



Valu-Trac Investment Management Limited

Annual Assessment of Value Statement as at 30 September 2023

The VT Vanneck Global Growth Fund

Fund Information

Investment Manager:	Vanneck Limited
Authorised Fund Manager:	Valu-Trac Investment Management Limited (Valu-Trac)
Investment Objective:	The objective of the Fund is to provide capital growth and income over the long term (5-10 years).
Investment Policy:	The Fund will seek to achieve its objective by investing at least 80% in a concentrated portfolio consisting of the equity securities of approximately 20 to 35 companies based throughout the world which the Investment Manager considers to provide long term returns through capital appreciation and/or the payment of dividends. The Fund may also invest in collective investment schemes (including those managed and/or operated by the ACD or investment manager) fixed income, money market instruments, deposits, cash and near cash. The Fund is actively managed. The Fund will not have any particular geographic, industry or economic sector focus and as such weightings in these may vary as required. The Fund may use 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 Fund.
AUM (£):	£14.6m
Fund Launch Date:	28/01/2021

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:

The VT Vanneck Global Growth 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	A	G	A	G	A	A
F Accumulation	47.1%	G	A	G	G	G	G	G	G
F Income	0.0%	G	A	G	G	G	G	G	G
G Accumulation	19.9%	G	A	A	G	A	G	R	A
G Income	32.9%	G	A	A	G	A	G	R	A

The table below shows the overall summary for the previous assessment i.e. carried out as at 30 September 2022:

The VT Vanneck Global Growth 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	n/a	 G	 G	 G	 G	 G	 G
F Accumulation	51.2%	 G	n/a	 G	 G	 G	 G	 G	 G
F Income	0.0%	 G	n/a	 G	 G	 G	 G	 G	 G
G Accumulation	14.0%	 G	n/a	 G	 G	 G	 G	 G	 G
G Income	34.8%	 G	n/a	 G	 G	 G	 G	 G	 G

The 2022 assessment used a previous criteria that has since been updated as described above, and therefore the results for 2022 are not directly comparable with the updated 2023 assessment.

Previous Remedial Actions

- None

New Remedial Actions

- Performance
 - Assessed as Amber
 - The AFM will discuss the drivers of long -term performance, and trends in long term performance, with the Investment manager at the next scheduled Investment Manager meeting.
- AFM Costs - General:
 - Assessed as Amber, overall
 - Where applicable, the AFM will discuss the level, and composition, of the Annual Management Charge (AMC) with the Investment Manager at the next scheduled Investment Manager meeting.
- Comparable Market Rates:
 - Assessed as Amber, overall
 - Where applicable, the AFM will discuss the level of the Ongoing Charges Figure (OCF) with the Investment Manager at the next scheduled Investment Manager meeting.
- Classes of Units:
 - Assessed as Amber
 - Where applicable, the AFM will discuss the level of the Ongoing Charges Figure (OCF) with the Investment Manager at the next scheduled Investment Manager meeting.

Detailed Assessment

Quality of Service

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

- Investment Management services: Vanneck 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 expect.

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

Performance

Objective:

The investment objective of the Fund is to aim to preserve and grow capital over the medium to longer term (5 years). Capital is in fact at risk and there is no guarantee that a positive return will be achieved over any period.

Constraining Benchmark:

none

Comparator Benchmark:

The MSCI World NR GBP

Target Benchmark:

none

Peer Group:

IA Global Sector

Minimum Recommended Holding Period:

5 Years

Management Approach:

Active

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

Change in Fund Value	1 year to Sep-2023	1 year to Sep-2022	Since Inception to Sep-2021	Since Inception to Sep-2023
F Accumulation	14.8%	-16.8%	11.1%	6.2%
F Income	14.8%	-16.8%	11.1%	6.1%
G Accumulation	14.3%	-16.7%	11.1%	5.8%
G Income	14.7%	-16.7%	11.1%	6.1%

Source: Valu-Trac

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

Yield	1 year to Sep-2023	1 year to Sep-2022	Since Inception to Sep-2021	Since Inception to Sep-2023 (avg. per-year)
F Accumulation	1.2%	0.8%	0.7%	1.0%
F Income	1.2%	0.8%	0.7%	1.0%
G Accumulation	1.0%	0.3%	0.4%	0.6%
G Income	0.6%	0.3%	0.5%	0.5%

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	Since Inception (avg. return per-year)	Since Inception Peer Rank
Benchmark	11.5%	8.2%	-
F Accumulation	16.0%	3.3%	Lowest 44%
F Income	16.0%	3.3%	Lowest 44%
G Accumulation	15.4%	2.7%	Lowest 41%
G Income	15.4%	2.7%	Lowest 41%

*To 30 September 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:



Amber

Each unit class within the fund has provided capital growth since inception.

Each unit class within the fund has generated income since inception.

The net total return of each unit class within the fund is below that of its performance comparator benchmark, since inception.

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 will discuss the drivers of long-term performance, and trends in long term performance, with the Investment manager at the next scheduled Investment Manager meeting.

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	0.87%	-
F Accumulation	0.15%	Lowest 9%
F Income	0.15%	Lowest 9%
G Accumulation	1.15%	Highest 28%
G Income	1.15%	Highest 28%

Source: Valu-Trac / Morningstar

Conclusion:



Amber

The Investment Management Fee is proposed by Vanneck 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 Vanneck 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 the F unit classes are currently paying an AMC lower than the market average for similar funds.

Unitholders within the G unit classes are currently paying an AMC higher than the market average for similar funds.

Where applicable, the AFM will discuss the level of the Annual Management Charge (AMC) with the Investment Manager at the next scheduled Investment Manager meeting.

The AFM has concluded that unitholders are receiving reasonable value, in relation to AFM Costs – General, overall.

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:

On-Going Charges Figure (OCF)	2021	2022	Current	
				Peer Rank
Peer Group	-	-	1.05%	-
F Accumulation	0.60%	0.43%	0.50%	Lowest 17%
F Income	0.60%	0.43%	0.50%	Lowest 17%
G Accumulation	1.05%	1.05%	1.05%	Highest 50%
G Income	1.05%	1.05%	1.05%	Highest 50%

Source: Morningstar

Conclusion



Amber

Unitholders within the F unit classes are currently paying an OCF lower than the market average for similar funds.

Unitholders within the G unit classes are currently paying an OCF broadly in line with the market average for similar funds.

Where applicable, the AFM will discuss the level of the Ongoing Charges Figure (OCF) with the Investment Manager at the next scheduled Investment Manager meeting.

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

Comparable Services

Valu-Trac act as AFM for four funds for which Vanneck Limited are the Investment Manager. Some funds are what may be termed multi-asset funds and others are what may be termed single asset class funds. This fund may be considered to be a single asset class fund. Allowing for any explicit difference in risk profile or investment approach between these funds, this fund is priced consistently in relation to other funds within the wider group.

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

	Current OCF	Difference Compared to Least Expensive	Difference Compared to Next Least Expensive	Minimum Lump Sum Investment	Minimum Subsequent Investment	Minimum Holding Amount
F Accumulation	0.50%	-	-	£10,000,000	£1,000	£10,000,000
F Income	0.50%	-	-	£10,000,000	£1,000	£10,000,000
G Accumulation	1.05%	0.55%	0.55%	£1,000	£100	£1,000
G Income	1.05%	0.55%	0.55%	£1,000	£100	£1,000

Source: Valu-Trac

Where a share class may have a minimum investment or minimum holding amount, this may help the share class scale quicker, leading to a lower proportional servicing cost, and thus, lower Ongoing charges.

Unit holders within all share classes receive a comparable level of service.

Conclusion

 Amber

The F unit classes have more stringent investment minima than the G unit classes. However, given that the incremental difference in OCF between each unit class is markedly above the suggested materiality threshold (of 0.30%), the AFM has concluded that unitholders within the G classes are not receiving good value, in relation to Classes of Units.

The AFM will discuss the differential in the respective Ongoing Charges Figure (OCF) between unit classes, with the Investment Manager, where applicable, at the next scheduled Investment Manager meeting.

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

Overall Assessment



Amber

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

With regard to Performance, the AFM will discuss the drivers of long -term performance, and trends in long term performance, with the Investment manager at the next scheduled Investment Manager meeting.

With regard to AFM Costs – General, the AFM will discuss the level, and composition, of the Annual Management Charge (AMC) with the Investment Manager at the next scheduled Investment Manager meeting, where applicable.

With regard to Classes of Units, the AFM will discuss the differential in the respective Ongoing Charges Figure (OCF) between unit classes, with the Investment Manager, at the next scheduled Investment Manager meeting.

The AFM has concluded that the unitholders within The VT Vanneck Global Growth Fund are receiving reasonable value, overall.

31/01/2024