



## SUSPENSION OF THE VAM PROPERTY FUND

Regretfully we have to inform you that we have taken the decision to suspend trading in the VAM Property Fund on redemptions and subscriptions.

1. We have taken this decision in order to protect the value of the fund for its shareholders in the face of redemptions that cannot be met in the short term without impairing the value of the fund for continuing shareholders
2. As you are aware the past 12 months has seen a significant drop in world property values. The Lipper Global Real Estate fund category, representing some 342 funds, experienced an average drop of -18.9% over the past 12 months. The VAM Property Fund GBP Class has fallen -15.6% over the same period, the USD Class -17.2% and the EUR Class -17.7%
3. Due to the illiquid nature of property investments many funds have already been obliged to suspend trading or impose stiff redemption penalties. In the face of large redemptions in order to raise liquidity to meet those redemptions
4. The VAM Property Fund is now faced with the same situation because many of the Fund's underlying holdings, including the larger holdings such as UBS Triton, Blackrock and Hercules, are themselves either currently closed to redemptions, or are delaying redemptions, and to meet our own liquidity requirements we must suspend trading to meet those requirements in an orderly manner
5. It must be emphasized that in the meantime the Fund will continue to operate and we will continue to produce an estimated NAV for the fund and to communicate this to shareholders on a regular basis
6. The suspension will continue to be reviewed on a regular basis and as soon as we are in a position to meet redemptions we will inform all shareholders
7. A decision to resume normal trading will be notified to shareholders prior to the resumption and any current redemptions and subscriptions together with redemptions and subscriptions received during the period of suspension will be processed at that stage

In summary, the VAM Property Fund remains a very sound fund which has generated a 6.5% annualised return since the launch of the original fund 5 years ago, even at current valuation levels. We do believe there will be a turn in sentiment for the better in the near term. Property investment is for the long term and we continue to believe that property fundamentals remain solid in the UK, Europe and Asia where our investment strategy is focused. There is plenty of money out there waiting to come back into the property market to take advantage of the recent market falls.

For further information please contact us.

Best regards,

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