

VT AI-FUNDS Tactical High Yield Bond aims to consistently deliver an average 6-9% per annum (net of fees) over a 3-year rolling period.* It uses systematic tactical rules to allocate exposures between high yielding fixed income bonds and money market funds to defend capital.

INVESTMENT PROCESS

This unique multi-manager Fund uses active smart beta to seek consistent positive risk reduced returns, through exposure to fixed income high yielding corporate bond funds in conjunction with systematic asset allocation. The Fund invests into large high yielding (HY) collective investment schemes (CIS), across several management groups to provide daily liquidity and scalability. However, if Quantitative Analysis Service (QAS) signals that the HY market is weakening, the HY funds will be sold to defend the capital and switched into money market funds. To remove foreign exchange volatility, each CIS fund is hedged back to sterling.

TARGET MARKET

As the Fund has low volatility compared to equities it could be used to improve diversification as a substitute for cash, absolute return, alts, property, strategic bond or high yield. High yielding corporate bonds provide higher income and better security than equities. Within a retirement portfolio it has been designed to be used as the withdrawal fund with daily liquidity. **

MARKET COMMENTARY

The last 6 months have provided a steady increase in performance, largely in line with the first half of 2025. While the period was not without volatility (September will attest to this), the second half of the year has been less eventful than the first, as concerns from earlier in the year around

President Trump's tariffs began to diminish. Domestically, growth has been steady and inflation is slowly coming down, but remains stubbornly above the Bank of England's target of 2%. UK interest rates ended the year at 3.75% after four cuts over the last 12 months.

FUND COMMENTARY

The Fund began H2 25 in Risk On status. The signal to go Risk Off triggered on 14/8/2025. September was a very turbulent month, with the signal flipping 3 times in 3 weeks. Further signal triggers were observed and traded in each remaining month, with the Fund ending December in Risk Off status. Due to the market holidays, this move to Risk Off was completed in January; this is reflected in the holdings list below which is mid-rebalance.

Over the last 12 months, the IA Sterling Strategic Bond Sector is up +8.2% and the Fund (S Acc) is up +5.3%. Over the last 3 years the IA Sterling Strategic Bond Sector is up +18.3% and the Fund (S Acc) is up +18.9%. Over the last 5 years the IA Sterling Strategic Bond Sector is up +8.9% and the Fund (S Acc) is up +18.3%.

The FE fundinfo Risk Score is only 20 and FE has given the fund 4 crowns.

FUND FACTS

Fund launch date	7 th October 2019
Fund type	OEIC
Fund manager	Valu-Trac Investment Management Ltd
Fund size	£17.9m
No of holdings	12
IA sector	IA Sterling Strategic Bond
Base currency	GBP
Valuation point	12 noon
Accounting dates	Final – 30 April Interim – 31 October
Indicative underlying CIS Yield	Between 5% and 10%
Indicative underlying CIS Duration	Between 3-4 years

HOLDINGS

	%
Aegon GI Sht Dated Climate Transition	18.0%
abrdn Sterling Short Term Gov Bond	18.0%
Dimensional Global Ultra Short Fixed Inc	14.0%
Fidelity Short Dated Corporate Bond	14.0%
Federated Hermes Short-Term GBP Prime	11.7%
BNY Mellon Efficient US High Yield Beta	0.4%
UBAM Global High Yield Solution IHC	0.4%
PGIM Broad Market U.S High Yield Bond	0.3%
Royal London Global High Yield Bond	0.3%
Nomura Funds Ireland-US High Yield Bond	0.3%
Aegon High Yield Bond Fund	0.1%
PGIM European High Yield Bond Fund	0.1%

* Capital is in fact at risk and there is no guarantee that a positive return will be achieved over a three year, or any, period.

** The latest Key Investor Information Document and fund documentation are available from www.valu-trac.com/ai

CUMULATIVE GROWTH 31/12/2020 – 31/12/2025



Performance as at : January 14, 2026

Multi-Plot Charting



Cumulative performance	1m	3m	6m	1y	3y	5y	10y	Start of Data
A IA Sterling Strategic Bond	0.8%	1.8%	4.0%	8.2%	18.3%	8.9%	39.2%	474.4%
B VT AI-FUNDS Tactical High Yield Bond S	0.6%	1.1%	2.6%	5.3%	18.9%	18.3%	-	30.6%

Discrete performance	0-12m	12-24m	24-36m	36-48m	48-60m
A IA Sterling Strategic Bond	8.2%	4.4%	4.7%	-8.2%	0.3%
B VT AI-FUNDS Tactical High Yield Bond S	5.3%	5.3%	7.3%	-3.0%	2.6%

Annualised Performance	1y	3y	5y	10y	Start of Data
A IA Sterling Strategic Bond	8.2%	5.8%	1.7%	3.4%	5.0%
B VT AI-FUNDS Tactical High Yield Bond S	5.3%	5.9%	3.4%	-	4.3%

Performance is on a net of fees basis, with gross income reinvested. Past performance is not necessarily a guide to future performance. Source: FE Fundinfo 2026/Trustnet. Performance has been shown against the IA Sterling Strategic Bond Sector (red) which this Fund is a member of.

THE TEAM



+



=



AI-FUNDS Ltd, the Sponsor, is the trading name of an investment management company formed by the partnership between Quantitative Analysis Service, INC and Unbiased Portfolio Management Ltd. QAS provides uniquely calculated quantitative momentum ratings on a wide range of global investment instruments. QAS has been successfully providing institutional research using its tools drawn from "big data" science for over 40 years.

Why invest in VT AI-FUNDS Tactical High Yield Bond?

- ▲ A single fund to provide your fixed income needs
- ▲ Over 40 years of systematic experience
- ▲ Access to funds not easily available
- ▲ Diversification across very large fund management groups
- ▲ Liquidity, scalability and smoothing using multiple managers

SHARE CLASS DETAILS

SHARE CLASS	ISIN	SEDOL	ENTRY CHARGE	ONGOING CHARGES	SHARE PRICE
S Accumulation	GB00BKRSF562	BKRSF56	0%	0.98% *	130.3p
I Accumulation	GB00BKRSF679	BKRSF67	0%	1.08% *	152.4p

*The Sponsor of the Fund has undertaken to absorb any costs that would otherwise cause the Fund to have ongoing charges in excess of 0.98% (S class) and 1.08% (I class).

WHERE TO INVEST

abrdn

EQi

SCOTTISH WIDOWS



AVIVA

interactive investor

AEGON

BNY MELLON
| PERSHING

Fidelity INTERNATIONAL

M&G wealth

7iM

AJBell
Investcentre

canada life

FNZ

novia

Standard Life

AJBell
Youinvest

embark
group

HARGREAVES
LANSDOWN

Quilter

transact

allfunds

Hubwise

true potential

CONTACT DETAILS

Ian Hart
Investment Director
info@ai-funds.co.uk
020-8715-4004

AI-FUNDS Limited
37 Dorset Road
London
SW19 3EZ

INVESTMENT MANAGER

Valu-Trac Investment Management Limited
Orton
By Fochabers
IV32 7QE

DISCLAIMER

WARNING: The information in this Report is presented using all reasonable skill, care and diligence and has been obtained from or is based on third party sources believed to be reliable but is not guaranteed as to its accuracy, completeness or timeliness, nor is it a complete statement or summary of any securities, markets or developments referred to. The information within this Report should not be regarded by recipients as a substitute for the exercise of their own judgement.

The information in this Report has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient and is published solely for informational purposes and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. In the absence of detailed information about you, your circumstances or your investment portfolio, the information does not in any way constitute investment advice. If you have any doubt about any of the information presented, please consult your stockbroker, accountant, bank manager or other independent financial adviser.

Value of investments can fall as well as rise and you may not get back the amount you have invested. Income from an investment may fluctuate in money terms. If the investment involves exposure to a currency other than that in which acquisitions of the investments are invited, changes in the rates of exchange may cause the value of the investment to go up or down. Past performance is not necessarily a guide to future performance.

Any opinions expressed in this Report are subject to change without notice and AI-FUNDS is not under any obligation to update or keep current the information contained herein. Holdings percentage figures may not add up to 100% due to rounding.

The information provided is "as is" without any express or implied warranty of any kind including warranties of merchantability, non-infringement of intellectual property, or fitness for any purpose. Because some jurisdictions prohibit the exclusion or limitation of liability for consequential or incidental damages, the above limitation may not apply to you.

Users are therefore warned not to rely exclusively on the comments or conclusions within the Report but to carry out their own due diligence before making their own decisions.

Employees of AI-FUNDS, or individuals connected to them, may have or have had interests of long or short positions in, and may at any time make purchases and/or sales as principal or agent in, the relevant securities or related financial instruments discussed in this Report.

© 2026 AI-FUNDS. AI-FUNDS is a trading name of Unbiased Financial Group LLP, authorised and regulated by the Financial Conduct Authority (UK), registration number 726137. This status can be checked with the FCA on 0800 111 6768 or on the FCA website (UK). All rights reserved. No part of this Report may be reproduced or distributed in any manner without the written permission of AI-FUNDS.