



**Wealth**  
MANAGEMENT

**UNIT TRUST**

# FAQ

# Unit Trust FAQ

## ■ What is a Unit Trust?

A unit Trust is a collective investment scheme in which investors' funds are pooled and invested in assets such as stocks, corporate and sovereign bonds, real estate and money market instruments. The Fund is managed by professional fund managers, with oversight from a Trustee, whose role is to safe guard the interest of the investors in the Trust.

## ■ Why invest in a Unit Trust?

Investing in assets such as stocks, bonds and real estate has traditionally yielded real returns, offering investors the opportunity to build their wealth. However, access to some of these assets is sometimes restricted when investing on an individual basis. By pooling everyone's funds in a Unit Trust, a portfolio of securities can be created while providing a cost effective access to the local and international securities and stock markets.

## ■ How does a Unit Trust scheme work?

The investment portfolio is divided into equal parts, referred to as "units". Each unit represents a direct proportionate interest in the assets in the portfolio. The investor purchases units, in the Fund. The price of the units reflects the value of the underlying investments and will therefore vary according to the market value of the underlying assets the its portfolio. The unit price is known as the net asset value, or "NAV" price. These prices are published on Wednesdays and Fridays in the daily newspapers as well as on our website.

## ■ How safe is my money?

All Unit Trust schemes in Jamaica are governed by the provisions of the Securities Act and are regulated by the Financial Services Commission (FSC), a government body established to regulate the operations of certain financial institutions. Our appointed Trustee is the Jamaica Central Securities Depository who ensures that the Fund is managed as indicated in the Trust Deed and in keeping with the investment policy.

## ■ Are my returns guaranteed?

There are no guaranteed returns. However our team of expert Fund Managers administer the portfolios so as to maximise returns for our clients.

## ■ Is my principal secured?

The total sum received when units are redeemed may be more or less than the sum invested. This is due to the fact that the asset prices will fluctuate and is reflected in the NAV.

## ■ Can my funds be used as collateral to secure a loan?

Yes. You may borrow between 50-70% of the market value of your investment, depending on which of the portfolios you invest in.

## ■ How accessible are my funds?

You may redeem (cash out) units whenever you want, subject to the terms outlined in the Offering Circular.

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## Benefits to owning VMWM Funds

- **Trusted Partner.** VMWM practices the principle of co-investing. That is, the company invests its own funds in the pool of funds being managed on behalf of its Clients. These monies are managed by a team of professional Fund Managers with a proven track record of delivering above average returns for our Clients for over 20 years. Their activities are anchored by the principles of the 138 year old Victoria Mutual Building Society.
- **High Earning Potential.** The composition of the funds is such as to allow for projected earnings averaging up to 7.50% per annum on USD investments. This is among the best currently available.
- **Availability of Funds.** There is currently no holding period. Hence Clients can redeem in the event of emergencies
- **No Penalty Fees.** There is no charge for redemption of units.
- **Low Management Fees.** VMWM uses prudent cost practices to keep the fees at a low 1% plus GCT while other companies charge up to 2.50%.
- **No Sales Charges.** There are no up front sales charges, compared to other Funds that charge up to 8% in sales fees.

## How do I purchase Unit Trust ?

Our team of Wealth Advisors is ready to facilitate your purchase of units. They have the expertise to make recommendations to meet your investment goals, using the various JA or US denominated Unit Trust options available at VM Wealth, in order to best optimize your objectives. Please have the following available

- TRN
- Proof of Address
- Two references
- Valid Identification.

If you are an existing client of VM Wealth, you simply complete a Subscription Form and submit with your payment via cheque, electronic transfer to our Bank Account or deposit cash to any VMBS branch islandwide.

## How do I cash out my Unit Trust ?

You may cash out partial or total units as required. Simply complete a Redemption Form and submit to any VM Wealth location.

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## CONTACT US:

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