value of the Scheme Property of the Fund. This limit is raised to 10% where the counterparty is an Approved Bank.
- g) Not more than 20% in value of the Scheme Property of the Fund is to consist of transferable securities and approved money-market instruments issued by the same group.
- h) The Sourcebook provides that not more than 20% in value of the Scheme Property of the Fund is to consist of the units of any one collective investment scheme. The Fund limits itself to 10% of the Scheme Property being invested in other collectives
- i) The Sourcebook provides that in applying the limits in 14.c), 14d) and 14f), subject to e)e), not more than 20% in value of the Scheme Property of the Fund is to consist of any combination of two or more of the following:
  - i) transferable securities (including covered bonds) or approved money-market instruments issued by; or
  - ii) deposits made with; or
  - iii) exposures from OTC derivatives transactions made with a single body.

15 COUNTERPARTY RISK AND ISSUER CONCENTRATION

- a) The ACD must ensure that counterparty risk arising from an OTC derivative is subject to the limits set out in paragraph 14f) and 14i) above.
- b) When calculating the exposure of the Fund to a counterparty in accordance with the limits in paragraph 14.6, the ACD must use the positive mark-to-market value of the OTC derivative contract with that counterparty.
- c) An ACD may net the OTC derivative positions of the Fund with the same counterparty, provided:
  - i) it is able legally to enforce netting agreements with the counterparty on behalf of the Fund;  
and
  - ii) the netting agreements in paragraph 15c)i) do not apply to any other exposures the Fund may have with that same counterparty.
- d) An ACD may reduce the exposure of the Scheme Property to a counterparty of an OTC derivative transaction through the receipt of collateral. Collateral received must be sufficiently liquid so that it can be sold quickly at a price that is close to its pre-sale valuation.
- e) The ACD must take collateral into account in calculating exposure to counterparty risk in accordance with the limits in paragraph 14.6 when it passes collateral to an OTC counterparty on behalf of a Fund.
- f) Collateral passed in accordance with paragraph 15e), above, may be taken into account on a net basis only if the ACD is able legally to enforce netting arrangements with this counterparty on behalf of that Fund.
- g) The ACD must calculate the issuer concentration limits referred to in paragraph 14 on the basis of the underlying exposure created through the use of OTC derivatives pursuant to the commitment approach.
- h) In relation to the exposure arising from OTC derivatives as referred to in 14i), the ACD must include any exposure to OTC derivative counterparty risk in the calculation.

16 SPREAD: GOVERNMENT AND PUBLIC SECURITIES

- a) The following section applies to government and public securities (“such securities”).
- b) Where no more than 35% in value of the Scheme Property is invested in such securities issued by any one body, there is no limit on the amount which may be invested in such securities or in any one issue.
- c) The Fund may invest more than 35% in value of the Scheme Property in such securities issued by any one body provided that:

- i) the ACD has before any such investment is made consulted with the Depositary and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objectives of the authorised fund;
  - ii) no more than 30% in value of the Scheme Property consists of such securities of any one issue;
  - iii) the Scheme Property includes such securities issued by that or another issuer, of at least six different issues;
  - iv) the disclosures required by the FCA have been made
- d) The Fund currently does not invest more than 35% of its Scheme Property in government and public securities issued by any one body.
- e) Notwithstanding 14a) and subject to 16b) and 16c) above, in applying the 20% limit in paragraph 14i) with respect to a single body, government and public securities issued by that body shall be taken into account.

#### 17 INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

- a) Up to 10% of the value of the Scheme Property may be invested in units or shares in other collective investment schemes ("Second Scheme"), provided that Second Scheme satisfies all of the following conditions.
- i) The Second Scheme must:
    1. be a UCITS scheme or satisfy the conditions necessary for it to enjoy the rights conferred by the UCITS Directive as implemented in the EEA; or
    2. be recognised under the provisions of s.272 of the Act (Individually recognised overseas schemes) that is authorised by the supervisory authorities of Guernsey, Jersey or the Isle of Man (provided the requirements of COLL 5.2.13AR are met); or
    3. be authorised as a non-UCITS retail scheme (provided the requirements of COLL 5.2.13AR(1), (3) and (4) are met); or
    4. be authorised in an EEA State provided the requirements of Article 50(1)(e) of the UCITS Directive are met.
    5. be authorised by the competent authority of an OECD member country (other than another EEA State) which has:
      - signed the IOSCO Multilateral Memorandum of Understanding; and
      - approved the Second Scheme's management company, rules and depositary/custody arrangements;

(provided the requirements of COLL 5.2.13AR are met).

No more than 10% of the property of the Fund may be invested in schemes falling within 17a)i)2. to 17a)i)5.

- ii) The Second Scheme has terms which prohibit more than 10% in value of the scheme property consisting of units in collective investment schemes. Where the Second Scheme is an umbrella, the provisions in this paragraph 17a)ii), paragraph 1a) and 14 (Spread: general) apply to each sub-fund as if it were a separate scheme.
- b) The Fund may, subject to the limit set out in paragraph 17a) above, invest in collective investment schemes managed or operated by, or whose authorised corporate director is, the ACD of the Fund or one of its associates.
- c) If a substantial proportion of the Fund's assets are invested in other collective investment schemes, the maximum level of management fees that may be charged by an investee collective investment scheme to the Fund will be 6%.
- d) Investment may only be made in another collective investment schemes managed by the ACD or an associate of the ACD if the Fund's Prospectus clearly states that it may enter into such investments and the rules on double charging contained in the Sourcebook are complied with.
- e) Where the Fund invests in or disposes of Shares in units or shares in another collective investment scheme which is managed or operated by the ACD or an Associate of the ACD, the ACD must pay to the Fund by the close of business on the fourth Business Day the amount of any preliminary charge in respect of a purchase, and in the case of a sale, any charge made for the disposal.

## 18 INVESTMENT IN NIL AND PARTLY PAID SECURITIES

A transferable security or an approved money-market instrument 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 Fund, at the time when payment is required, without contravening the rules in the Sourcebook.

## 19 DERIVATIVES: GENERAL

**The Investment Manager may employ derivatives for the purposes of hedging with the aim of reducing the risk profile of the Fund, or reducing costs, or generating additional capital or income, in accordance with Efficient Portfolio Management ("EPM"). In pursuing the Fund's investment objectives the Investment Manager may make use of a variety of instruments in accordance with the Sourcebook and in accordance with its risk management policy.**

**It is not intended that the use of derivatives by the Fund will cause the net asset value of the Fund to have high volatility or otherwise cause its existing risk profile to change.**

- a) A transaction in derivatives or a forward transaction must not be effected for the Fund unless the transaction is of a kind specified in paragraph 21 (Permitted transactions (derivatives and forwards))

below, and the transaction is covered, as required by paragraph 33 (Cover for investment in derivatives and forward transactions) of this Appendix.

- b) Where the Fund invests in derivatives, the exposure to the underlying assets must not exceed the limits set out in 14 (Spread: general) and 16 (Spread: government and public securities) except for index based derivatives where 19f) below applies.
- c) Where a transferable security or approved money-market instrument embeds a derivative, this must be taken into account for the purposes of complying with this section.
- d) A transferable security or an approved money-market instrument will embed a derivative if it contains a component which fulfils the following criteria:
  - i) by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or approved money-market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, and therefore vary in a way similar to a stand-alone derivative;
  - ii) its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and
  - iii) it has a significant impact on the risk profile and pricing of the transferable security or approved money-market instrument.
- e) A transferable security or an approved money-market instrument does not embed a derivative where it contains a component which is contractually transferable independently of the transferable security or the approved money-market instrument. That component shall be deemed to be a separate instrument.
- f) Where the Fund invests in an index based derivative, provided the relevant index falls within paragraph 31 (Relevant Indices), the underlying constituents of the index do not have to be taken into account for the purposes of paragraph 14 and 16.
- g) The relaxation in 19f) is subject to the ACD taking account of 1a) (Prudent spread of risk).

## 20 EFFICIENT PORTFOLIO MANAGEMENT

The Fund may utilise the Scheme Property to enter into transactions for the purposes of Efficient Portfolio Management (“EPM”). Permitted EPM transactions (excluding stock lending arrangements) are transactions in derivatives e.g. to hedge against price or currency fluctuations, dealt with or traded on an eligible derivatives market; off-exchange options or contracts for differences resembling options; or synthetic futures in certain circumstances. The ACD must take reasonable care to ensure that the transaction is economically appropriate to the reduction of the relevant risks (whether in the price of investments, interest rates or exchange rates) or to the reduction of the relevant costs and/or to the generation of additional capital or income for the Fund with a risk level which is consistent with the risk profile of the Fund and the risk diversification rules laid down in the

Sourcebook. The exposure must be fully “covered” by cash and/or other property sufficient to meet any obligation to pay or deliver that could arise.

- a) Permitted transactions are those that the Fund reasonably regards as economically appropriate to EPM, that is:
  - i) Transactions undertaken to reduce risk or cost in terms of fluctuations in prices, interest rates or exchange rates where the ACD reasonably believes that the transaction will diminish a risk or cost of a kind or level which it is sensible to reduce; or
  - ii) Transactions for the generation of additional capital growth or income for the Fund by taking advantage of gains which the ACD reasonably believes are certain to be made (or certain, barring events which are not reasonably foreseeable) as a result of:
    - 1. pricing imperfections in the market as regards the property which the Fund holds or may hold; or
    - 2. receiving a premium for the writing of a covered call option or a cash covered put option on property of the Fund which the Fund is willing to buy or sell at the exercise price, or
    - 3. stock lending arrangements.

A permitted arrangement in this context may at any time be closed out.

- b) Transactions may take the form of “derivatives transactions” (that is, transactions in options, futures or contracts for differences) or forward currency transactions. A derivatives transaction must either be in a derivative which is traded or dealt in on an eligible derivatives market (and effected in accordance with the rules of that market), or be an off-exchange derivative which complies with the relevant conditions set out in the Sourcebook, or be a “synthetic future” (i.e. a composite derivative created out of two separate options). Forward currency transactions must be entered into with counterparties who satisfy the Sourcebook. A permitted transaction may at any time be closed out.
- c) The eligible derivatives markets for the Fund are set out in APPENDIX II.

## 21 PERMITTED TRANSACTIONS (DERIVATIVES AND FORWARDS)

- a) A transaction in a derivative must be in an approved derivative; or be one which complies with paragraph 25 (OTC transactions in derivatives) of this Appendix.
- b) A transaction in a derivative must have the underlying consisting of any one or more of the following to which the scheme is dedicated: transferable securities, money market instruments, deposits, permitted derivatives under this paragraph, collective investment scheme units permitted under paragraph 17 (Investment in collective investment schemes), financial indices, interest rates, foreign exchange rates, and currencies.
- c) A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market.



- d) A transaction in a derivative must not cause a fund to diverge from its investment objectives.
- e) A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more, transferable securities, money market instruments, units in collective investment schemes, or derivatives, provided that a sale is not to be considered as uncovered if the conditions in paragraph 24a) are satisfied.
- f) Any forward transaction must be with an Eligible Institution or an Approved Bank.
- g) A derivative includes an investment which fulfils the following criteria:
  - i) it allows transfer of the credit risk of the underlying independently from the other risks associated with that underlying;
  - ii) it does not result in the delivery or the transfer of assets other than those permitted by the Sourcebook, including cash;
  - iii) in the case of an OTC derivative, it complies with the requirements in paragraph 25; and
  - iv) its risks are adequately captured by the risk management process of the ACD and by its internal control mechanisms in the case of risk asymmetry of information between the ACD and the counterparty to the derivative resulting from the potential access of the counterparty to non-public information on persons whose assets are used as the underlying by that derivative.
- h) The Fund may not undertake transactions in derivatives on commodities.

## 22 FINANCIAL INDICES UNDERLYING DERIVATIVES

- a) The financial indices referred to in 21.2 are those which satisfy the following criteria:
  - b) A financial index is sufficiently diversified;
  - c) An index represents an adequate benchmark for the market to which it refers; and
  - d) The index is published in an appropriate manner.
  - e) A financial index is sufficiently diversified if:
    - i) it is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;
    - ii) where it is composed of assets in which a UCITS scheme is permitted to invest, its composition is at least diversified in accordance with the requirements with respect to spread and concentration set out in this section; and
    - iii) where it is composed of assets in which a UCITS scheme cannot invest, it is diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration set out in this section.

- f) A financial index represents an adequate benchmark for the market to which it refers if:
  - i) it measures the performance of a representative group of underlyings in a relevant and appropriate way;
  - ii) it is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers, following criteria which are publicly available; and
  - iii) the underlyings are sufficiently liquid, allowing users to replicate it if necessary.
- g) A financial index is published in an appropriate manner if:
  - i) Its publication process relies on sound procedures to collect prices, and calculate and subsequently publish the index value, including pricing procedures for components where a market price is not available; and
  - ii) Material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.
- h) Where the composition of underlyings of a transaction in a derivative does not satisfy the requirements for a financial index, the underlyings for that transaction shall where they satisfy the requirements with respect to other underlyings pursuant to paragraph 21b), be regarded as a combination of those underlyings.
- i) Any transaction in an OTC derivative under paragraph 21a) must be:

## 23 TRANSACTIONS FOR THE PURCHASE OF PROPERTY

A derivative or forward transaction which will or could lead to the delivery of property for the account of the Fund may be entered into only if that property can be held for the account of the Fund, and the ACD having taken reasonable care determines that delivery of the property under the transaction will not occur or will not lead to a breach of the rules in the Sourcebook.

## 24 REQUIREMENT TO COVER SALES

No agreement by or on behalf of the Fund to dispose of property or rights may be made unless the obligation to make the disposal and any other similar obligation could immediately be honoured by the Fund by delivery of property or the assignment (or, in Scotland, assignation) of rights, and the property and rights above are owned by the Fund at the time of the agreement. This requirement does not apply to a deposit.

## 25 OTC TRANSACTIONS IN DERIVATIVES

- a) Any transaction in an OTC derivative under paragraph 21a) must be:
  - i) in a future or an option or a contract for differences;
  - ii) with an approved counterparty; a counterparty to a transaction in derivatives is approved only if the counterparty is an Eligible Institution or an Approved Bank; a person whose

permission (including any requirements or limitations), as published in the Financial Services Register, permits it to enter into the transaction as principal off-exchange; a central counterparty ("**CCP**") that is authorised and recognised in that capacity in accordance with the EMIR; or a CCP supervised in a jurisdiction that has implemented the relevant G20 reforms on over-the-counter derivatives to at least the same extent as the United Kingdom; and is identified as having done so by the Financial Stability Board in its summary report on progress in implementation of G20 financial regulatory reforms dated 25 June 2019;

- iii) on approved terms; the terms of the transaction in derivatives are approved only if, the ACD: carries out, at least daily, a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and which does not rely only on market quotations by the counterparty and can enter into one or more further transaction to sell, liquidate or close out that transaction at any time, at a fair value; and
  - iv) capable of valuation; a transaction in derivatives is capable of valuation only if the ACD having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy:
    - 1. on the basis of an up-to-date market value which the ACD and the Depositary have agreed is reliable; or
    - 2. if the value referred to in 1. is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and
  - v) subject to verifiable valuation: a transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by:
    - 1. an appropriate third party which is independent from the counterparty of the derivative at an adequate frequency and in such a way that the ACD is able to check it; or
    - 2. a department within the ACD which is independent from the department in charge of managing the Fund and which is adequately equipped for such a purpose.
- b) For the purposes of paragraph 25a)iii), "fair value" is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

## 26 INVESTMENT IN DEPOSITS

The Fund may invest in deposits only 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.

## 27 RISK MANAGEMENT

The ACD uses a risk management process, enabling it to monitor and measure as frequently as appropriate the risk of the Fund's positions and their contribution to the overall risk profile of the Fund. Before using the process, the ACD will notify the FCA of the details of the risk management process.

## 28 SIGNIFICANT INFLUENCE

- a) The Fund must not acquire transferable securities issued by a body corporate and carrying rights to vote (whether or not on substantially all matters) at a general meeting of that body corporate if:
  - i) immediately before the acquisition, the aggregate of any such securities held by the Fund gives the Fund power significantly to influence the conduct of business of that body corporate; or
  - ii) the acquisition gives the Fund that power.
- b) For the purposes of paragraph 28a) of this Appendix, the Fund is to be taken to have power significantly to influence the conduct of business of a body corporate if it can, because of the transferable securities held by it, exercise or control the exercise of 20% or more of the voting rights in that body corporate (disregarding for this purpose any temporary suspension of voting rights in respect of the transferable securities of that body corporate).

## 29 CONCENTRATION

The Fund:

- a) must not acquire transferable securities other than debt securities which:
  - i) do not carry a right to vote on any matter at a general meeting of the body corporate that issued them; and
  - ii) represent more than 10% of these securities issued by that body corporate;
- b) must not acquire more than 10% of the debt securities issued by any single issuing body;
- c) must not acquire more than 25% of the units in a collective investment scheme;
- d) must not acquire more than 10% of the approved money-market instruments issued by any single body; and
- e) need not comply with the limits in paragraphs 29b), 29c) and 29d) of this Appendix if, at the time of the acquisition, the net amount in issue of the relevant investment cannot be calculated.

## 30 SCHEMES REPLICATING AN INDEX

Notwithstanding paragraph 14, the Fund may invest up to 20% in value of the scheme property in shares and debentures which are issued by the same body where the investment policy of that scheme as stated in the most

recently published prospectus is to replicate the composition of a relevant index which satisfies the criteria specified in paragraph 31 (Relevant indices)

31 DERIVATIVE EXPOSURE

- a) The indices referred to in paragraph 30 are those which satisfy the following criteria:
  - i) The composition is sufficiently diversified
  - ii) The index represents an adequate benchmark for the market to which it refers; and
  - iii) the index is published in an appropriate manner.
- b) The composition of an index is sufficiently diversified if its components adhere to the spread and concentration requirements in this section.
- c) An index represents an adequate benchmark if its provider uses a recognised methodology which generally does not result in the exclusion of a major issuer of the market to which it refers.
- d) An index is published in an appropriate manner if:
  - i) it is accessible to the public;
  - ii) the index provider is independent from the index-replicating UCITS scheme; this does not preclude index providers and the UCITS scheme from forming part of the same group, provided that effective arrangements for the management of conflicts of interest are in place

32 DERIVATIVE EXPOSURE

- a) The Fund may invest in derivatives and forward transactions as long as the exposure to which the Fund is committed by that transaction itself is suitably covered from within its Scheme Property. Exposure will include any initial outlay in respect of that transaction.
- b) Cover ensures that the Fund is not exposed to the risk of loss of property, including money, to an extent greater than the net value of the Scheme Property. Therefore, the Fund must hold Scheme Property sufficient in value or amount to match the exposure arising from a derivative obligation to which the Fund is committed. This section sets out detailed requirements for the cover of the Fund.
- c) A future is to be regarded as an obligation to which the Fund is committed (in that, unless closed out, the future will require something to be delivered, or accepted and paid for); a written option as an obligation to which the Fund is committed (in that it gives the right of potential exercise to another thereby creating exposure); and a bought option as a right (in that the purchaser can, but need not, exercise the right to require the writer to deliver and accept and pay for something).
- d) Cover used in respect of one transaction in derivatives or forward transaction must not be used for cover in respect of another transaction in derivatives or a forward transaction.

### 33 COVER FOR TRANSACTIONS IN DERIVATIVES AND FORWARD TRANSACTIONS

Global exposure relating to derivatives and forward transactions held in the Fund must not exceed the net value of the Scheme Property.

### 34 COVER AND BORROWING

- a) Cash obtained from borrowing, and borrowing which the ACD reasonably regards an Eligible Institution or an Approved Bank to be committed to provide, is available for cover under paragraph 29 of this Appendix as long as the normal limits on borrowing (see below) are observed.
- b) Where, for the purposes of this paragraph the Fund borrows an amount of currency from an Eligible Institution or an Approved Bank; and keeps an amount in another currency, at least equal to such borrowing for the time on deposit with the lender (or his agent or nominee), then this applies as if the borrowed currency, and not the deposited currency, were part of the Scheme Property, and the normal limits on borrowing under paragraph 34 (Borrowing powers) of this Appendix do not apply to that borrowing.

### 35 CALCULATION OF GLOBAL EXPOSURE

- a) The ACD must calculate the global exposure of a Fund on at least a daily basis.
- b) The ACD must calculate the global exposure of any Fund it manages either as:
  - i) The incremental exposure and leverage generated through the use of derivatives and forward transactions (including embedded derivatives as referred to in paragraph 19 (Derivatives: general)), which may not exceed 100% of the net value of the Scheme Property; or
  - ii) The market risk of the Scheme Property.
- c) For the purposes of this section exposure must be calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.
- d) The ACD must calculate the global exposure of a Fund by using:
  - i) Commitment approach; or
  - ii) The value at risk approach.
- e) The ACD must ensure that the method selected above is appropriate, taking into account:
  - i) The investment strategy pursued by the Fund;
  - ii) Types and complexities of the derivatives and forward transactions used; and
  - iii) The proportion of the Scheme Property comprising derivatives and forward transactions.
- f) Where a Fund employs techniques and instruments including repo contracts or stock lending in accordance with paragraph 44 (Stock lending) in order to generate additional leverage or exposure

to market risk, the ACD must take those transactions into consideration when calculating global exposure.

#### 36 CASH AND NEAR CASH

- a) Cash and near cash must not be retained in the Scheme Property of the Fund except to the extent that, where this may reasonably be regarded as necessary in order to enable:
  - i) the pursuit of a Fund's investment objectives; or
  - ii) redemption of Shares; or
  - iii) efficient management of the Fund in accordance with its investment objectives; or
  - iv) other purposes which may reasonably be regarded as ancillary to the investment objectives of the Fund.
- b) During the period of the initial offer the Scheme Property of the Fund may consist of cash and near cash without limitation.

#### 37 GENERAL

- a) It is envisaged that the Fund will normally be fully invested but there may be times that it is appropriate not to be fully invested when the ACD reasonably regards this as necessary in order to enable the redemption of units, efficient management of the Fund or any one purpose which may reasonably be regarded as ancillary to the investment objectives of the Fund.
- b) Where the Fund invests in or disposes of units or shares in another collective investment scheme which is managed or operated by the ACD or an associate of the ACD, the ACD must pay to the Fund by the close of business on the fourth Business Day the amount of any preliminary charge in respect of a purchase, and in the case of a sale, any charge made for the disposal.
- c) A potential breach of any of these limits does not prevent the exercise of rights conferred by investments held by the Fund but, in the event of a consequent breach, the ACD must then take such steps as are necessary to restore compliance with the investment limits as soon as practicable having regard to the interests of Shareholders.

#### 38 UNDERWRITING

Underwriting and sub underwriting contracts and placings may also, subject to certain conditions set out in the Sourcebook, be entered into for the account of the Fund.

#### 39 BORROWING POWERS

- a) The ACD may, on the instructions of the Fund and subject to the Sourcebook, borrow money from an Eligible Institution or an Approved Bank for the use of the Fund on terms that the borrowing is to be repayable out of the Scheme Property.

- b) Borrowing must be on a temporary basis, must not be persistent, and in any event must not exceed three months without the prior consent of the Depositary, which may be given only on such conditions as appear appropriate to the Depositary to ensure that the borrowing does not cease to be on a temporary basis.
- c) The ACD must ensure that borrowing does not, on any Business Day, exceed 10% of the value of the Fund.
- d) These borrowing restrictions do not apply to “back to back” borrowing for currency hedging purposes (i.e. borrowing permitted in order to reduce or eliminate risk arising by reason of fluctuations in exchange rates).

#### 40 RESTRICTIONS ON LENDING OF MONEY

- a) None of the money in the Scheme Property may be lent and, for the purposes of this paragraph, money is lent by the Fund if it is paid to a person (“the payee”) on the basis that it should be repaid, whether or not by the payee.
- b) Acquiring a debenture is not lending for the purposes of paragraph 35a), nor is the placing of money on deposit or in a current account.
- c) Nothing in paragraph 35a) prevents the Fund from providing an officer of the Fund with funds to meet expenditure to be incurred by him for the purposes of the Fund (or for the purposes of enabling him properly to perform his duties as an officer of the Fund) or from doing anything to enable an officer to avoid incurring such expenditure.

#### 41 RESTRICTIONS ON LENDING OF PROPERTY OTHER THAN MONEY

- a) Scheme Property other than money must not be lent by way of deposit or otherwise.
- b) Transactions permitted by paragraph 39 (Stock lending) are not to be regarded as lending for the purposes of paragraph 36a).
- c) The Scheme Property of must not be mortgaged.
- d) Where transactions in derivatives or forward transactions are used for the account of the Fund in accordance with the Sourcebook, nothing in this paragraph prevents the Fund or the Depositary at the request of the Fund: from lending, depositing, pledging or charging its Scheme Property for margin requirements; or transferring Scheme Property under the terms of an agreement in relation to margin requirements, provided that the ACD reasonably considers that both the agreement and the margin arrangements made under it (including in relation to the level of margin) provide appropriate protection to Shareholders.

#### 42 GENERAL POWER TO ACCEPT OR UNDERWRITE PLACINGS

- a) Any power in the Sourcebook to invest in transferable securities may be used for the purpose of entering into transactions to which this section applies, subject to compliance with any restriction in the Instrument of Incorporation. This section applies, to any agreement or understanding: which is



an underwriting or sub-underwriting agreement, or which contemplates that securities will or may be issued or subscribed for or acquired for the account of the Fund.

- b) This ability does not apply to an option, or a purchase of a transferable security which confers a right to subscribe for or acquire a transferable security, or to convert one transferable security into another.
- c) The exposure of the Fund to agreements and understandings as set out above, on any Business Day be covered and be such that, if all possible obligations arising under them had immediately to be met in full, there would be no breach of any limit in the Sourcebook.

#### 43 GUARANTEES AND INDEMNITIES

- a) The Fund or the Depositary for the account of the Fund must not provide any guarantee or indemnity in respect of the obligation of any person.
- b) None of the Scheme Property may be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person.
- c) Paragraphs 38a) and 38b) do not apply to in respect of the Fund:
  - i) any indemnity or guarantee given for margin requirements where the derivatives or forward transactions are being used in accordance with the Sourcebook;
  - ii) an indemnity falling within the provisions of regulation 62(3) (Exemptions from liability to be void) of the OEIC Regulations;
  - iii) an indemnity (other than any provision in it which is void under regulation 62 of the OEIC Regulations) given to the Depositary against any liability incurred by it as a consequence of the safekeeping of any of the Scheme Property by it or by anyone retained by it to assist it to perform its function of the safekeeping of the Scheme Property; and
  - iv) an indemnity given to a person winding up a scheme if the indemnity is given for the purposes of arrangements by which the whole or part of the property of that scheme becomes the first property of the Fund and the holders of units in that scheme become the first Shareholders in the Fund.

#### 44 STOCK LENDING

- a) The entry into stock lending transactions or repo contracts for the account of the Fund is permitted for the generation of additional income for the benefit of the Fund, and hence for its Shareholders.
- b) The specific method of stock lending permitted in this section is in fact not a transaction which is a loan in the normal sense. Rather it is an arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992, under which the lender transfers securities to the borrower otherwise than by way of sale and the borrower is to transfer those securities, or securities of the

same type and amount, back to the lender at a later date. In accordance with good market practice, a separate transaction by way of transfer of assets is also involved for the purpose of providing collateral to the “lender” to cover him against the risk that the future transfer back of the securities may not be satisfactorily completed.

- c) The stock lending permitted by this section may be exercised by the Fund when it reasonably appears to the Fund to be appropriate to do so with a view to generating additional income with an acceptable degree of risk.
- d) The Fund or the Depositary at the request of the Fund may enter into a stock lending arrangement or repo contract of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992 (without extension by section 263C), but only if all the terms of the agreement under which securities are to be reacquired by the Depositary for the account of the Fund, are in a form which is acceptable to the Depositary and are in accordance with good market practice, the counterparty meets the criteria set out in the Sourcebook, and collateral is obtained to secure the obligation of the counterparty. Collateral must be acceptable to the Depositary, adequate and sufficiently immediate.
- e) The Depositary must ensure that the value of the collateral at all times is at least equal to the value of the securities transferred by the Depositary plus a premium. This duty may be regarded as satisfied in respect of collateral the validity of which is about to expire or has expired where the Depositary takes reasonable care to determine that sufficient collateral will again be transferred at the latest by the close of business on the day of expiry.
- f) Any agreement for transfer at a future date of securities or of collateral (or of the equivalent of either) may be regarded, for the purposes of valuation under the Sourcebook, as an unconditional agreement for the sale or transfer of property, whether or not the property is part of the property of the Fund.
- g) There is no limit on the value of the Scheme Property of the Fund which may be the subject of stock lending transactions or repo contracts.

**APPENDIX IV**

**LIST OF OTHER AUTHORISED COLLECTIVE INVESTMENT SCHEMES OPERATED BY THE ACD**

<b>Directors of the ACD and their significant business activities not connected with the business of the Company</b>	
Anne Laing	None
Jeremy Brettell	Non-Executive Director: - Integralife UK Limited - Integrated Financial Arrangements Ltd - Wesleyan Bank Ltd - Anderson Strathern Asset Management Ltd
Aidan O'Carroll	Chair of Revenue Scotland  Non Executive Director:  - Hillhouse Estates Limited - ABE Global Ltd
Andrew Lewis	None
John Brett	Director: - Royal London Unit Trust Managers - RLUM Limited - Anderson Strathern Asset Management Ltd
Adrian Bond	None

<b>Authorised collective investment schemes of which the ACD is the authorised fund manager</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
Valu-Trac Proprietary Funds ICVC*	Scotland	IC000986	605631
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 Blackfinch Funds ICVC	England and Wales	IC026707	925120
VT Brompton Funds ICVC	England and Wales	IC001077	762880
VT Cantab Funds ICVC	England and Wales	IC001114	808050
VT Cape Wrath Focus Fund*	England and Wales	IC001061	741524
VT Chelsea Managed ICVC	England and Wales	IC001085	773989
VT Clear Peak Capital ICVC	England and Wales	IC011866	841768
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 DOWNING FOX FUNDS ICVC	England and Wales	IC154903	997031
VT EPIC Investment Funds ICVC	England and Wales	IC000935	573884
VT EPIC Investment Fund Series II	England and Wales	IC000025	188718
VT EPIC Investment Fund Series III	England and Wales	IC000584	472521
VT Esprit FS ICVC	England and Wales	IC001105	794635
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 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 PPM Investment Funds	England and Wales	IC017239	914471
VT Price Value Partners Funds ICVC	England and Wales	IC001033	671132
VT Redlands Fund	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 Smartfund ICVC	England and Wales	IC001012	621247
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 Global Equity Income Fund	England and Wales	IC001003	613235
VT Vanneck Funds ICVC	England and Wales	IC001112	806954
VT Woodhill Investment Funds ICVC	England and Wales	IC001009	618204

\* denotes a Non-UCITS Retail Scheme

\*\* denotes a Qualified Investor Scheme

## APPENDIX V

### PAST PERFORMANCE AND INVESTOR PROFILE

#### VT Vanneck Global Equity Income Fund

##### Past performance

The Fund and the share classes were launched on 16 May 2014\*. Past performance is no indication of future performance.

Please note that all performance information is at 31 December of each year. For more up-to-date performance information, please contact the ACD.

	2019	2020	2021	2022	2023
Class B	20.2%	-7.2%	20.8%	1.2%	8.5%
Class R	19.7%	-7.6%	20.2%	0.7%	8.0%
Class C		-7.1%	20.9%	1.3%	8.6%

*\*Note: Class C launched on 26 July 2019*

##### Investor profile

The Fund may be suitable for investors who see collective investment schemes as a convenient way of participating in investment markets and are seeking to achieve a defined investment objective. Such investor must have experience with, or understand, products where the capital is at risk, thus the Fund may be suitable for investors who are looking to set aside the capital for at least 5 years. If you are uncertain whether this Fund is suitable for you, please contact a professional adviser.



APPENDIX VI

SUB CUSTODIANS

MARKET	SUB-CUSTODIAN
Argentina	Citibank N.A. Argentina Branch
Australia	HSBC Bank Australia Limited
Austria	Raiffeisen Bank International
Bahrain	HSBC Bank Middle East Limited
Bangladesh	Standard Chartered Bank
Belgium	Citibank Europe
Bermuda	HSBC Securities Services
Bosnia-Herzegovina: The Federation of Bosnia and Herzegovina (Sarajevo)	Raiffeisen Bank International AG
Bosnia-Herzegovina: The Republika of Srpska (Banja Luka)	
Botswana	Standard Chartered Bank Botswana Ltd.
Brazil	Citibank N.A. – Filial Brasileira (Brazilian Branch)
Bulgaria	UniCredit Bulbank AD
Canada	RBC
Chile	Banco de Chile (Citibank N.A.)
China	China- A Shares - Citibank (china) Co. Ltd China - Shanghai- Standard Chartered Bank (China) Limited China – Shenzhen - Standard Chartered Bank (China) Limited
Colombia	Cititrust Colombia S.A.
Croatia	UniCredit Bank Austria AG
Cyprus	Citibank Europe plc, Greece Branch
Czech Republic	Raiffeisen Bank International AG
Denmark	Danske Bank A/S
Egypt	Citibank N.A.
Estonia	Swedbank
Euroclear	Euroclear
Finland	Nordea Bank AB (publ)
France	Deutsche Bank AG
Germany	Citibank Europe PLC Dublin
Ghana	Standard Chartered Bank Ghana Ltd.
Greece	Citibank Europe PLC, Greece Branch
Hong Kong	Standard Chartered Bank (Hong Kong) Limited

	Citibank N.A., Hong Kong Branch (Shanghai HK Connect)
Hungary	Raiffeisen Bank International AG
India	The Hong Kong and Shanghai Banking Corporation Ltd
Indonesia	Standard Chartered Bank
Ireland	RBC Investor Services Trust
Israel	Citibank N.A. Tel Aviv Branch
Italy	BNP Paribas Securities Services
Japan	Citibank N.A., Tokyo Branch
Jordan	Standard Chartered Bank, Jordan Branch
Kazakhstan	JSC Citibank Kazakhstan
Kenya	Standard Chartered Bank Kenya
Kuwait	HSBC Bank Middle East Limited
Latvia	Swedbank AS
Lithuania	Swedbank AB
Luxembourg	Euroclear Bank
Malaysia	Standard Chartered Bank Malaysia Berhad
Mauritius	The Hong Kong and Shanghai Banking Corporation Limited
Mexico	Citibanamex
Morocco	Societe General Marocaine de Banques (SGMB)
Namibia	Standard Bank of South Africa
Netherlands	Citibank Europe
New Zealand	Citibank N.A. New Zealand Branch
Nigeria	Standard Chartered Bank, DIFC Branch
Norway	DNB Bank ASA
Oman	HSBC Bank Oman S.A.O.G.
Pakistan	Deutsche Bank A.G.
Peru	Citibank del Peru S.A.
Philippines	Standard Chartered Bank
Poland	Bank Polska Kasa Opieki S.A
Portugal	BNP Paribas Securities Services
Qatar	HSBC Bank Middle East Limited
Romania	BRD- Group Societe Generale
Russia	Societe Generale, Rosbank
Saudi Arabia	HSBC Saudi Arabia
Serbia	UniCredit Bank Austria AG
Singapore	Standard Chartered Bank (Singapore) Limited
Slovak Republic	Raiffeisen Bank International AG
Slovenia	Raiffeisen Bank International AG

South Africa	Standard Chartered Bank Johannesburg
South Korea	The Hong Kong and Shanghai Banking Corporation Limited
Spain	Banco Inversis S.A
Sri Lanka	The Hong Kong and Shanghai Banking Corporation Limited
Sweden	Skandinaviska Enskilda Banken AB (publ)
Switzerland	Credit Suisse AG
Taiwan*	HSBC Bank (Taiwan) Limited
Thailand	Standard Chartered Bank (Thai) Plc
Tunisia	Societe Generale Securities Service UIB Tunisia
Turkey	Citibank A.S.
Ukraine	PJSC Citibank
United Arab Emirates-ADX	HSBC Bank Middle East Limited
United Arab Emirates-DFM	HSBC Bank Middle East Limited
United Arab Emirates-NASDAQ	HSBC Bank Middle East Limited
United Kingdom	RBC Investor Services Trust/Deutsche Bank A.G
United States	The Bank of New York Mellon
Uruguay	Banco Itaú Uruguay S.A.
Vietnam	HSBC Bank (Vietnam) Ltd