



17 March 2021

Suspension of dealing in 7IM Absolute Return Portfolio GB00B4QPB031 (A ACC), GB00BF7MD936 (B ACC) (formerly the VT Tcam Absolute Return Portfolio) and 7IM Income Portfolio GB00B9L4H242 (A INC), GB0033879049 (A2 INC) (formerly the VT Tcam Income Portfolio): both sub funds of the 7IM Funds ICVC (formerly the VT Tcam Investment Funds ICVC) - the “Funds” or “Fund”

You do not need to take action as a result of this letter, but it is important you read it. If you require investment advice, please contact your financial adviser.

1. Introduction and background

We, Seven Investment Management LLP (**7IM**), the authorised corporate director of 7IM Funds ICVC (the Company), write to you as a shareholder in one or both Funds, to inform you of an important change to the operation of these Funds.

Both Funds have material exposures to two illiquid holdings neither of which can currently be sold. For the 7IM Absolute Return Portfolio fund the level of illiquidity is currently 16.3%. The current level of illiquidity of the 7IM Income Portfolio fund is currently 15.7%. 7IM has been monitoring the liquidity position of both Funds.

Under the Financial Conduct Authority’s (“FCA”) Collective Investment Schemes rules, 7IM must always be able to meet its obligations to redeem investors’ holdings in the Funds. Given the ongoing uncertainty around the continued illiquidity of the two assets which cannot currently be sold, 7IM has been considering options to achieve the best possible outcome for investors, including the potential suspension of trading in the Fund.

In deciding whether fund suspension is the best course of action there have been two principal factors to consider: **each Fund’s liquidity** (i.e. how quickly an asset can be sold to meet redemptions) **and each Fund’s redemption profile** (i.e. how many investors are buying or selling shares in the Fund).

7IM’s liquidity review has taken into account both the liquidity of the underlying assets held by the Funds and the pipeline of anticipated liquidity, in conjunction with the potential redemption profile of each Fund. Redemption potential is considered by analysing the investor profile and demographic, and recent investment flow trends.

7IM has made the decision to suspend both Funds now in the interests of investors.

2. Why have we decided to suspend now?

Throughout 2020, the Funds were receiving capital distributions, reducing the illiquidity weightings described in the first section of this letter.

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However, both assets have experienced events in recent weeks, including unanticipated delays to the liquidation process relating to one of the assets, which have caused uncertainty over the timings of a reduction in these position weightings.

This uncertainty threatens to put pressure on the illiquidity weightings in the Funds and as a result of this we do not consider that it is in the interests of investors to continue to allow trading in and out of the Funds.

In terms of redemptions, although no significant outflows are anticipated in the Funds, there is a danger that ongoing redemptions received in the course of business, coupled with the continued illiquidity described above, could also contribute to unacceptable levels of illiquidity in the Funds.

3. Suspension of dealing in the Funds

a) Implementation of a suspension of dealing in each of the Funds

We have carefully considered the full range of options we have available under the Prospectus for managing the liquidity challenges that we face in the Funds.

However, considering the exceptional circumstances described above, we have decided it is in the best interests of all shareholders in the Funds to temporarily suspend dealing in the Funds with immediate effect (as from, immediately after the valuation point of 12 noon on 16 March 2021). We do not believe any of the other available options will, at this time, provide an adequate response to these circumstances.

This means that, until the suspension is lifted, you cannot redeem your shares in the Funds, purchase any additional shares in the Funds, or switch, convert or otherwise exchange into or out of the Funds. This includes dealing requests, which we received, but did not action before suspending the Funds. Any requests we receive to deal in shares of the funds will not be accepted during the suspension.

During the period of suspension the Funds will nevertheless, still continue to be managed in accordance with the Prospectus.

We have reached this decision with the agreement of Northern Trust Global Services SE (UK Branch), the depositary of the Company (the "Depositary"), and we have notified the FCA.

b) Keeping you informed

We will publish details on our website at <https://www.7im.co.uk/our-funds/fund-communications> to keep you informed about the suspension including, if we can, indicating its possible duration.

We will regularly review the suspension internally and the circumstances that gave rise to it. We will also formally review the suspension with the Depositary at least every 28 days.

Furthermore, 7IM together with the Depositary, will be reviewing the options available under the relevant rules to allow a lifting of the suspension or a restructure of the Funds as soon as practically possible.

We will notify any updates arising from those reviews to the FCA and publish them on our website.

4. Further information

As noted above, we will keep shareholders notified of any changes by way of updates to the website <https://www.7im.co.uk/our-funds/fund-communications>. If you require investment advice, please contact your financial adviser.

If you have any queries about the contents of this letter, please contact us on fund.suspension@7im.co.uk. We may record and monitor calls.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'D. Proctor', with a horizontal line underneath.

Dean M. Proctor

Chief Executive Officer

for and on behalf of Seven Investment Management LLP