ASSESSMENT OF VALUE REPORT

VT AI-Funds ICVC

- VT AI-Funds Tactical High Yield Bond

Report Date: 31 March 2026
Published Date: 31 July 2026

Authorised and regulated by the Financial Conduct Authority (FCA), registration number 145168.
Registered in England No. 2428648 | Registered Address: Level 4, Dashwood House, 69 Old Broad St, London, EC2M 1QS
Business Address: Mains Of Orton, Orton, Moray, IV32 7QE | Tel: +44 (0)330 678 4760

Value Assessments 2026: Introduction

What this report means for you

This report explains whether funds you invest in are providing **fair value for money**.

Who we are and our role

Valu-Trac Investment Management Limited is the appointed Authorised Corporate Director (ACD) for the funds we manage on your behalf. As ACD, Valu-Trac is responsible for ensuring that each fund operates in accordance with its investment objectives and in the best interests of investors. This includes overseeing the day-to-day operations of the fund, maintaining its structure, and ensuring full regulatory compliance.

Each year, our Board reviews whether the funds deliver fair value to investors. This review is supported by an **Assessment of Value Committee**, which includes independent input.

How we assess value

We assess value using the **seven criteria required by the Financial Conduct Authority (FCA)**, with a focus on what matters most to investors: **performance, costs and quality of service**.

We apply a simple **traffic-light rating** to each area and an overall rating for each fund:

- 🟢 **Green**: Good value delivered
- 🟡 **Amber**: Reasonable value, some improvements needed
- 🔴 **Red**: Poor value, action required
- ⚪ **Grey**: Too soon to rate / not applicable

An overall rating is also assigned to each fund/share class based on these criteria. Our goal is to provide transparent, investor-focused insights that help you feel confident about your investments.

What We Will Do If a Fund Is Rated Poor (Red) Value

Where a fund or share class is assessed as delivering poor value for money, Valu-Trac will take this outcome seriously and initiate a structured review process.

Our intention is to ensure that any actions taken are proportionate, transparent, and in the best interests of investors. All proposed changes will be subject to governance oversight by the **Assessment of Value Committee** and, where appropriate, communicated to investors in future reports or fund documentation.

Value Assessments 2026

Summary: VT AI-Funds Tactical High Yield Bond

Green Overall Assessment

For the assessment period ending March 2026, and in accordance with FCA rules, the Valu-Trac Board (the "**Board**") has reviewed the value delivered by the VT AI-Funds Tactical High Yield Bond fund to shareholders. The Board concluded that the VT AI-Funds Tactical High Yield Bond fund provides good value and has assigned an overall Green rating.

Fund Name	VT AI-Funds Tactical High Yield Bond
Authorised Fund Manager	Valu-Trac Investment Management Limited
Investment Manager	Valu-Trac Investment Management Limited
Launch Date	07 October 2019
Recommended Holding Period	3 Years
Peer Group / Sector	IA £ Strategic Bond
Benchmark	6.00% p.a. Target Return
Benchmark Type	Target
Management Approach	Active
2025 Assessment	Receiving reasonable value (Amber rating)
Investment Objective	The investment objective of the Fund is to provide consistent positive total returns of c. 6-9% per annum (net of fees) over a three year business cycle. 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 Fund will seek to achieve its objective by using active systematic rules to invest almost exclusively (90% +) in a portfolio of high yielding fixed income collective investment schemes (CIS) (which may include funds managed and/or operated by the ACD) selected from a global market place. It is expected that CIS which the Fund will invest will be very large (>$1 billion) high yield fixed income funds. To reduce potential volatility from currency exposures the Fund may invest (where available) in hedged share classes in a CIS which will mean currency exposures are hedged back to sterling. If, in the opinion of the Investment Manager, market conditions deteriorate and become uncertain the Fund's asset allocation may be tactically adjusted to increase the exposure to a range of money market and short dated bond CIS funds. If the conditions deteriorate even further, exposure may be made up to 30% into longer dated sovereign CIS funds. The Fund may also invest in transferable securities, fixed income, money market instruments, deposits, cash and near cash. The Fund will be actively managed. Save as noted above, the Fund will not have any particular geographic, industry or economic sector focus and as such weightings in these may vary as required.

Summary of Areas of Assessment

VT AI-Funds Tactical High Yield Bond		AUM (%)	Quality of Service	Performance	AFM costs - general	Economies of scale	Comparable market rates	Comparable services	Classes of units	Overall
Total Fund	**£18,044,443**	**100.0%**								
VT AI-Funds Tactical Hi Yld Bd I GBP Acc	£264,195	1.5%								
VT AI-Funds Tactical Hi Yld Bd S GBP Acc	£17,780,248	98.5%								

Commentary

In undertaking its assessment of the VT AI-Funds Tactical High Yield Bond fund, the Board noted that the total net return of the fund is moderately below that of the target level of return, over the minimum recommended holding period (of 3 years). However, the Board also noted the improving trend in long-term performance.

While the Board noted that AFM Costs and the Ongoing Charges Figures (OCF) may be higher than average, they also noted that overall costs within this fund are currently subject to an overall fee cap.

Taking performance, costs, and qualitative factors, such as quality of service, into account, the Board concluded that the VT AI-Funds Tactical High Yield Bond fund provides good value to shareholders and has therefore assigned an overall Green rating.

Actions Identified

The Board will continue to monitor trends in long term performance as part of its on-going oversight.

The Board is in discussion with the Sponsor with regard to the overall cost base of this fund. The Board will actively consider the costs associated with the underlying investments within the fund, with a view to securing the best possible customer outcomes.

Further Information

For full details of the funds including information on costs the Prospectus and KIID can be found at www.valu-trac.com.

Our Methodology

You deserve to know whether your investment is delivering good value. This report explains how your fund has performed, what you're paying for, and whether we're achieving the goals we set.

We aim to make this report clear and easy to read. We avoid technical language wherever possible and focus on what matters most to you: **performance, cost, and service**. A glossary is included at the end of the report.

If you have any questions or feedback, we'd be happy to hear from you.

Objective

To check each year whether our funds deliver fair value to investors by assessing whether the benefits you receive are reasonable in relation to the costs you pay.

Our framework

Valu-Trac uses a clear and consistent Assessment of Value (AoV) Framework. This ensures we follow FCA rules, including Consumer Duty, and remain focused on delivering good outcomes for investors.

Our Framework:

- Ensures each fund provides fair value
- Sets the principles and processes we use to assess value
- Includes governance and independent oversight from our AoV Committee

Key Principles

Investor-Centric: Focused on outcomes for retail investors, aligned with FCA's Consumer Duty.

Transparent & Evidence-Based*:* Uses both quantitative data and qualitative insights.

Governance-Led: Overseen by the AoV Committee, with independent non-executive input.

Consistent & Comparable: Applies a standardised Red/Amber/Green (RAG) rating system across all funds.

How we Assess Value for Investors

We assess value using the **seven FCA-mandated criteria**. For each area we ask:

1. Quality of Service

- Do we clearly explain the fund's goals and risks?
- Are our communications (factsheets, website) clear and timely?
- Are service providers performing well?
- Are we meeting regulations and treating all investors fairly?
- How well do we handle complaints, errors, pricing and transactions?

2. Performance

- Has the fund met its objectives after fees?
- How has it performed over time?
- What risks were taken to achieve results?
- How does it compare with similar funds?

We focus on long-term outcomes, not short-term movements.

3. AFM Costs

- Are the charges fair for the service you receive?
- Are retail investors paying more than similar institutional clients?

4. Economies of Scale

As the fund grows, are savings being passed on to you?

5. Market Comparisons

Are our charges reasonable compared with similar funds?

6. Comparable Services

Do similar investors in comparable products pay lower charges?

7. Share Class Fairness

Are investors in the right share class and not paying more than they should?

Understanding Share Classes

Funds offer different share classes to suit different types of investors

Types of Share Classes

- **Accumulation ("Acc")** – profits are reinvested to grow your investment.
- **Income ("Inc")** – profits are paid out to you.

Who They're For

Each fund in this report may offer different share classes, designed for:

- **Retail investors:** Individuals investing their own money, often with lower minimum investment requirements.
- **Intermediary investors:** Those investing via platforms or advisers, sometimes with specific fee arrangements.
- **Institutional investors:** Organisations such as pension funds or charities, typically investing larger amounts and sometimes benefiting from lower fees.

Why It Matters

Different share classes have different costs and features. Our Assessment of Value checks that investors are in the right class and not disadvantaged.

Glossary

Absolute Return: Aims for a positive return over a set period, regardless of market conditions.

Accumulation Shares ("Acc"): Income is reinvested to grow your holding.

Active Management: Fund manager makes investment decisions to outperform the market.

Authorised Corporate Director (ACD): Responsible for running the fund and acting in investors' best interests.

Annual Management Charge (AMC): Ongoing fee for managing the fund, shown as a percentage.

Assessment of Value (AoV): Annual report showing how the fund delivers value to investors.

Asset Class: Group of similar investments (e.g., shares, bonds, property).

Benchmark of Comparator: Standard for comparing fund performance.

Bond: Loan to a company or government, repaid with interest.

Capital Growth: Increase in the value of an investment.

Dividend: Income paid to shareholders.

Economies of Scale: Cost savings from fund growth passed on to investors.

Ongoing Charges Figure (OCF): The amount an investor will pay for the service provided by a fund. The OCF is made up of the manager's fees along with other costs, such as administration. It's meant to be used as a standardised method to compare the costs of funds.

Peer Group: Funds with similar investment scope, used for comparison.

Performance: How well the fund meets its objectives after fees.
Share Class: Different types of fund shares, with varying fees and features.

Yield: Income from investments, shown as a percentage.

More information

You can find more information on the funds at www.valu-trac.com.