YFS Knox Investment Funds ICVC

Interim Financial Statements
for the six months ended 31 August 2026

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YFS Knox Investment Funds ICVC

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Authorised status

YFS Knox Investment Funds ICVC (the 'Company') is an authorised umbrella Investment Company with Variable Capital ('ICVC') under regulation 12 (Authorisation) of the Open-Ended Investment Companies Regulations 2001 and is managed in accordance with the Investment Funds Sourcebook ('FUND') and Collective Investment Scheme Sourcebook (the 'COLL Sourcebook') issued by the Financial Conduct Authority ('FCA').

YFS Knox Total Return Fund (the 'Sub-fund') is the only Sub-fund currently available for investment and there may be other Sub-funds of the umbrella company available in the future.

The individual Sub-fund is a Non-UCITS retail scheme ('NURS') which complies with the requirement of the FCA FUND and COLL, including the extended investment and borrowing powers in Chapter 5.

The Alternative Investment Fund Manager ('AIFM') is responsible for managing the Company (the Alternative Investment Fund ('AIF')) and undertakes risk management for the Company in accordance with the AIFM Directive, The Alternative Investment Fund Managers Regulations 2013 and the FCA Rules. This role is performed by the Authorised Corporate Director ('ACD'), and references to the ACD in this Report include the AIFM as applicable.

Shareholders are not liable for the debts of the Company.

Approval of the interim report by the Authorised Corporate Director ('ACD')

In accordance with the requirements of a NURS which complies with the FCA FUND and COLL Sourcebooks and in accordance with COLL 4.5.8B R, I hereby approve the report on behalf of Yealand Fund Services Limited for the six months ended 31 August 2026.



Rob Leedham
On behalf of Yealand Fund Services Limited,
the Authorised Corporate Director

30 October 2026

Accounting policies
as at 31 August 2026

The interim financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments and in accordance with FRS 104 'Interim Financial Reporting', on the basis of the accounting policies set out in FRS 102 and the Statement of Recommended Practice for Financial Statements of UK Authorised Funds ('SORP') issued by the Investment Association ('IA') in October 2025.

With the implementation of the SORP issued by the IA in October 2025, which is effective for all accounting periods beginning on or after 1 January 2026, there has been a change to the valuation of investments accounting policy from the audited financial statements for the year ended 28 February 2026. The change is as follows:

- Valuation of investments – The SORP has defined that fair value of listed investments should be the most representative price within the bid-ask spread which is the mid-market price at 10:00 am using the valuation point on the last day of the accounting period. For collective investment schemes ('CIS'), this change only affects CIS's if they are dual priced funds, in this instance the mid-point of the quoted bid and offer prices are used on the last business day of the accounting period.

Where the last day of the accounting period is not a business day, the accounting period ends at the end of the last day of the accounting period. Where the valuation performed at the end of the last day of the accounting period is not significantly different from the valuation performed at the last regular valuation point, the last regular valuation may be used as a suitable indicator of the value of the Sub-fund's at the period end.

This is a change from the year ended 28 February 2026 where bid prices as at 23:59 were used, comparatives have not been restated for this change.

The interim financial statements, excluding the valuation of investments detailed above have been prepared on the same basis as the audited financial statements for the year ended 28 February 2026.

The ACD is confident that the Company will continue in operation for the foreseeable future. The Company has adequate financial resources and its assets consist of securities which are readily realisable. As such, the financial statements have been prepared on a going concern basis.

Sub-fund information

Investment objective and policy

The objective of the Sub-fund is to seek to maximise total return whilst maintaining a balanced return between the provision of income and capital growth over a period of at least five years. Capital invested is at risk and there is no guarantee the objective will be achieved over any time period.

The investment policy by which the Sub-fund will seek to achieve its objective is to invest in a diversified global portfolio mainly of equities (40%-80%) and bonds (0%-60%) either directly or indirectly. The Sub-fund may also invest in alternative assets (<5%, directly or indirectly) that may include Collective Investment Schemes ('CIS') that use absolute return strategies or CIS that invest directly in real estate or indirectly in commodities, warrants, money market instruments, cash, near cash and deposits.

Indirect investment in equities and bonds will be achieved by investing in either regulated or unregulated CIS, exchange traded funds and investment trusts or a combination of each. The Sub-fund may invest in CIS which are managed by the ACD, Portfolio Manager, or their associates. Indirect investments will generally be directed toward funds which invest primarily in equities and debt securities.

The Sub-fund has, with the exception of the above noted minimum and maximum, no limit to which it can be invested in each sector or asset type, nor is there any particular geographic focus. The Portfolio Manager has full flexibility to adjust the proportion of the property of the Sub-fund depending on their view of market conditions and the assets which it believes are most likely to achieve the Sub-fund's investment objective.

It is the ACD's intention that derivatives and forward currency transactions will only be used for the purposes of efficient portfolio management, including hedging.

A Glossary of Definitions which provides definitions to some of the technical language used in this document is available from www.yealand.com under useful information.

Comparator benchmark

To gauge the relative performance of the Sub-fund, shareholders may compare the Sub-fund's performance against the Investment Association's Mixed Investment 20-60% Shares Sector (the 'Sector'). This is not a performance target nor constrains the way in which the Sub-fund is managed. For further information on the Sector and its intended use, information can be obtained from the www.theia.org/industry-data/fund-sectors/definitions and the Sub-fund's Prospectus.

Target market

The Sub-fund shall be marketed to professional and institutional investors. A typical investor in the Sub-fund will be seeking a maximised total return whilst maintaining a balanced return between the provision of income and capital growth, and will have received advice from an appropriately qualified financial adviser. The ACD considers that the Sub-fund is particularly appropriate for investors who might need to access their capital after five years.

The Sub-fund is unlikely to be compatible with the requirements of an investor:

- looking for a guaranteed return; or
- seeking full capital protection; or
- who does not have sufficient resources to bear any loss resulting from the investment; or
- who is not able to evaluate the risks and merits of the Sub-fund; or
- with a short-term (less than five years) investment horizon.

These risks are detailed under 'Risk Factors' within the Sub-fund's Prospectus. If you have any doubts as to whether the investment is suitable for you, please contact a financial adviser.

Portfolio manager

The Portfolio manager of the Sub-fund is Knox Capital Company Limited.

Sub-fund information
continued

Distribution
All shareholders own net income shares, which entitle them to a share in any distribution made by the Sub-fund. Normal distribution dates are 30 April and 31 October for income accrued as at end of February and 31 August respectively.

Future distributions may fluctuate depending on the mix of assets over any specific reporting period.

Annual management charge ('AMC')
The AMC is the greater of 0.19% of the Net Asset Value ('NAV') of the Sub-fund and a minimum charge of £59,335*, plus 1.50% per annum of the NAV of the Founder Net Income share class and 1.00% per annum of the NAV of the Class A Net Income share class.

*The AMC may be increased on 1 January each year by the increase in the Retail Prices Index over the preceding twelve months.

Portfolio manager's report
for the six months ended 31 August 2026

For once, investors did not need the benefit of hindsight to know that this period from 1 March 2026 to 31 August 2026, the first half of the Sub-fund's financial year, would be particularly volatile. On 28 February 2026, The US and Israel launched a combined operation against Iran, unleashing a major energy crisis and further increasing instability in an already geopolitically unstable world.

A quick overview of some key price changes over the six-month period provides a good snapshot of the volatility experienced: oil moved up 35 percent ('%'), whilst gold fell 19%; the National Association of Securities Dealers Automated Quotations Index ('NASDAQ') and the Nikkei 225 Stock Average Index ('Nikkei') were up 15% and 12% respectively, whilst the FTSE International Limited Index ('FTSE') and the Shanghai indices were down 1% and 4%. Copper was up 5%. Meanwhile long-term bond income return on an investment ('Yields') rose sharply, with the 10-year United Kingdom ('UK') Gilt, US Treasury, and French Obligations Assimilable dy Tresor ('OATs') moving up 80 basis point ('bps'), 90 bps and 100 bps respectively.

Over the period, the Sub-fund moved up 5.40%, with the principal contribution coming from our portfolio of smaller capitalisation of Venture Capital Trust ('VCT') technology stocks, and a meaningful contribution from our energy position, where we continue to have a holding of just under 15% of the portfolio. The main detractors were our position in the MicroSectors FANG+ Index -3X Inverse Leveraged ETN ('FNGD'), which replicates a leveraged short of the large capitalisation US technology stocks, and our positions in various China stocks and funds. Our holding of some long-term index linked gilt positions also contributed a net negative performance to the Sub-fund.

Early on during this period, we reduced our position in UK banks, which had already performed extremely well. As the oil price climbed post the attack on Iran, we also sold our entire position in Tullow Oil bonds. On the back of the intense interest in the Space X initial public offering ('IPO'), we reduced our holding in the Seraphim Space Investment Trust and were able to re-establish it later on at much improved levels. Gold stocks were also reduced given the high price of gold during the period. Exposure to China and the Hong Kong Exchange was increased, albeit slightly prematurely with the benefit of hindsight.

The key question as ever in the world of investing is what happens from here. And with the levels of uncertainty as high as we have known them in almost all areas, it is possible to make arguments for pretty much every outcome.

Close the top of the uncertainty rankings is the future price of energy, including both oil and gas. On the one hand, it is perhaps surprising that crude oil has not traded even higher, given the restrictions on the Strait of Hormuz, and the activities of the Houthis in Saudi Arabia. But since the initial shock of the first few days of the war, both countries and companies have shown themselves creative in adapting to the new situation, and between that, and the drawdown of substantial reserves of oil stocks, the oil price has traded higher, but not as high as some were predicting. However, refined products like diesel have been significantly impacted by the removal of some refinery infrastructure in both Russia and the Middle East, and the sharply increased price of diesel and other products such as fertiliser are now having a material impact both economically and politically – in spite of the best efforts of President Donald Trump in advance of the upcoming midterm elections. Depending on the outcome of the wars both in Iran and Ukraine, we could see oil prices between $70 (for an early settlement) and $150 or higher (in the event of a further increase in hostilities between the various parties).

Perhaps the other key variable occupying the mind of both investors and policy makers is the price of long-term money. As shown above, long term government interest rates in the Group of Seven ('G7') have risen sharply in recent months, to such an extent that government indebtedness is becoming an acute concern for investors. The days of near zero interest rates providing governments with almost infinite borrowing capacity seem very far gone. Tough choices loom on the horizon, and nowhere are the challenges of these choices shown more clearly than in France today, where conflicting interests are being brought to a violent head in rioting across the country. With the cost of energy moving steadily higher, lacklustre growth, and an intense pressure on the cost of living for many, no government is showing any appetite for austerity to reduce its indebtedness. Whilst a full-blown debt crisis in the US, France or the UK does not seem imminent right now (notwithstanding continued pressure on French bond markets), the timing and the catalyst for such crises are always hard to predict, and it does not feel like it would take very much to tip us over the edge.

Portfolio manager's report
for the six months ended 31 August 2026
continued

Against this backdrop, Emerging Markets and Asia look attractive both fundamentally and from a trading perspective. Chinese savers are amassing a wall of liquidity, which so far has not been deployed outside the banking sector in any meaningful way. Chinese industrial production continues to go from strength to strength but remains over reliant on an export model which is vulnerable for the very reasons noted above. For a variety of reasons, including the memory of COVID-19 restrictions, the property bubble, and a fairly nascent benefits system, policy makers in China are still struggling to convert their substantial domestic savings into significant domestic demand, and until they do, the country will remain vulnerable to the external economies of its customers.

The Sub-fund continues to hold a meaningful position in Chinese funds and companies – over 12% as of writing, but so far, as noted above, this has not performed as intended. We remain fundamentally positive on both China, Japan and the surrounding economies of Asia, and are looking to increase holdings as opportunities arise.

Meanwhile, in the context of the uncertainty described above, we believe that this is an appropriate time to hold a relatively high cash position, and our current level of cash and cash equivalents (Short-term Government Bonds) is just under 15%. This is a cost to carrying this, but we believe we will encounter better buying opportunities in the months to come.

Knox Capital Company Limited
21 October 2026

Net asset value and shares in issue
for the six months ended 31 August 2026

All prices quoted are based on mid price

	Net asset value ('NAV')	Shares in issue	Net asset value per share	Operating charges^
Founder shares	£22,693,175	12,568,806	180.55p	1.87%
Class A shares	£6,033,766	3,281,756	183.86p	1.38%

^Operating charges relate to indirect expenses incurred over the six month period ended 31 August 2026. The figures used within the table above have been calculated by annualising these expenses against the average Net Asset Value for the accounting period.

Non-UCITS Retail Scheme Key Investor Information ('NURS-KII') risk and reward profile

The numerical risk and reward indicator as published in the latest NURS-KII document is in category 5 (February 2026: category 5).

For more information on the Sub-fund's risk and reward profile and other information to the Sub-fund, please refer to the most up to date NURS-KII which is available at www.yealand.com.

Portfolio statement
as at 31 August 2026

Holding	Investment	Market value £'000	% of total net assets
	DEBT SECURITIES - 10.53% (10.28%)		
	Sterling Denominated Bonds - 10.53% (9.40%)		
£1,000,000	UK Treasury Index Linked 0.125% 10/08/2031	1,360	4.73
£750,000	UK Treasury Index Linked 0.125% 22/03/2051	595	2.07
£1,500,000	UK Treasury Index Linked 0.125% 22/03/2068	1,072	3.73
	United States Dollar Denominated Bonds - 0.00% (0.88%)		
	TOTAL DEBT SECURITIES	**3,027**	**10.53**
	EQUITIES - 78.33% (77.45%)		
	Asia and Australasia - 3.12% (1.81%)		
	Hong Kong - 3.12% (1.81%)		
22,500	Hong Kong Exchanges & Clearing	895	3.12
	Total Asia and Australasia	**895**	**3.12**
	Europe (excluding UK) - 6.99% (7.17%)		
	Channel Islands - 1.59% (1.54%)		
550,000	GCP Infrastructure Investments	456	1.59
900,000	Raven Property Group*	-	-
		456	1.59
	Denmark - 1.42% (0.96%)		
25,000	Orsted	407	1.42
	Netherlands - 3.98% (4.67%)		
35,000	Prosus	1,145	3.98
	Russia - 0.00% (0.00%)		
50,000	Gazprom PJSC ADR*	-	-
	Total Europe (excluding UK)	**2,008**	**6.99**
	North America - 14.80% (15.78%)		
	Canada - 4.69% (3.80%)		
30,000	First Quantam	767	2.67
5,000	Wheaton Precious Metals	582	2.02
		1,349	4.69
	Cayman Islands - 1.88% (1.50%)		
60,000	Baidu	539	1.88
	United States - 8.23% (10.48%)		
3,000	Franco Nevada	599	2.09
950,000	RTW Biotech Opportunities	1,766	6.14
		2,365	8.23
	Total North America	**4,253**	**14.80**

Portfolio statement
as at 31 August 2026
continued

Holding	Investment	Market value £'000	% of total net assets
	EQUITIES - 78.33% (77.45%) - continued		
	United Kingdom - 53.42% (52.69%)		
20,000	Anglo American	863	3.00
324,999	AVI Japan Opportunity Trust	563	1.96
200,000	Baillie Gifford China Growth Trust	612	2.13
50,000	Baillie Gifford Japan Trust	539	1.88
358,806	Baillie Gifford Shin Nippon	624	2.17
150,000	Barclays	737	2.56
175,000	BP	907	3.16
250,000	Capricorn Energy	861	3.00
275,000	Fidelity China Special Situations	729	2.54
2,500,000	IP Group	1,824	6.35
225,000	Molten Ventures	1,593	5.55
125,000	NatWest	849	2.96
10,000	Rio Tinto	772	2.69
45,000	Scottish & Southern Energy	1,092	3.80
850,000	Seraphim Space Investment Trust	1,612	5.61
35,000	Shell	1,166	4.06
	Total United Kingdom	**15,343**	**53.42**
	TOTAL EQUITIES	**22,499**	**78.33**
	COLLECTIVE INVESTMENT SCHEMES - 3.96% (4.19%)		
	Global Emerging Markets - 0.00% (1.47%)		
	Japan Government Bond - 2.79% (1.51%)		
150,000	UBS Lux Fund Solutions - Bloomberg Japan Treasury 1-3 Year Bond UCITS ETF 'A' (Acc)	801	2.79
	Global Mixed Bonds - 1.17% (1.21%)		
3,500	Larrainvial Asset Management SICAV - Gavekal Latam Local Currency Debt Fund Class 'F' USD (Acc)	337	1.17
	TOTAL COLLECTIVE INVESTMENT SCHEMES	**1,138**	**3.96**
	FUTURES AND DERIVATIVES - 0.02% (0.17%)		
	Currency Contracts - 0.02% (0.17%)†		
£521,519	Buy GBP vs Sell USD 06/11/2026	6	0.02
	TOTAL FUTURES AND DERIVATIVES	**6**	**0.02**

Portfolio statement
as at 31 August 2026
continued

Holding	Investment	Market value £'000	% of total net assets
	STRUCTURED PRODUCT - 1.35% (2.73%)		
	North America - 1.35% (2.73%)		
20,000	MicroSectors FANG+ Index -3X Inverse Leveraged ETNs due January 8 2038	389	1.35
	TOTAL STRUCTURED PRODUCT	**389**	**1.35**
	Portfolio of investments	**27,059**	**94.19**
	Net other assets	**1,668**	**5.81**
	Net assets	**28,727**	**100.00**

Figures in brackets refer to the proportion of the Sub-fund invested in the equivalent investments as at 28 February 2026.

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated.

All Collective investment schemes are permitted under COLL and are not listed on any exchange unless they are an ETC,ETF or ETP which are traded on major stock exchanges.

(Inc) relates to income shares/units.

(Acc) relates to accumulation shares/units.

**Denotes unlisted/delisted securities. As at the balance sheet date unlisted securities comprised 0.00% of net assets (February 2026: 0.00%).*

†The counterparty for forward currency contracts at the balance sheet date is CACEIS.

	Market value 31 August 2026 £'000	% of total net assets 31 August 2026	% of total net asset 28 February 2026
Analysis of bonds by credit rating			
Investment grade (BBB and above)	3,027	10.53	9.40

Statement of total return (unaudited)
for the six months ended 31 August 2026

	31 August 2026		31 August 2025	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		1,489		2,069
Revenue	279		388	
Expenses	(239)		(194)	
Net revenue before taxation	40		194	
Taxation	(1)		(1)	
Net revenue after taxation		39		193
Total return before distributions		1,528		2,262
Distributions		(256)		(301)
Change in net assets attributable to shareholders from investment activities		1,272		1,961

Statement of change in net assets attributable to shareholders (unaudited)
for the six months ended 31 August 2026

	31 August 2026		31 August 2025	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		27,399		21,308
Amounts receivable on issue of shares	557		241	
Amounts payable on cancellation of shares	(501)		(20)	
		56		221
Change in net assets attributable to shareholders from investment activities (see above)		1,272		1,961
Closing net assets attributable to shareholders		28,727		23,490

The opening net assets attributable to shareholders differ to the closing net assets attributable to shareholders for the comparative period as the periods are not consecutive.

Balance sheet (unaudited)
as at 31 August 2026

	31 August 2026 £'000	28 February 2026 £'000
Assets:		
Investments (see note 2)	27,059	25,979
Current assets:		
Amounts receivable	101	255
Cash and cash equivalents	2,366	1,822
	2,467	2,077
Total assets	**29,526**	**28,056**
Liabilities:		
Current liabilities:		
Distributions payable	(255)	(220)
Other amounts payable	(544)	(437)
	(799)	(657)
Total liabilities	**(799)**	**(657)**
Net assets attributable to shareholders	**28,727**	**27,399**

Notes to the financial statements (unaudited)
as at 31 August 2026

1. Related parties
Yealand Fund Services Limited (the 'ACD') is regarded as a controlling party by virtue of having the ability to act in concert in respect of the operations of the Sub-fund.

2. Fair value disclosure
Valuation technique

31 August 2026

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets:				
Collective investment schemes	801	337	-	1,138
Debt instruments	3,416	-	-	3,416
Derivatives	-	6	-	6
Equities	22,499	-	-	22,499
	26,716	343	-	27,059

28 February 2026

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets:				
Collective investment schemes	819	331	-	1,150
Debt instruments	3,321	241	-	3,562
Derivatives	-	48	-	48
Equities	21,219	-	-	21,219
	25,359	620	-	25,979

Level 1. Fair value based on a quoted price for an identical instrument in an active market and generally will include quoted equities, some highly liquid bonds and exchange traded derivatives.

Level 2. Fair value based on the price of a recent transaction for an identical instrument and will generally include holdings in other schemes.

Level 3. Fair value based on a valuation technique that relies significantly on non-observable market data and will generally include unquoted private equities, property and other values not primarily derived from observable market data. Unlisted or suspended investments are valued by the ACD taking into account, where appropriate, latest dealing prices, valuations from independent reliable sources and financial performance.

General information

Assessment of value report

We are required to undertake a formal review of the Company in order to assess the value which shareholders are receiving from their investments.

This assessment considers elements such as the fees which are paid, the quality of services provided and the investment performance obtained.

We are required to publish a report which summarises the outcome of the review and, if relevant, to take steps to address any instances of poor value.

We assess the value of each Yealand Fund at regular intervals, linked to the accounting dates of each Yealand Fund. The most recently available Assessment of value report specific to each Yealand Fund can be obtained from the Yealand website, via the document link on each respective Fund page https://yealand.com/funds/.

Buying and selling shares

On purchasing shares, you will receive a contract note confirming your purchase, which will be issued the business day after the deal has been priced. As proof of ownership, your name will be recorded on the register following receipt of payment and full registration details.

The Sub-fund is valued daily at 10:00 am Monday to Friday. The prices calculated at these valuations will determine the price at which your deal is transacted. The Sub-fund is priced on a forward basis, i.e. all deals struck before the 10:00 am valuation point receive prices calculated at that valuation point.

The current Sub-fund prices are available online at www.yealand.com (together with yield information) or at the registered office of the ACD. Also available from the website and ACD is the distribution information and the latest Non-UCITS Key Investor Information ('NURS-KII') document, which includes risk and reward numerical indicators of the Sub-fund. The full report and accounts are available free of charge on request from the ACD.

The ACD may vary the initial charge up to the maximum by giving the Depositary notice of the change and amending the Prospectus.

Subject to the FUND and COLL Sourcebooks, the basis upon which prices may be calculated and any discounts on the initial charge are at the discretion of the ACD.

The minimum initial investment in the 'R' shares is £100. The minimum subsequent transaction size is £100 and the minimum holding is £25. The minimum initial investment in the 'I' shares is £100,000. The minimum subsequent transaction size is £10,000 and the minimum holding is £10,000. Shares may be purchased or sold by telephoning 0345 850 0255 or writing to: Yealand Fund Services Limited, Fountain Suite B, Lynch Wood Park, Lynch Wood, Peterborough, Cambridgeshire, PE2 6FZ. For your protection calls are recorded.

A contract note will be issued to confirm any sale of shares with payment being issued on the third business day following the pricing of the sale and all necessary renunciation documentation being received by the ACD.

The dealing time for telephone deals is 09:00 - 17:00 every business day.

ACD's approach to dilution

Unusually high levels of buying and selling may increase the Sub-fund's dealing costs and affect the value of its assets. This is known as 'dilution'. To prevent this and to protect the interests of the majority of shareholders, the ACD at its discretion may charge a dilution levy. If charged, the dilution levy will be paid into the Sub-fund for the benefit of shareholders and will become part of the property of the Sub-fund.

Revenue

The Sub-fund offers income shares which entitle shareholders to a share in any distribution of the revenue made by the Sub-fund, less expenses and applicable taxation, provided they retain those shares until and including the Sub-fund's dividend dates i.e. 31 October and 30 April each year. Any revenue to be distributed to shareholders is paid out on the Sub-fund pay dates i.e. 31 December and 30 June each year. The revenue may be paid to shareholders, directly to certain bank and building society accounts ('BACS'), by cheque or reinvested in the Sub-fund.

Tax

Capital gains

Authorised funds are currently exempt from capital gains tax on the disposal of their investments. UK residents who are individuals or trusts may be liable to UK taxation of capital gains arising from the sale or other disposal of shares in the Sub-fund if their total gains from all sources exceed the exemption limit for the tax year in which the disposal takes place.

UK corporates will be subject to corporation tax on chargeable gains on profits made on the disposal of their shares in the Sub-fund.

General information
continued

Tax - continued

Income tax
The following paragraphs summarise the basis of taxation on distributions, based on current legislation.

UK resident individuals are taxed on the sum of their distributions in excess of the tax-free dividend allowance of £500. Basic rate taxpayers will pay 10.75% income tax on dividends received in excess of the dividend allowance, higher rate taxpayers will pay 35.75% income tax, and additional rate taxpayers will pay 39.35% income tax. The dividend allowance is not available to Trusts.

Potential investors are advised to seek professional advice.

Corporate holders
For corporate shareholders, where the gross income from which the dividend distribution is made is not wholly franked investment income, part of the distribution is received as an annual payment.

Corporate shareholders will be subject to corporation tax on the non-franked element of distributions, which will be covered by the tax withheld by the Sub-fund.

The amount of tax recoverable on dividends deemed to be annual payments will match the corporation tax paid by the Sub-fund.

It should be noted that levels and bases of tax may be subject to change.

If investors are in any doubt as to their taxation position they should consult their professional advisor.

Protected Cell Regime
On 21 December 2011, the Protected Cell Regime was introduced for umbrella ICVC's. The effect of this segregated liability is to ring-fence the assets of each Sub-fund of the Company. If the assets attributable to any Sub-fund are insufficient to meet its liabilities, the shortfall will not be met out of the assets attributable to any other Sub-fund of the umbrella company.

Further information
Further details of the Company are included in the Prospectus, which is available upon request from: Yealand Fund Services Limited, Fountain Suite B, Lynch Wood Park, Lynch Wood, Peterborough, Cambridgeshire, PE2 6FZ.

Directory

Authorised Corporate Director (the 'ACD')
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