

Investor Notice

Changes to Dilution Adjustment Policy

Slater Investments Limited (“Slater Investments”) are making changes to the Funds’ Dilution Adjustment Policy (the “Policy”). You do not need to take any action.

Notices of the changes have been posted or emailed to Investors in the Funds on 29 February 2024 and this is a copy of the information already sent out to Investors. If you have not received a copy of the Notice please contact Investor Relations team at lisa@slaterinvestments.com.

Introduction

From 1 May 2024, a copy of the updated Prospectus for each Fund, reflecting the updated Policy, will be available on request from Slater Investments and will also be available on the relevant Fund page of our website: www.slaterinvestments.com

The amendments to the existing Policy are designed to ensure that ongoing investors are protected from the effects that dealings in shares in the Fund may have on the value of the Fund.

Background

When the Fund buys or sells underlying investments in response to a request from investors for the purchase or redemption of shares in the Fund, it will generally incur a cost. This cost is made up of dealing costs, taxes, market impact costs and any spread between the buying and selling prices of the investments concerned. Such costs could lead to a reduction in the Fund’s net asset value (by which we mean, the value of the Fund’s assets less the value of its liabilities) and so disadvantage other shareholders. The effect of this is known as “dilution”. We believe in protecting the interests of existing or remaining investors in the Fund by taking steps to minimise the effect of dilution and introduced the existing Policy in June 2019.

We reviewed the Policy during 2023. We compiled data of the Funds’ historical flows, pricing and trading histories, analysing and considering the data produced. We also considered guidance from the FCA, other regulatory industry bodies and other market practices.

The outcome of this review is that we believe we can better address the difference between the cost of redeeming/subscribing from/in the Funds and the true cost of selling/buying the underlying assets by updating our existing Policy.

How the Dilution Adjustment Policy Works

We may, adjust the price of shares in the Fund to mitigate dilution of the Fund, as explained above.

Rather than reducing the effect of dilution by making a separate charge to investors when they purchase or redeem shares in the Fund, the FCA’s regulations permit Slater Investments to move the price at which shares are bought or sold on any given day.

To do this, we set one or multiple “Swing Thresholds” for the Funds. A Swing Threshold is a predetermined level set as a percentage of the Fund’s net asset value. These levels are regularly reviewed by us. If net investments or net disinvestments exceed the Swing Threshold level, we may adjust the price of the shares by an amount which is known as the “Swing Factor”.

A change to the single price in the Fund due to Slater Investments applying the Swing Factor is known as “Dilution Adjustment”. Any Dilution Adjustment applied is included in the price applied to the deal.

With the existing Policy, Dilution Adjustments are applied per class of shares for each Fund. The updated Policy will instead be applied at the Fund level. The price in each class of shares for each Fund will be calculated separately, but any Swing Factor will be in percentage terms and affect the price of shares of each class identically. This protects all investors in the Funds equally.

Availability of Swing Thresholds Data

To avoid any potential gaming behaviour by investors, the Swing Thresholds set by Slater Investments will not be publicly disclosed. Investors may contact Slater Investments at operations@slaterinvestments.com for the average historical Swing Threshold data. This practice is consistent with current guidance and best market practices.

Does Slater Investments benefit from the change in Dilution Adjustment?

No. Slater Investments do not benefit from the current Policy, and this will not change with the introduction of the updated Policy.

Timing

The updated Policy will take effect from 1 May 2024. The updated Prospectus for each Fund will be published on this date to reflect these changes and will be available on request from Slater Investments and will also be available on the relevant Fund page of our website: www.slaterinvestments.com.

Do you need extra help?

If you are in any doubt about its contents, you should seek advice from your professional financial adviser or Slater Investments’s Investor Relations team at email address: lisa@slaterinvestments.com or on +44 020 7220 9460 between 8:30 a.m. and 5:30 p.m. Monday to Friday (excluding public holidays in England).

Should you require this Notice in another format (for example, audio, large print, braille) or have not received this Notice please contact Slater Investments’s Invest Relations team (details above).