

Statement by the Authorised Fund Manager (AFM) to the shareholders of VT Price Value Portfolio on the outcome of the AFM's assessment of the value provided to shareholders

For the year ended 31 December 2019

This assessment is to establish what the VT Price Value Portfolio (the fund) has delivered to you in return for the price you have had to pay.

The AFM is the Authorised Corporate Director of the fund, Valu-Trac Investment Management Limited (Valu-Trac). The Investment Manager is Price Value Partners Limited.

The fund was launched on 1 June 2015.

The investment objective of the fund is to deliver attractive long term returns to its investors. The fund will invest, on an unconstrained basis, in a combination of explicit 'value' equity funds, and discrete 'value' businesses where the manager believes that the shares of those businesses stand at a significant discount to their intrinsic value. In addition, the fund may also invest in other funds, transferrable securities, money market instruments, deposits, cash and near cash. Derivatives may be used for efficient portfolio management purposes. There is no particular emphasis on any geographical area or industry or economic sector. The fund may hold derivatives only for efficient portfolio management purposes. It is not intended that the use of derivatives for efficient portfolio management purposes will increase the risk profile of the sub-fund.

	At and for the year ended				
	31 Dec 2019¹⁰	31 Dec 2018¹⁰	31 Dec 2017¹⁰	31 Dec 2016¹⁰	31 Dec 2015¹⁰
Value of fund					
Class A Accumulation ¹	£13,063k	£14,850k	£20,986k	£15,532k	£7,299k
Class A Acc USD ²	\$423k	\$331k	\$309k	\$234k	\$887k
Class A Acc EUR ³	EUR 380k	EUR 156k	EUR 196k	EUR 145k	EUR 105k
Class B Accumulation ⁴	£8,851k	£6,968k	£5,541k	£302k	-
Class B Acc USD ⁵	\$374k	\$302k	\$372k	\$301k	-
Class C Accumulation ⁶	£13,377k	£9,798k	£9,387k	£8,199k	£5,992k
Class C Acc USD ⁷	\$8,167k	\$6,563k	\$9,217k	\$6,463k	\$2,000k
Class A Income ⁸	£108k	£25k	£40k	-	-
Class B Income ⁹	£1,371k	£1,182k	£1,003k	-	-
Shares outstanding					
Class A Accumulation	8,883k	12,072k	14,666k	12,211k	7,312k
Class A Acc USD	341k	329k	249k	233k	934k
Class A Acc EUR	303k	157k	168k	135k	107k
Class B Accumulation	7,536k	7,111k	4,873k	300k	-
Class B Acc USD	300k	300k	300k	300k	-
Class C Accumulation	8,505k	7,503k	6,226k	6,164k	5,783k
Class C Acc USD	5,980k	5,980k	6,863k	5,980k	2,926k
Class A Income	97k	26k	36k	-	-
Class B Income	1,242k	1,261k	909k	-	-

NAV per share

Class A Accumulation	147.06p	123.01p	143.10p	127.20p	99.83p
Class A Acc USD	124.12c	100.50c	123.97c	100.49c	94.92c
Class A Acc EUR	125.15c	99.42c	117.02c	107.34c	98.56c
Class B Accumulation	117.45p	98.00p	113.72p	100.83p	-
Class B Acc USD	124.71c	100.73c	123.90c	100.18c	-
Class C Accumulation	157.29p	130.58p	150.76p	133.02p	103.62p
Class C Acc USD	136.56c	109.75c	134.31c	108.06c	101.31c
Class A Income	111.12p	94.56p	111.68p	-	-
Class B Income	110.40p	93.71p	110.39p	-	-

Dividend per share

Class A Accumulation	2.48p	1.97p	1.59p	0.37p	0.25p
Class A Acc USD	2.09c	1.61c	1.35c	0.38c	0.25c
Class A Acc EUR	2.03c	1.56c	1.31c	0.26c	0.25c
Class B Accumulation	1.98p	1.41p	1.23p	0.003p	-
Class B Acc USD	2.10c	1.61c	1.35c	0.003c	-
Class C Accumulation	2.65p	1.98p	1.67p	0.38p	0.25p
Class C Acc USD	2.29c	1.75c	1.43c	0.23c	0.25c
Class A Income	1.90p	1.49p	0.92p	-	-
Class B Income	1.88p	1.46p	1.16p	-	-

Net gains/(losses)

Capital gain/(losses)	£6,953k	(£6,534k)	£4,427k	£5,632k	86k
Total Net gain/(losses)	£7,830k	(£5,911k)	£4,930k	£5,708k	130k

1 Share class launched on 1 June 2015 at 100p

2 Share class launched on 1 June 2015 at 100c

3 Share class launched on 27 July 2015 at 100c

4 Share class launched on 21 December 2016 at 100p

5 Share class launched on 19 December 2016 at 100c

6 Share class launched on 15 December 2015 at 100p

7 Share class launched on 1 September 2015 at 100c

8 Share class launched on 15 May 2017 at 100p

9 Share class launched on 10 February 2017 at 100p

10 Source of data is Valu-Trac Administration Services

The fund does not have a specific benchmark. However, the performance of the fund can be assessed as to whether the objective has been achieved, particularly over the long term (5+years)). Note that the fund was launched in June 2015, hence no share class is 5+ years old currently. However, each share class has achieved its objective over the shorter periods that each class has been available.

	<u>Cumulative gain to 31 Dec 2019</u>
	<u>Total</u>
Increase in NAV per share	
Class A Accumulation	47%
Class A Acc USD	24%
Class A Acc EUR	25%
Class B Accumulation	17%
Class B Acc USD	25%
Class C Accumulation	57%
Class C Acc USD	37%
Class A Income (dividends paid are excluded)	11%
Class B Income (dividends paid are excluded)	10%

In carrying out the assessment of value the following criteria were considered:

1. Quality of service

The AFM considers that a good level of service was provided to shareholders by all parties involved commensurate to the amount paid by the fund for those services. The AFM monitors the following operational services:

Depository – NatWest Trustee and Depository Services Limited

Custodian – RBC Investor Services Trust, UK branch (RBC)

The external audit is conducted by Johnston Carmichael LLP.

These services are essential in ensuring that the fund operated efficiently and in the case of the Depository and Custodian the service is supervised on an on-going daily basis by the AFM. As a shareholder this means that you can be certain that your requests such as investment and redemption of the fund's units will always be carried out exactly as set out in the documentation. During the period under review the AFM had in fact changed the fund's custodian to RBC following a review of custody providers and comparing the quality of the services provided in addition to costs. Such items as recovery of withholding tax and efficiency of opening new investment markets were considered.

Valu-Trac does not delegate any of the core functions of the fund such as fund administration, fund accounting and transfer agency. This means that the AFM directly employs and supervises the individuals who are carrying out this work and that those undertaking the work are appropriately qualified and experienced. Due to this high level of supervision and control of these functions the AFM believes that the shareholders can be certain that their instructions will be carried out efficiently and that the reporting they receive is timely and focused. The AFM works closely with Price Value Partners Limited to coordinate mailings such as annual letters with dividend vouchers and financial reports to avoid excessive correspondence whilst providing all required reporting on a timely and clear basis. This also has ensured that the AFM has responded to any enquiries from shareholders fully and promptly.

2. Performance

The AFM has assessed performance of the fund net of all the charges that are outlined in its prospectus. The objective of the fund is to deliver long term attractive returns to its investors (5+ years). However, the fund was only launched in June 2015 so the performance to date to 2019 is presented below along with the aggregated results of the previous years.

To show long-term capital growth, the total returns generated are shown on the table below this is after operating costs, including the fee paid to the investment manager, and transaction costs which vary depending on the class of shares, this is discussed more in the Classes of Units section below.

	Performance to 2019	Annualised Performance
Class A Accumulation	47%	10.3%
Class A Acc USD	24%	5.3%
Class A Acc EUR	25%	5.7%
Class B Accumulation	17%	5.8%
Class B Acc USD	25%	8.2%
Class C Accumulation	57%	18.9%
Class C Acc USD	37%	11.0%
Class A Income	15%	5.9%
Class B Income	15%	5.2%

Total return basis has distributions added back in for the Income share classes.

The levels of income can be seen to have been achieved by looking at the dividends paid in the current year, and the average dividends paid since launch.

	2019 Distribution	Average Distribution
Class A Accumulation	2.48p	1.45p
Class A Acc USD	2.09c	1.35c
Class A Acc EUR	2.03c	1.22c
Class B Acc	1.98p	1.52p
Class B Acc USD	2.10c	1.66p
Class C Accumulation	2.65p	1.71p
Class C Acc USD	2.29c	1.37p
Class A Income	1.90p	1.64p
Class B Income	1.88p	1.56p

3. AFM costs - general

The costs (in £) charged during the year ended 31December 2019 were as follows:

Authorised Corporate Director fee	21,331 (VAT exempt)
Investment Management fee	155,071 (VAT exempt)
Depository fee	19,648 (VAT inclusive)
Safe Custody fee	1,623 (VAT inclusive)
Audit fee	8,100 (VAT inclusive)
FCA fee	96 (VAT exempt)
Other fees and subscriptions	4,512 (VAT inclusive)
Total costs	210,381

Net Income for the year (capital and revenue) was £7,583,923 including taxation of £35,460.

It should be noted that the prospectus does also allow for dilution levies if the existing Shareholders (for purchases) or remaining Shareholders (for redemptions) might otherwise be adversely affected. For example, the dilution levy may be charged in the following circumstances: where the Scheme Property of a Sub-fund is in continual decline; on a Sub-fund experiencing large levels of net purchases relative to its size; on "large deals" (typically being a purchase or redemption of Shares to a size exceeding 3% of the Net Asset Value of the relevant Sub-fund); in any case where the ACD is of the opinion that the interests of existing or remaining Shareholders require the imposition of a dilution levy.

Economies of scale

IM fees are charged as a fixed percentage per share class (see Classes of units section below), these rates have not changed since 2015. Other fees are fixed, inflation linked or reduce in rates dependent on the size of the fund. This indicates that as the fund grows in size, the actual costs of the fund per share class will reduce.

Comparable market rates

The AFM has compared the charges of this fund with that of comparable funds. The AFM believes that the shareholders of the fund are achieving efficient market rates as a whole. As the AFM assets grow in total it continues to strive for extra efficiencies wherever this can be achieved for all of its schemes.

4. Comparable services

The services provided to this fund and the costs are also comparable amongst other similar funds operated by the AFM.

5. Classes of units

There are 9 share classes, split between A, B and C, in all cases, the operating charges for the year are at their lowest annual rate.

	At and for the year ended				
	31 Dec 2019	31 Dec 2018	31 Dec 2017	31 Dec 2016	31 Dec 2015
Operating charges					
A Class	1.67%	1.69%	1.74%	2.10%	2.42%
B Class	1.42%	1.44%	1.49%	1.85%	-
C Class	0.92%	0.94%	0.99%	1.35%	1.63%

The lower fee for the B Class is due to the higher minimum investment figure required (£1,000,000) compared to the A Classes (£1,000). The difference in the two is the difference in rate of the Investment Manager fee charged of 0.75% for the A class shares and 0.50% for the B class shares. The C class shares have no Investment Manager fee, but are Founders shares and are available only to investors at the discretion of the ACD or the Investment Manager.

CONCLUSION

In taking all of these criteria into consideration the AFM concludes that in assessing whether the payments out of the scheme property as set out in the prospectus are justified in the context of the

overall value delivered to shareholders and that all classes of the shareholders of VT Price Value Portfolio are receiving good value.