Annual Assessment of Value Statement as at 31 March 2024

VT Tyndall Unconstrained UK 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 Unconstrained UK Income Fund is to generate capital growth, alongside income that rises at least in line with the rate of inflation (as measured by CPI), over the long term (5 years).
Investment Policy:	The sub-fund will aim to meet its objectives by investing at least 80% in companies incorporated in the United Kingdom, or which have the majority of their economic activity in the UK. In addition to investing directly in equities, the sub-fund may also invest in other transferable securities (such as bonds), collective investment schemes (which may include those managed and/or advised by the ACD or Investment Manager), money market instruments, deposits, cash and near cash. There is no particular emphasis on any industrial or economic sector or company market capitalisation and, as such, the sub-fund is unconstrained in terms of the sectors and size of company in which it invests/has exposure to and relative weightings between such exposures. Derivatives (that is sophisticated investment instruments linked to the rise and fall of the price of other assets) may be used for efficient portfolio management purposes including hedging (although it is expected that use of derivatives will be limited).
AUM (£):	£25.9m
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. Where a fund may have more than one unit class, the rating shown for each of these seven criteria, at a total fund level, may be thought of as being as being an average rating, based upon the rating for each unit class, and according to the relative split of fund assets, between unit classes. The overall rating for the fund will generally be a simple average of these seven criteria, taken at the total fund level. This has been summarised within the table, below:

VT Tyndall Unconstrained UK Income Fund	AUM (%)	Quality of Service	Performance	AFM costs - general	Economies of scale	Comparable market rates	Comparable services	Classes of units	Overall
Overall	100.0%	G	A	G	G	G	G	G	G
A Accumulation GBP	70.2%	G	A	G	G	G	G	G	G
A Income GBP	29.8%	G	A	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 2023:

VT Tyndall Unconstrained UK Income Fund	AUM (%)	Quality of Service	Performance	AFM costs - general	Economies of scale	Comparable market rates	Comparable services	Classes of units	Overall
Overall	100.0%	G	G	G	G	G	G	G	G
A Accumulation GBP	73.6%	G	G	G	G	G	G	G	G
A Income GBP	26.4%	G	G	G	G	G	G	G	G

The 2023 assessment used previous criteria that has since been updated as described above, and therefore the results for 2023 are not directly comparable with the updated 2024 assessment.

Previous Remedial Actions

- None

New Remedial Actions

- Performance
  - Assessed as Amber
    - The AFM will discuss the trend in long term performance with the Investment Manager.

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: CACEIS Investor Services
- 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 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 Unconstrained UK Income Fund is to generate capital growth, alongside income that rises at least in line with the rate of inflation (as measured by CPI), over the long term (5 years).

Constraining Benchmark:

none

Comparator Benchmark:

Total Return: IA UK Equity Income Sector Average

Target Benchmark:

Yield: UK Consumer Prices Index (UK CPI)

Peer Group:

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-2024	1 year to Mar-2023	1 year to Mar-2022	1 year to Mar-2021	1 year to Mar-2020	5 years to Mar-2024
A Accumulation GBP	7.5%	3.3%	-8.1%	63.6%	-32.6%	16.1%
A Income GBP	7.2%	2.8%	-8.0%	62.8%	-31.6%	12.9%

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

Yield	1 year to Mar-2024	1 year to Mar-2023	1 year to Mar-2022	1 year to Mar-2021	1 year to Mar-2020	5 years to Mar-2024 (avg. per-year)
Benchmark~	3.2%	10.1%	7.0%	0.7%	1.5%	4.5%
A Accumulation GBP	4.4%	4.4%	3.5%	4.7%	4.0%	4.1%
A Income GBP	4.4%	4.3%	3.5%	4.6%	4.0%	3.7%

~ UK CPI

The net total return and peer ranking (where available) for each unit 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~	7.7%	6.0%	4.6%	-
A Accumulation GBP	11.9%	4.8%	6.7%	Highest 10%
A Income GBP	11.9%	5.1%	6.6%	Highest 11%

~IA UK Equity Income Sector Average

*To 31 March 2024

Total return is the actual rate of return of an investment over a period. Net Total return includes interest, capital gains, dividends, and realised distributions (where appropriate), after all relevant fees have been deducted.

Source: Morningstar

Conclusion:

Amber

Each unit class within the fund has generated a positive capital return, over the minimum recommended holding period.

The yield generated by each unit class within the fund, is below that of its target benchmark, UK CPI, over the minimum recommended holding period of five years. It is noted that the yield has outperformed the target benchmark in recent periods, however measured over the long term as described in its objective, the Fund is slightly behind benchmark.

The net total return of each unit class within the fund is above that of the performance comparator benchmark, over the minimum recommended holding period.

The AFM has also assessed the investment risk within the Fund and is comfortable that it 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 will discuss the trend in long term performance with the Investment Manager.

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

AFM Costs - General

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

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

Annual Management Charge (AMC)	Current	
		Peer Rank
Peer Group	0.81%	-
A Accumulation GBP	0.53%	Lowest 23%
A Income GBP	0.53%	Lowest 23%

Source: Valu-Trac / Morningstar

Conclusion:

Green

The Investment Management Fee is proposed by Odd Asset Management Limited. Owing to the limitations of the host AFM model which the AFM operates, the AFM is unable to comment upon the specific profit margin this fee may generate for Odd Asset Management Limited; 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 within 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; this is the threshold above which, we generally consider it 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 Ongoing 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:

Ongoing Charges Figure (OCF)	2022	2023	Current	
				Peer Rank
Peer Group	-	-	0.89%	-
A Accumulation GBP	0.83%	0.77%	0.76%	Lowest 38%
A Income GBP	0.83%	0.77%	0.76%	Lowest 38%

Source: Morningstar

Conclusion

● Green

The OCF includes the costs of underlying funds held. This is currently estimated at 0.35%, but can change as the underlying investments made, change.

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 Limited are the Investment Manager. Each of these funds are what may be termed single asset class funds. Differences between funds, in terms of their management approach and anticipated risk profile, notwithstanding, this fund is priced consistently with other funds within that 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 unit class in this fund (albeit with an Accumulation and Income variant) and all investors are offered the same level of service; therefore, all unitholders 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 six of the seven, discrete criteria assessed above i.e. each has been assessed as green.

The AFM will discuss the trend in long term performance with the Investment Manager.

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

16/10/2024