

Valu-Trac Administration Services

Annual Assessment of Value Statement as at 31 March 2023

VT Tyndall Real Income Fund

Fund Information

Investment Manager:	Odd Asset Management Limited
Authorised Fund Manager:	Valu-Trac Investment Management Limited (Valu- Trac)
Investment Objective:	The investment objective of the VT Tyndall Real Income Fund is to generate real income and capital growth. The aim is that in normal circumstances the returns of the Sub-Fund will increase in excess of CPI annually so that any investment increases in 'real' terms.
Investment Policy:	The sub-fund will aim to meet its objectives by investing at least 50% in equities. In addition to investing directly in equities, the sub-fund may also invest in other transferable securities, collective investment schemes, money market instruments, deposits, cash and near cash. There is no particular emphasis on any economic sector.
AUM (£):	£18.2m
Fund Launch Date:	21/09/2015

Our assessment has been conducted against the seven criteria outlined by the FCA and the fund has been rated via the "traffic light" system. This has been summarised within the table, below:

VT Tyndall Real Income Fund	AUM (%)		Quality of Service	Pe	rformance	Д	AFM costs - general	Ec	conomies of scale		mparable rket rates	C	comparable services	Clas	ses of units	Overall
Overall	100.0%	•	G	•	G	•	G	•	G	0	G	•	G	0	G	G
Class A Accumulation	73.6%		G		G		G		G		G		G		G	G
Class A Income	26.4%		G		G		G		G		G		G		G	G

The table below shows the overall summary for the previous assessment i.e. carried out as at 31 March 2022:

VT Tyndall Real Income Fund	AUM (%)	(Quality of Service	Per	formance		M costs - general	Eco	nomies of scale		mparable rket rates	C	omparable services	Clas	ses of units		Overall
Overall	100.0%	•	G	0	А	•	G	0	G	0	G	•	G	•	G	0	Α
Class A Accumulation	76.0%		G	0	А		G		G		G		G		G	0	Α
Class A Income	24.0%		G	0	Α		G		G	0	G		G		G	0	А

A new methodology for determining an overall fund rating has recently been implemented. This updated methodology looks to arrive at a notional, average rating, considering the individual ratings for each of the discrete assessment criteria. This approach may differ from the approach taken previously.

Previous Remedial Actions

- Performance:
 - Assessed as Amber

■ The AFM to monitor performance

New Remedial Actions

• None

Detailed Assessment

Quality of Service

The AFM has chosen to outsource the following services to third party providers:

- Investment Management services: Odd Asset Management Limited
- Depositary services: NatWest Trustee and Depositary Services Limited
- Custodian services: RBC Investor Services Trust, UK branch (RBC)
- External audit: Johnston Carmichael LLP.

Other functions such as fund administration, fund accounting and transfer agency are undertaken by Valu-Trac, and all outsourced services are subject to continuous oversight.

As part of our assessment of service providers, no systemic issues have been identified as part of our ongoing due diligence, including an assessment of investment breaches, pricing errors, complaints, fund liquidity and ongoing adherence to the investment policy.

Conclusion:



Green

The AFM has concluded that all services being provided in relation to the on-going management and administration of the fund, including those provided directly and those currently being provided by third parties, are operating as unitholders may reasonably expect.

The AFM has concluded that unitholders are receiving good value, in relation to Quality of Service.

Performance

Objective:

The investment objective of the VT Tyndall Real Income Fund is to generate real income and capital growth. The aim is that in normal circumstances the returns of the Sub-Fund will increase in excess of CPI annually so that that any investment increases in 'real' terms.

Constraining Benchmark:

None

Comparator Benchmark:

None

Target Benchmark:

UK CPI

Peer Group:

The IA UK Equity Income Sector

Minimum Recommended Holding Period:

5 years

Management Approach:

Active

The change in capital value for each available share class within the fund, is shown below:

Change in Fund Value	1 year to Mar-2023	1 year to Mar-2022	1 year to Mar-2021	1 year to Mar-2020	1 year to Mar-2019	5 years to Mar-2023
Class A Accumulation	3.3%	-8.1%	63.6%	-32.6%	-2.7%	4.3%
Class A Income	2.8%	-8.0%	62.8%	-31.6%	-2.5%	2.6%

Source: Valu-Trac

The income generated (percentage yield) by each available share class within the fund, is shown below:

						5 years
	1 year	to				
Yield	to	to	to	to	to	Mar-2023
	Mar-2023	Mar-2022	Mar-2021	Mar-2020	Mar-2019	(avg. per-
						year)
Class A Accumulation	4.4%	3.5%	4.7%	4.0%	4.1%	3.9%
Class A Income	4.3%	3.5%	4.6%	4.0%	4.1%	3.6%

Source: Valu-Trac

The net total return and peer ranking (where available) for each available share class within the fund, together with the return of the relevant benchmark, is shown below:

Net Total Return*	1 year	3 years (avg. return per-year)	5 years (avg. return per-year)	5 years Peer Rank
Benchmark	10.1%	5.9%	4.2%	-
Class A Accumulation	7.7%	19.9%	4.6%	Highest 32%
Class A Income	7.7%	19.9%	4.6%	Highest 34%

^{*}To 31 March 2023

Source: Morningstar

The AFM has referred to both internal and external data sources for performance statistics, where the AFM has deemed this to be appropriate.

Conclusion:



Green

Both share classes within the fund have generated capital growth over the minimum recommended holding period.

Both share classes within the fund have generated a positive yield over the recommended holding period.

Both share classes within the fund have out-performed the target benchmark, on a total return basis over the minimum holding period.

The AFM has also assessed the investment risk within the Fund and has concluded that the level of investment risk taken is not out of keeping, for an actively managed Fund of this type (further details on how the AFM arrived at this conclusion may be provided upon request).

The AFM has concluded that unitholders are receiving good value, in relation to Performance.

AFM Costs - General

Each share class within the Fund has its own Annual Management Charge (AMC). The AMC may be thought of as being the amount deducted from a share class's average net assets to pay for the investment management of that share class; this charge will typically include a proportionate allocation from the Investment Management Fee, ACD fee and other, ancillary fees.

The current AMC of each share class, together with the current, average AMC for the relevant, selected peer group, is shown within the table below:

Annual Management Charge (AMC)	Current				
Allitual Management Charge (AMC)		Peer Rank			
Peer Group	0.85%	-			
Class A Accumulation	0.35%	Lowest 11%			
Class A Income	0.35%	Lowest 11%			

Source: Valu-Trac / Morningstar

Conclusion:



Green

The Investment Management Fee is proposed by Odd Asset Management Ltd. Owing to the limitations of the host ACD model which the AFM operates, the AFM is unable to comment upon the specific profit margin this fee may generate for Odd Asset management Ltd.; instead, the AFM will focus upon ensuring that this fee appears reasonable, in the context of the overall AMC.

The AFM fee is payable to Valu-Trac to cover the services undertaken by Valu-Trac as outlined in the Quality of Service section. The AFM will set fees based on the overall cost of operating the business. Most of the AFM's costs are fixed (such as staff and property costs), and the AFM will set its fees in such a way that ensures the costs are apportioned fairly across the range of funds which it operates. The AFM reviews its fee model via various means, such as through external independent consultancy and market benchmarking reviews against similar firms in the market. The results of these reviews are incorporated into the AFM's governance arrangements, up to Board level.

Other notable, ancillary fees may include the depositary, custodian, and auditor fees. The AFM regularly reviews these fees compared to other funds operated by the AFM and, where the information is available, other funds within the wider marketplace, to ensure that they remain competitive.

Unitholders are currently paying an AMC lower than the market average for similar funds.

The AFM has concluded that unitholders are receiving good value, in relation to AFM Costs - General.

Economies of Scale

The fund currently has assets under management (AUM) of less than £250m, which is the threshold we consider reasonable to consider if economies of scale have been passed on to investors.

The fund has a tiered depositary fee, subject to a minimum amount, alongside other fixed fees, such as audit fees. Therefore, as the fund AUM grows, the proportion of such costs, relative to overall fund size, will decline, in percentage terms.

Conclusion:



Green

The AFM has concluded that unitholders are receiving good value, in relation to Economies of Scale.

Comparable Market Rates

The current and historic On-going Charges Figure (OCF) for each unit class within the fund, together with the current, average OCF for the relevant, selected peer group, is shown within the table, below:

On-Going Charges Figure (OCF)	2020	2021	2022	Current			
					Peer Rank		
Peer Group				0.96%			
Class A Accumulation	3.67%	1.82%	0.83%	0.77%	Lowest 32%		
Class A Income	3.67%	1.82%	0.83%	0.77%	Lowest 32%		

Source: Morningstar

Conclusion



Green

Unitholders are currently paying an OCF lower than the market average for similar funds.

The AFM has concluded that unitholders are receiving good value, in relation to Comparable Market Rates.

Comparable Services

Valu-Trac act as AFM for three funds, for which Odd Asset Management are the Investment Manager. Each of these funds may be thought of as 'growth' funds; designed for long term wealth accumulation. Allowing for explicit differences in asset class and risk profile, this fund is priced consistently with the other funds in the wider range.

The services provided in respect to this fund are also aligned with the AFM's normal operating model.

Conclusion



Green

The AFM has concluded that unitholders are receiving good value, in relation to Comparable Services.

Classes of Units

There is only one type of share class in this fund (albeit with an accumulation and income variant) and all investors are offered the same level of service; therefore, all shareholders of this fund are treated equally in all respects.

Conclusion



Green

The AFM has concluded that unitholders are receiving good value, in relation to Classes of Units.

Overall Assessment



Green

The AFM has concluded that unitholders are receiving good value in respect to each of the seven, discrete criteria assessed above i.e. each has been assessed as green.

The AFM has concluded that the unitholders within the VT Tyndall Real Income Fund are receiving good value, overall.

27/07/2023