



THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

«Name»

«Add1»

«Add2»

«Town» «County» «Country» «PostCode»

27 October 2022

Dear Shareholder

VT Cape Wrath Focus Fund (the "Company")

We are writing to you as a shareholder in the Company to notify you of some changes to the Company.

1. Change to investment manager

In our role as authorised corporate director ("ACD") of the Company we previously undertook all investment management services in respect of the Company. Cape Wrath Capital Limited previously provided investment advice to us (and so acted as investment adviser in respect of the Company's assets), however discretion as to the investments the Company makes rested with us.

However, following a change in its regulatory permissions Cape Wrath Capital Limited with effect from 6 July 2022 assumed the role of investment manager (as opposed to investment adviser) in respect of the Company's portfolio. Whilst Cape Wrath Capital Limited therefore have discretion over the Company's investment portfolio it is not expected that there will be any particular change in the Company's investment strategy or approach as a result of the change. Valu-Trac Investment Management Limited remains as the ACD of the Company.

2. Changes to fee arrangements/share classes

Following a periodic review of the commercial arrangements relating to the Company and to reflect a rise in costs of service providers, a decision was reached, in discussion with Cape Wrath Capital Limited, that the annual management charge for the Company is to change. The minimum investment holding levels for Class B shares is also to reduce with a view to attracting investors who may not otherwise have been able to invest in the Company to do so.

With effect from **Tuesday, 3rd January 2023**, the annual management charge will change as follows:

	Current AMC	New AMC (with effect from Tuesday, 3rd January 2023)
Class A	£25,000* plus 0.3% per annum of the Net Asset Value A performance fee is also payable	0.3% per annum of the Net Asset Value A performance fee is also payable
Class B	£25,000* plus 0.3% per annum of the Net Asset Value A performance fee is also payable	0.75% per annum of the Net Asset Value No performance fee

Valu-Trac Administration Services is a trading name of Valu-Trac Investment Management Limited Registered in England No. 2428648 Authorised and regulated by the Financial Conduct Authority (FCA), registration number 145168.

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**The fixed element of the fee shall rise annually in line with the rate of inflation (calculated in accordance with the Consumer Prices Index) on 1 June each year.*

In light of the above, the cap on operating expenses in respect of Class B shares will, with effect from Tuesday, 3rd January 2023, change from 0.45% to 0.90%. It has also been clarified that the cap on operating expenses excludes underlying collective investment undertaking holding charges (although, it should be noted that at the current time there are no holdings of collective investment undertakings in the portfolio, and so no such underlying holding charges).

The performance fee arrangements in respect of Class A shares are not being changed.

At present, it is the different performance fee arrangements which distinguish the Class A and Class B shares (as otherwise, the investment minimums and fees are the same). However, this position is to change with: (a) the fee for Class B shares increasing as noted above; (b) the performance fee for Class B shares being removed; and (c) the investment minimum holding for Class B shares being reduced (from £100,000 to £1,000) at the same time. **Any shareholder who, at or prior to Tuesday, 3rd January 2023 holds Class B shares may convert those shares (at no cost) to Class A shares upon providing instructions to the ACD. Further details of the process for doing so are available by calling 01343 880344.**

3. Clarifications to objective and policy

Some clarifications to the investment objective and policy of the Company are being made to ensure continued compliance with latest FCA rules and guidance. Full details of the existing and new objective and policy are set out in the Annex to this letter. These amendments are not expected to result in any change to the way in which the Company operates or the investments which it makes. However, if you do have any questions regarding the changes to the objective or policy (or if the objective or policy does not reflect your understanding of the Company) please do let us know. These changes will take effect from Tuesday, 3rd January 2023.

4. Other

Periodic updates have also been made to the prospectus of the Company. One of these changes is to reflect a reduction in depositary fees which we had negotiated and implemented last year.

For the avoidance of doubt, the costs of implementing changes associated with processing changes to the objective and policy (which are expected to total around £5,000) will be borne by the Company).

Should you wish to receive a copy of the updated prospectus this can be found at www.valu-trac.com or can be provided upon request free of charge.

If you have any questions in relation to the proposed changes, **in particular, if you wish to switch your Class B shares to Class A shares**, please contact us on 01343 880 344 or by post to Valu-Trac Investment Management Limited, Orton, Moray, IV32 7QE.

Yours faithfully

Matthew Brennan
Head of Investment Management Oversight



Annex

	Current	New (with effect from Tuesday, 3 rd January 2023)
Investment objective and policy	<p>The investment objective of VT Cape Wrath Focus Fund is to generate capital growth over the long term.</p> <p>The company will aim to meet its objective by typically investing at least 70% in a concentrated portfolio of UK listed equities. In addition to investing in equities, the Company may also invest in other transferable securities, collective investment schemes (which may include those managed and/or advised by the ACD or Investment Adviser), money market instruments, deposits, cash and near cash.</p> <p>Derivatives and forward transactions may be held for efficient portfolio management purposes.</p> <p>The Company will not have any particular industry or economic sector focus and as such weightings in these may vary as required.</p>	<p>The investment objective of VT Cape Wrath Focus Fund is to generate capital growth over the long term (5 years).</p> <p>The company will aim to meet its objective by typically investing at least 70% in a concentrated portfolio of UK listed equities (however at times investments in equities may be less than 70% due to liquidity or market conditions). In addition to investing in equities, the Company may also invest in other transferable securities (such as bonds and gilts), collective investment schemes (that provide exposure to investments including equities and gilts) and which may include those managed and/or advised by the ACD or Investment Manager), money market instruments, deposits, cash and near cash.</p> <p>Derivatives and forward transactions may be held for efficient portfolio management purposes (although use of derivatives is expected to be limited).</p> <p>The Company will not have any particular industry or economic sector focus and as such weightings in these may vary as required.</p>