



# Unit Trust Offering Circular

January, 2023



## VM Wealth Funds

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1. **VMWealth Global Income Portfolio**
  2. **VMWealth Global Income Plus Portfolio**
  3. **VMWealth Global Income Max Portfolio**
  4. **VMWealth Classic Income Portfolio**
  5. **VMWealth Classic Equity Growth Portfolio**
  6. **VMWealth Classic Property Portfolio**
  7. **VMWealth Global Equity Growth Portfolio**
  8. **VMWealth Classic Protector Portfolio**
  9. **VMWealth Goal Maximizer Portfolio**
  10. **VMWealth Constant Stream Portfolio**
  11. **VMWealth RED (Real Estate Development) Portfolio**
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## Conditions And Regulations

The Financial Services Commission does not pass upon the accuracy or adequacy of the information contained in this Offering Circular. Any representation to the contrary will be deemed by the Financial Services Commission to be a false and misleading statement.

This Offering Circular was registered with the Financial Services Commission ("FSC") with effect from July 1, 2022. This Offering Circular is effective (as amended and restated from time to time) until June 30, 2023. As at the expiration date, this Offering Circular cannot be used as the basis for your investment in any of the products.

If you are in doubt about the contents of this Offering Circular, you should seek independent financial advice. The Manager of the Victoria Mutual Wealth Management Unit Trust (the "Trust") is neither a legal nor tax advisor and gives no advice/recommendation in this regard.

The Manager of the Trust accepts full responsibility for the accuracy of the information contained in this Offering Circular and confirms that having made all reasonable enquiries, there are, to the best of its knowledge and belief, no other facts the omission of which would make any information or statement in this Offering Circular misleading. Neither this Trust nor the portfolios from which it is comprised are insured by the Jamaica Deposit Insurance Corporation ("JDIC"). The JDIC provides protection for depositors in commercial banks, merchant banks, credit unions and building societies which are deposit-taking institutions. The Manager of the Trust - Victoria Mutual Wealth Management Limited is not a deposit-taking institution.

## 1 Name And Identification Of The Trust

### VICTORIA MUTUAL WEALTH

**MANAGEMENT UNIT TRUST** (the “Trust”) is a Collective Investment Scheme that was established and duly registered in Jamaica with the Financial Services Commission on the 24th day of September, 2015. The Trust is an open-ended unit trust fund comprised of a diversified portfolio of investments and is established by a Trust Deed dated the 11th day of December, 2013, as amended and restated from time to time (the “Trust Deed”) between Victoria Mutual Wealth Management Limited (the “Manager”) and **JCSD Trustee Services Limited** (the “Trustee”).

The Trust Deed for the Trust is available for inspection at the offices of the Manager and/or the Trustee between the hours of 9:00 a.m. and 4:00 p.m., Mondays to Fridays and copies may be obtained at a cost of \$1,000.00 per copy, or such other cost as the Manager may set.

Other important information, including the latest Offering Circular, notices, announcements and financial reports for the Trust, along with the price of units in the Trust, may be found at [www.vmwealth.com](http://www.vmwealth.com). The audited financial statements for each financial year ending December 31st of the Trust will be made available on the said website within 90 days - after the end of each period. Quarterly unaudited financial reports will also be published on [www.vmwealth.com](http://www.vmwealth.com). Unit Holders may inspect the said financial statements or obtain a copy of same (at a cost to be determined by the Manager) at the offices of the Manager during the hours of 9:00 a.m. to 3:00 p.m., Monday to Friday.

The Trust is comprised of several Portfolios and/or class or classes of Portfolios established by the Trustee, at the direction of the Manager, for the benefit of Unit Holders. The Trust is comprised of eleven (11) portfolios:-

#### 1. VMWealth Global Income Portfolio

This is a United States Dollar (USD) denominated Portfolio comprising primarily sovereign and corporate bonds from the Caribbean, Central America, USA, Canada and Europe, maturing in the short term.

#### 2. VMWealth Global Income Plus Portfolio

This is a United States Dollar (USD) denominated Portfolio comprising primarily medium-term sovereign and corporate bonds from the Caribbean, Central America, USA, Canada and Europe.

#### 3. VMWealth Global Income Max Portfolio

This is a long-term portfolio denominated in United States Dollar (USD) and comprising primarily sovereign and corporate bonds from the Caribbean, Central America, USA, Canada and Europe.

#### 4. VMWealth Classic Income Portfolio

This is a Jamaican Dollar (JMD) denominated Portfolio comprising primarily Government of Jamaica and Corporate Bonds and Preference Shares.

#### 5. VMWealth Classic Equity Growth Portfolio

This Portfolio will invest primarily in equity securities of companies domiciled in Jamaica and internationally and traded on the Jamaica Stock Exchange (JSE).

#### 6. VMWealth Classic Property Portfolio

This Portfolio will invest primarily in commercial real estate.

#### 7. VMWealth Global Equity Growth Portfolio

This Portfolio will invest primarily in equity investments of developed markets.

**8. VMWealth Classic Protector Portfolio**

This Portfolio will invest primarily in short term money market securities.

**9. VMWealth Goal Maximizer Portfolio**

This Portfolio will invest in a range of growth securities across all asset classes.

**10. VMWealth Constant Stream Portfolio**

This Portfolio will invest primarily in investment grade fixed income securities, inclusive of securities (or its issuers) that have been duly rated by Caribbean Information and Credit Rating Services Limited (CariCris).

**11. VMWealth RED (Real Estate Development) Portfolio**

This Portfolio will invest in the financing and development of residential and commercial properties.

The details for the eleven(11) Portfolios are outlined at paragraph seven(7) below.

The Manager has the complete discretion to direct the Trustee to establish other Portfolios and class or classes of Portfolios for the Trust. Upon the establishment of other Portfolios the Manager shall submit a copy of the Offering Circulars for such Portfolios for registration with the Financial Services Commission

**2 Manager**

The Manager of the Trust, **Victoria Mutual Wealth Management Limited**, is a company incorporated in Jamaica in June, 1989 and licensed under the Securities Act as a licensed securities dealer with its registered office at 53 Knutsford Boulevard, Kingston 5. The Manager is a wholly owned subsidiary of The Victoria Mutual Building Society, which has its registered office at 73-75 Half Way Tree Road, Kingston 10 in the parish of St. Andrew.

The directors of the Manager are:

<b>Michael McMorris</b>	-	Chairman
<b>Noel Hann</b>	-	Director
<b>Sandra Shirley</b>	-	Director
<b>Mathew Wright</b>	-	Director
<b>Phillip Silvera</b>	-	Director
<b>Janice McKenley</b>	-	Director
<b>Milton Samuda</b>	-	Director
<b>Vikram Dhiman</b>	-	Director
<b>Courtney Campbell</b>	-	Director
<b>Devon Barrett</b>	-	Director
<b>Rezworth Burchenson</b>	-	Managing Director
<b>Keri-Gaye Brown</b>	-	Company Secretary

**3 Trustee**

The Trustee and Custodian of all cash and assets of the Trust is **JCSD Trustee Services Limited**. JCSD Trustee Services Limited is a company incorporated under the laws of Jamaica having its registered office at 40 Harbour Street in the city and parish of Kingston. The Trustee satisfies the legal requirements to be a Trustee for a Collective Investment Scheme. The Trustee is a wholly owned subsidiary of Jamaica Central Securities Depository Limited which has its registered office at 40 Harbour Street in the city and parish of Kingston.

The core business of the Trustee is that of providing trustee services.

The directors of the Trustee and Custodian are:

<b>Mr. Livingstone Morrison</b>	–	Chairman
<b>Mr. Curtis Martin</b>	–	Deputy Chairman
<b>Mrs. Marlene Street Forrest</b>	–	Director
<b>Mr. Alvaro Casserly</b>	–	Director
<b>Mr. Julian Mair</b>	–	Director
<b>Mr. Gary Peart</b>	–	Director
<b>Mr. Leo Williams</b>	–	Director
<b>Mr. Terron Francis</b>	–	Director
<b>Mrs. Kadyll McNaught-Hermitt</b>	–	Company Secretary

## 4 Auditors, Commercial Bank, Attorneys-At-Law, Selling Agent, And Registrar

### A. Auditors

KPMG  
6 Duke Street  
Kingston

### B. Commercial Bank

National Commercial Bank  
37 Duke Street  
Kingston

### C. Attorneys-At-Law

Carter Lindo  
80 Lady Musgrave Road, Suite 8  
Kingston 10

### D. Selling Agent

Victoria Mutual Wealth Management Limited  
53 Knutsford Boulevard  
Kingston 5

Application forms and copies of this Offering Circular are available at the offices of Victoria Mutual Wealth Management Limited.

### E. Registrar

Victoria Mutual Wealth Management Limited  
53 Knutsford Boulevard  
Kingston 5

### F. Delegation

The Trustee and also the Manager (with the written approval of the Trustee) may delegate some or all of their duties and responsibilities under the Trust Deed.

## 5 Buying And Redeeming Units & Related Charges

### A. Buying and Redeeming Units

Unit Holders of the Trust may make requests to buy or redeem units in the eleven(11) Portfolios (“Units”) on any business day in the form that may be provided by the Manager and by providing the required documentation required by the Manager. Units in the Portfolios shall be purchased solely through the Selling Agent, Victoria Mutual Wealth Management Limited, and any other licensed securities dealers that may be appointed for that purpose from time to time.

No money should be paid to any person in Jamaica to acquire Units unless that person is licensed or registered as a dealer under the Securities Act.

**The minimum initial purchase and subsequent purchases that may be made by Unit Holders are as follows:**

	INITIAL INVESTMENT	SUBSEQUENT INVESTMENT
VMWealth Global Income Portfolio	US\$500	US\$100
VMWealth Global Income Plus Portfolio	US\$500	US\$100
VMWealth Global Income Max Portfolio	US\$500	US\$100
VMWealth Classic Income Portfolio	J\$50,000	J\$10,000
VMWealth Classic Equity Growth Portfolio	J\$10,000	J\$5,000
VMWealth Classic Property Portfolio	J\$50,000	J\$10,000
VMWealth Global Equity Growth Portfolio	US\$500	US\$100
VMWealth Classic Protector Portfolio	J\$10,000	J\$5,000
VMWealth Goal Maximizer Portfolio	J\$10,000	J\$5,000
VMWealth Constant Stream Portfolio	J\$250,000	J\$50,000
VMWealth RED (Real Estate Development) Portfolio	J\$250,000	J\$50,000

Requests to buy Units in the Portfolios must be accompanied by payment in full. Payment may be by certified cheque, wire transfer, local bank transfer or lodgement at any Victoria Mutual Building Society branch. The Manager reserves the right to reject any request to buy Units within three (3) days after the request is made and all payment(s) received will be returned without interest. Where payment is made by cheque the relevant cheque clearing period will apply before the purchase is processed. Where a cheque is dishonoured by the Manager's bank, for any reason, the Manager reserves the right to immediately cancel the corresponding investment held on behalf of the Unit Holder/applicant. All costs associated with dishonoured cheques will be charged to the Unit Holder/applicant. A receipt or other confirmation of purchase will be issued to the Unit Holder.

Redemption requests up to a maximum of Five Million Jamaican Dollars or its equivalent in other currencies must be received by the Manager by 12:00 noon Jamaican time in order to redeem Units

at that day's Net Asset Value ("NAV") per Unit. Redemption requests received after 12:00 noon will be processed on the following Business Day using the applicable NAV per Unit for that day. In relation to redemption requests up to Five Million Jamaican Dollars or its equivalent in other currencies, disbursement will be made on the day of processing; and for redemption requests above that amount, disbursement will be made on the third business day following processing.

The Manager may suspend the right of Unit Holders to redeem Units for the reasons set out in the Trust Deed.

Orders to buy Units in the Portfolios must be received by the Manager by 2:30 p.m. Jamaican Time in order to purchase Units at that day's NAV per Unit. If not received by 2:30 p.m., purchase requests will be processed on the following Business Day, using the applicable NAV per unit for that day.

## B. Valuation and Pricing Of Units

When the Trust or a Portfolio is first established, Units in each Portfolio will be offered at a stated price during a stated period that the Manager will establish.

After this initial offering period, the price of a Unit in a Portfolio will be determined by the Net Asset Value per Unit for that particular Portfolio. The NAV is the fair value of the total assets of a Portfolio less the fair value of the total liabilities of that particular Portfolio as at the date of valuation calculated in accordance with the accounting standards used in Jamaica. The NAV per Unit of each Portfolio will be calculated by dividing the NAV of the particular Portfolio by the number of Units in circulation at the end of the particular day of valuation. Prices of Units are published in a daily newspaper at least once per week and will be available at [www.vmwwealth.com](http://www.vmwwealth.com).

Portfolios in the Trust are valued on each business day, or such business days that the Manager may direct, at the NAV per Unit prevailing as at 3:00 p.m. on that valuation day.

### Units may be purchased at the NAV per Unit and added to this will be:

- I. a preliminary charge which shall not exceed 5% (this preliminary charge may be waived at the Manager's discretion); and
- II. such tax and/or charge as the Manager deems appropriate and/or represents an appropriate provision for fiscal and purchase charges inclusive of any General Consumption Tax payable or other taxes or levies which may be imposed by the Government of Jamaica from time to time.

The preliminary charges that are currently applicable are:

PORTFOLIO	CHARGE
VMWealth Classic Equity Growth Portfolio	2.00%
VMWealth Classic Property Portfolio	2.00%
VMWealth Global Equity Growth Portfolio	1.50%
VMWealth RED (Real Estate Development) Portfolio	2.00%

Any increases in the preliminary charge or any of the above charges are subject to the Manager providing notice of the increase at least one month in advance of the effective date.

## C. Registering and Transferring Units

Upon the purchase or redemption of Units, Unit Holders will be issued with a Transaction Note confirming the transaction. The purchase or redemption will also be recorded in the Register. The Registrar will be responsible for keeping and maintaining a Register of all Unit Holders. This Register contains the details of the Unit Holders, including their names and addresses, and the details of their holdings, including whether such holdings are held jointly.

Unit Holders may transfer any Units. Evidence of the genuineness of the request may be required. A change in ownership of Units may also take place upon the death, bankruptcy or incompetence of a Unit Holder. The relevant document providing proof of the basis of a change in ownership must be provided. In the case of death, Grant of Probate or Letters of Administration will be required. The transferee will be subject to the conditions imposed on Unit Holders and will be registered in the Register as the owner upon the transfer being effected.



**D. Minimum Holding Period and Early Redemption Charge**

The minimum holding period for units in the respective Portfolios is as set out below. The Manager reserves the right to apply the fees also set out below if the investment in a Portfolio is less than the stated minimum.

PORTFOLIO	MINIMUM HOLDING PERIOD	EARLY REDEMPTION CHARGE
VMWealth Global Income Portfolio	None	None
VMWealth Global Income Plus Portfolio	90 days	2.00%
VMWealth Global Income Max Portfolio	90 days	2.00%
VMWealth Classic Income Portfolio	90 days	2.00%
VMWealth Classic Equity Growth Portfolio	90 days	2.00%
VMWealth Classic Property Portfolio	2 years	2.00%
VMWealth Global Equity Growth Portfolio	90 days	2.00%
VMWealth Classic Protector Portfolio	None	None
VMWealth Goal Maximizer Portfolio	90 days	2.00%
VMWealth Constant Stream Portfolio	None	None
VMWealth RED (Real Estate Development) Portfolio	2 years	2.00%

The Manager retains the discretion to increase such minimum holding period and early redemption fees in the future upon notice to the Unit Holders.

## 6 General Investment Policy Of The Trust

The general investment objective of the Trust is to provide Unit Holders with the option of investing in a diversified pooled portfolio of investments.

The Trust offers Unit Holders more diversification, liquidity and professional financial management which would not normally be available to participants as individuals.

The Trust seeks to achieve its investment objective through investments in money market securities, high yielding debt instruments, emerging markets sovereign and corporate bonds, other short-term debt instruments from any economic or

geographic area not limited to Jamaica and in other investments and otherwise as the Manager may see fit.

The Manager also has the discretion to acquire cash from and place deposits with deposit-taking institutions registered under the Banking Services Act of Jamaica. The Manager also has the discretion to acquire cash from and invest the cash with institutions licensed pursuant to the Securities Act of Jamaica.

In keeping with the Trust's investment objectives, no more than 15% of the Trust Fund's assets may be invested in illiquid assets. Also, the Manager may invest up to 10% of the net assets of the Trust in instruments issued by the same issuer. This restriction shall not apply to securities issued by:

- I. A government which has received an investment grade credit rating, and
- II. securities issued or guaranteed by the Government of Jamaica and the Bank of Jamaica.

The Manager will always aim to maintain the stipulated investment restrictions above. However, should the limits be exceeded by either appreciation in the value of the assets in the Portfolios, or any other market indicators, the Manager may not acquire any further assets of that particular class of assets while the relevant limits of the particular class of assets are exceeded.

The Trust may borrow money from time to time, including for the purpose of accommodating requests for realisation of Units and for investment purposes. No borrowing shall be effected if immediately thereafter the aggregate amount outstanding of all such borrowings would exceed 10% of the value of the Trust Fund (as such term is defined in the Trust Deed) or such other maximum as may be prescribed at law. The period of such borrowing shall not exceed 12 months. All borrowings will be outlined in the financial statements of the Trust.

For the purpose of securing any such borrowing and interest thereon the Trustee will be able to charge or pledge any of the investments comprised in the Trust Fund. All interest and expense directly incurred in effecting, maintaining and terminating such borrowing are payable out of the Trust Fund.

The Trustee and the Manager are entitled to be indemnified out of and to have recourse to the Trust Fund in respect of any liability, costs, claims or demands which may arise from such borrowing arrangements.

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## Investment Objective And Who Should Invest In Each Portfolio

### VMWealth Global Income Portfolio

#### Investment Objective & Strategy

The fundamental investment objective of the VMWealth Global Income Portfolio is to provide income and capital growth over the short term by investing primarily in USD bonds issued by sovereigns and corporates across the Caribbean, Central America, USA, Canada and Europe.

#### Who Should Invest in the VMWealth Global Income Portfolio?

The VM Wealth Global Income Portfolio is suitable for investors who have a conservative risk appetite.

### VMWealth Global Income Plus Portfolio

#### Investment Objective & Strategy

The fundamental investment objective of the VMWealth Global Income Plus Portfolio is to provide capital growth over the medium term by investing primarily in USD bonds issued by Sovereigns and Corporates across the Caribbean, Central America, USA, Canada and Europe.

#### Who Should Invest in the VMWealth Global Income Plus Portfolio?

The VMWealth Global Income Plus Portfolio is suitable for investors who have a moderate risk appetite.

### VMWealth Global Income Max Portfolio

#### Investment Objective & Strategy

The fundamental investment objective of the VMWealth Global Income Max Portfolio is to provide capital growth over the long term

by investing primarily in USD bonds issued by sovereigns and corporates across the Caribbean, Central America, USA, Canada and Europe.

#### **Who Should Invest in the VMWealth Global Income Max Portfolio?**

Investors who have an aggressive risk appetite and are looking for attractive returns over the long term should invest in this Portfolio.

#### **VMWealth Classic Income Portfolio**

##### **Investment Objective & Strategy**

The fundamental investment objective of the VMWealth Classic Income Portfolio is to provide investors with income over the short term.

#### **Who Should Invest in the VMWealth Classic Income Portfolio?**

The VMWealth Classic Income Portfolio is suitable for investors who have a conservative risk appetite and are concerned about security of principal.

#### **VMWealth Classic Equity Growth Portfolio**

##### **Investment Objective & Strategy**

The fundamental investment objective of the VMWealth Classic Equity Growth Portfolio is to provide investors with capital appreciation over the medium to long-term.

#### **Who Should Invest in the VMWealth Classic Equity Growth Portfolio?**

The VMWealth Classic Equity Growth Portfolio is suitable for investors who are seeking a well-diversified portfolio of stocks to optimize medium to long-term growth and capital appreciation and are willing to accept medium to high levels of risk.

#### **VMWealth Classic Property Portfolio**

##### **Investment Objective & Strategy**

The investment objective of the VMWealth Classic Property Portfolio is to strategically invest in the various segments of the real estate market to maximise rental income and capital appreciation over the medium to long term.

#### **Who Should Invest in the VMWealth Classic Property Portfolio?**

The VMWealth Classic Property Portfolio is suitable for investors who have a moderate risk appetite.

#### **VMWealth Global Equity Growth Portfolio**

##### **Investment Objective & Strategy**

The investment objective of the VMWealth Global Equity Growth Portfolio is to strategically invest in the equity indices of developed markets, to track the performance of the broader markets, whilst earning capital appreciation over the medium term.

#### **Who Should Invest in the VMWealth Global Equity Growth Portfolio?**

The VMWealth Global Equity Growth Portfolio is suitable for investors who have an aggressive risk appetite.

#### **VMWealth Classic Protector Portfolio**

##### **Investment Objective & Strategy**

The investment objective of the VMWealth Classic Protector Portfolio is to invest in short term liquid securities towards minimising the risk of capital loss.

#### **Who Should Invest in the VMWealth Constant Stream Portfolio?**

The VMWealth Classic Protector Portfolio is suitable for investors who have a low risk appetite and are concerned about capital preservation.

## VMWealth Goal Maximizer Portfolio

### Investment Objective & Strategy

The investment objective of the VMWealth Goal Maximizer Portfolio is to invest in a well-diversified portfolio of assets to optimize medium to long term growth and capital appreciation, accepting medium to high levels of risk.

### Who Should Invest in the VMWealth Goal Maximizer Portfolio?

The VMWealth Goal Maximizer Portfolio is suitable for investors who have a moderate risk appetite.

## VMWealth Constant Stream Portfolio

### Investment Objective & Strategy

The VMWealth Constant Stream Portfolio is suitable for investors who are seeking a frequent and fairly predictable income stream with potential returns above money market rates. This portfolio will primarily invest in short term fixed rate securities and is suited for investors with a conservative risk appetite.

### Who Should Invest in the VMWealth Constant Stream Portfolio?

The VMWealth Constant Stream Portfolio is suitable for investors who have a conservative risk appetite.

## VMWealth RED (Real Estate Development) Portfolio

### Investment Objective & Strategy

The VMWealth RED Portfolio will invest in the financing and development of residential and commercial properties. This portfolio is suitable for investors who are seeking an opportunity to take part in the potential equity gains inherent in these transactions and who have a high-risk tolerance.

### Who Should Invest in the VMWealth RED (Real Estate Development) Portfolio?

The VMWealth RED Portfolio is suitable for investors who have an aggressive risk appetite who are investing for the medium to long term.

## 8 Price Movements In The Trust

The benefit of a Unit Trust is that the investor has the opportunity to participate in a pooled investment comprised of short to medium term securities managed by a team of competent and professional financial experts. The pooled fund approach provides the investor with the possibility of a higher yield on investments than if they had individually invested in all the investments comprising the Trust. Notwithstanding, the investor must be made aware that there will always be price fluctuations in the assets held in the Trust. As such, the past performance of the Trust should not be taken as a guarantee for future performance.

The Investor must be made aware that Unit Trusts own different types of investments depending on their investment objectives. The value of these investments may change from day to day, reflecting changes in interest rates, economic conditions and company news. As a result, the value of the Units held in the respective Portfolio may go up or down and the value of your investment in any of the Portfolios may be more or less when you redeem it than when you purchased it. The full amount of your investment is not guaranteed. Past performance of the Trust should not be taken as a guarantee of future performance.

## 9 Taxation; Accumulation And Distribution Of Income

The income received by the Trustee of this Trust is exempt from Income Tax in accordance with Section 12(1) (t) of the Income Tax Act. However, any income payments made to the Unit Holder are subject to withholding tax of 25%, including those holding withholding tax exemption certificates. It shall be the responsibility of those individuals and corporations holding such certificates to claim directly on the relevant tax authorities in Jamaica for a refund of applicable withholding taxes. Money Market Funds, which are funds in which at least 51% of the value is comprised of interest bearing instruments and operate in accordance with Section 12(1) (ak) of the Income Tax Act, are exempt from individual tax if those individuals hold the investments for a minimum of 5 years and the investments do not exceed J\$1m in any year.

The Manager may determine to distribute all or any part of the capital or income of any Portfolio to the Unit Holders of that Portfolio and to make any interim or periodic distribution that it deems fit. Such distribution shall take place on such business day that the Manager determines. All distributions will, in the absence of instructions from the Unit Holder to the contrary, be reinvested in additional Units of the Portfolio at the NAV per Unit of such Units calculated on the date of distribution, in which event the Unit Holders enjoy the benefit of this reinvestment though accretions in the price of their units.

## 10 Risk Factors Associated With The Trust

An investor in a unit trust will always face risks in investing in different instruments. Some of the risks that are associated with investing in a unit trust are:

- I. General Market Risk – the fluctuations in interest rates and general market trends will affect the value of the investments in a positive or negative manner.
- II. Inflation Risk – the value of the assets that comprise the Portfolio or the income derived from the investments in the Portfolio will decrease as inflation reduces the purchasing power of a currency.
- III. Liquidity Risk – the Trust may not be able at some times to easily and quickly trade securities at a reasonable price. Securities in a Portfolio that become illiquid or difficult to sell may need to be sold by the Manager at a discount to its fair value which would affect the value of the Units in the Portfolio.
- IV. Management Risk – the performance of the Trust may depend on the expertise and investment techniques of the Manager and its team, which may change.
- V. Credit Risk – the issuer of the instrument, or other responsible party, may default in making payments thereby reducing the value of the Units in a Portfolio.
- VI. Currency Risk – securities held in a Portfolio may be denominated in foreign currencies. Fluctuation in the foreign currencies will affect the value of the foreign currency securities.

## 11 Remuneration To The Manager And Trustee

As settled with the Trustee from time to time, the management fee that will be payable to the Manager in relation to the VMWealth RED (Real Estate Development) Portfolio will be a fixed fee not exceeding 5.00% per annum of the Net Asset Value (plus general consumption tax payable thereon) plus 20% of the gains above a hurdle rate of 8%. The Manager will be paid a management fee not

exceeding 2.00% per annum of the Net Asset Value of each of the other Portfolios (plus general consumption tax payable thereon), as settled with the Trustee from time to time. Currently, the management fee for each of the portfolios is as follows, being a percentage per annum of the Net Asset Value of the relevant Portfolio.

	Portfolio	Management Fee
1.	VMWealth Global Income Portfolio	1.50%
2.	VMWealth Global Income Plus Portfolio	1.50%
3.	VMWealth Global Income Max Portfolio	1.50%
4.	VMWealth Classic Income Portfolio	1.50%
5.	VMWealth Classic Equity Growth Portfolio	2.00%
6.	VMWealth Classic Property Portfolio	2.00%
7.	VMWealth Global Equity Growth Portfolio	2.00%
8.	VMWealth Classic Protector Portfolio	1.50%
9.	VMWealth Goal Maximizer Portfolio	1.50%
10.	VMWealth Constant Stream Portfolio	1.50%
11.	VMWealth RED (Real Estate Development) Portfolio	3.50%*

\* In addition, the Manager will be entitled to 20% of gains above a hurdle rate of 8%.

The Registrar will be paid a fee as settled with the Trustee from time to time. Currently, the fee is 0.25% per annum of the Net Asset Value of each Portfolio (plus general consumption tax payable thereon).

In relation to the VMWealth Classic Property Portfolio, the Trustee's remuneration shall not exceed 0.12 of 1% (twelve basis points) per annum of the Net Asset Value of the Portfolio (plus general consumption tax payable thereon) provided, however, that in each year the Trustee's remuneration shall be a minimum of J\$1,000,000.00. In relation to all other Portfolios, the Trustee's remuneration shall not exceed 0.45 of 1% (forty-five basis points) per annum of the Net Asset Value of each Portfolio (plus general consumption tax payable thereon) provided, however, that in each year the Trustee's remuneration shall be a minimum of J\$1,200,000.00. Fees will be calculated on a per annum basis and payable monthly in arrears. The Trustee and the Manager shall also be entitled to be reimbursed for all costs and expenses incurred by them in connection with the Trust.

## 12 Conflicts Of Interest

The Manager and/or the Trustee may from time to time be the manager for another collective investment scheme. The Manager and/or the Trustee, along with their subsidiaries and affiliates, may be involved in financial, investment or other services that may cause conflicts of interest with the Trust. These services may be offered to third parties, including issuers of securities comprised in the Trust, and the Manager and/or the Trustee will not be liable to account to the Trust for any profit earned from any of those services.

The Manager and/or the Trustee, and its subsidiaries and affiliates, may enter into transactions relating to the Trust either as agent or as principal from which the Manager and/or the Trustee may receive different commissions.

In the event of conflict, the Manager and/or Trustee will use its best efforts to ensure it is resolved fairly and will disclose the nature of the conflict and the manner in which it is to be treated.

## 13 Termination Of The Trust

The Trust or any Portfolio can be terminated by a special resolution passed by at least a majority of two-thirds of the votes cast, in person or by proxy, at a meeting of Unit Holders held in accordance with the Trust Deed. Additionally, the Trust or any Portfolio maybe terminated upon:

- I. the expiry of the period of twenty one (21) years after the death of the last descendant of Her Majesty Queen Elizabeth II of the United Kingdom living at the date hereof;
- II. the Trust ceasing to be a registered collective investment scheme;
- III. if it becomes illegal or, in the opinion of the Trustee and the Manager, impractical or inadvisable or contrary to the interest of the Unit Holders to continue the Trust;
- IV. the Unit Holders by Special Resolution so determining;
- V. the Manager being removed or retiring and no successor manager is appointed;
- VI. if the Manager in its absolute discretion decides that the Trust and/or any Portfolio should be terminated on any day earlier than the happening of any other of the above events.

## 14 Portfolio Of Investments

A list of investments held by the Trust from time to time can be obtained by Holders on request from the Managers.



**Call a VM Wealth  
Advisor today!**

876.960.5000-3  
[vmwealth.com](http://vmwealth.com)  
[wealthinfo@myvmgroup.com](mailto:wealthinfo@myvmgroup.com)