

**Statement by the Authorised Fund Manager (AFM) to the shareholders of the VT Tyndall Global Select Fund on the outcome of the AFM's assessment of the value provided to shareholders**

For the year ended 31 March 2020

This assessment is to establish what the VT Tyndall Global Select Fund (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 Odd Asset Management Limited.

The Fund was launched on 17 December 2018.

The investment objective of the Fund is to achieve long-term capital growth, which should be seen as five years plus, through both capital appreciation and income generation.

There is no guarantee that the Fund will achieve a positive return over this, or any other, period and investors may not get back the original amount they invested.

In seeking to achieve the Fund's objective, the portfolio will consist predominantly (75% or greater) of listed companies in high-income economies (as defined by the World Bank from time to time). The investments will be ordinary shares and other transferable securities including, but not limited to, preference shares and debt securities convertible into ordinary stocks and shares. The Fund may also invest in cash, money market instruments, deposits, warrants and units in other collective investment schemes.

|                                       | <b>At and for the year ended<sup>1</sup></b> |                                       |
|---------------------------------------|--|---------------------------------------|
|                                       | <b>31 March<br/>2020</b>                     | <b>31 March<br/>2019(part period)</b> |
| <b>Value of fund</b>                  |  |                                       |
| Class A GBP Accumulation              | £6,737k                                      | £7,110k                               |
| Class B GBP Accumulation <sup>3</sup> | £2,011k                                      | £2,582k                               |
| Class A GBP Income                    | £6,915k                                      | £7,052k                               |
| Class B GBP Income                    | £11,426k                                     | £8,294k                               |
| Class B Income (Euro) <sup>2</sup>    | €258k  | -                                     |
| <b>Shares outstanding</b>             |  |                                       |
| Class A GBP Accumulation              | 2,408k                                       | 2,604k                                |
| Class B GBP Accumulation              | 1,818k                                       | 2,410k                                |
| Class A GBP Income                    | 2,496k                                       | 2,609k                                |
| Class B GBP Income                    | 3,064k                                       | 2,282k                                |
| Class B Income (Euro)                 | 290k   | -                                     |
| <b>NAV per share</b>                  |  |                                       |
| Class A GBP Accumulation              | 279.82p                                      | 273.02p                               |
| Class B GBP Accumulation              | 110.62p                                      | 107.12p                               |
| Class A GBP Income                    | 277.02p                                      | 270.29p                               |
| Class B GBP Income                    | 372.96p                                      | 363.42p                               |
| Class B Income (Euro)                 | 88.98c                                       | -                                     |

**Dividend per share**

|                          |       |    |
|--------------------------|-------|----|
| Class A GBP Accumulation | -p    | -p |
| Class B GBP Accumulation | 0.86p | -p |
| Class A GBP Income       | -p    | -p |
| Class B GBP Income       | 2.46p | -p |
| Class B Income (Euro)    | 0.11c | -c |

**Net gains**

|                 |       |         |
|-----------------|-------|---------|
| Capital gains   | £375k | £1,221k |
| Total net gains | £873k | £1,341k |

1 Sources of data is Valu-Trac Administration Services

2 Share class launched 20 November 2019

3 Share class launched 21 January 2019

The Fund does not have a specific benchmark. However, the Fund's objective is for capital appreciation and income generation over 5 years. As the Fund has not been in existence for 5 years as yet, an indication of the performance of the Fund can be assessed by considering what has been achieved in the time since launch.

**Cumulative gain/(loss) to 31  
March 2020**

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**Increase (decrease) in NAV per share**

|   |          |
|---|----------|
| Class A GBP Accumulation                          | 7.70%    |
| Class B GBP Accumulation                          | 10.62%   |
| Class A GBP Income (excludes dividend returns)    | 7.70%    |
| Class B GBP Income (excludes dividend returns)    | 8.07%    |
| Class B Income (Euro) (excludes dividend returns) | (11.02%) |

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.

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 Odd Asset Management 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 provide long term capital growth.

To show 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.

|                                      | <b>2020<br/>performance</b> | <b>2019<sup>A</sup><br/>performance</b> |
|--------------------------------------|-----------------------------|---|
| Class A Net Accumulation             | 2.49%                       | 5.09%                                   |
| Class B Net Accumulation             | 3.27%                       | 7.12% <sup>B</sup>                      |
| Class A Net Income                   | 2.49%                       | 5.09%                                   |
| Class B Net Income                   | 3.30%                       | 5.31%                                   |
| Class B Income Euro (since 20/11/19) | (10.91%)                    | -                                       |

<sup>A</sup> period from 17 December 2018 to 31 March 2019

<sup>B</sup> period from 21 January 2019

## 3. AFM costs - general

The costs (in £) charged during the year ended 31 March 2020 were as follows:

|                                   |                        |
|-----------------------------------|------------------------|
| Investment manager's fee          | 328,710 (VAT exempt)   |
| ACD fee                           | 25,402 (VAT exempt)    |
| Depository fee                    | 18,136 (VAT inclusive) |
| Audit fee                         | 7,335 (VAT inclusive)  |
| FCA fee                           | 110 (VAT exempt)       |
| Safe custody and transaction fees | 6,719 (VAT inclusive)  |
| RPA payments                      | 4,631 (VAT inclusive)  |
| <b>Total costs</b>                | <b>391,043</b>         |

Profit for the year (capital and revenue) less costs was £418k; including irrecoverable withholding tax of £63k.

There were no preliminary charges, redemption charges or dilution levies paid by shareholders during the year.

The ACD's policy is that it may require a dilution levy on the purchase and redemption of Shares if, in its opinion, 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.

#### **4. Economies of scale**

Some fees, such as the ACD element of the investment management fee and the depositary fee are charged as a fixed amount. This methodology could result in savings that are made as a result of the increased growth of the fund and AFM.

#### **5. 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.

#### **6. Comparable services**

The services provided to this Fund and the costs are also comparable amongst other similar funds operated by the AFM, and is aligned with its normal operating model.

#### **7. Classes of units**

The operating charges for the share classes since inception are as noted below.

|                           | <b>At and for the year ended</b> |                                  |
|---------------------------|----------------------------------|----------------------------------|
|                           | <b>31 March<br/>2020</b>         | <b>31 March<br/>2019(period)</b> |
| Operating charges A class | 1.72%                            | 1.59%                            |
| Operating charges B class | 0.97%                            | 0.84%                            |

The investment management fee is currently at 1.50% for the A class shares and 0.75% for the B class shares. Class A has a minimum initial investment of 5,000 and top-up of £1,000, whilst class B has a minimum investment level of £10,000 (€10,000) and a top up of £5,000 (€5,000).

### **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; it is considered that A class and B class shares are receiving good value.

31 July 2020