



Annual Assessment of Value Statement as at 31 March 2025

The VT Global Total Return Fund

Fund Information

Investment Manager:	icf management limited
Authorised Fund Manager:	Valu-Trac Investment Management Limited (Valu-Trac)
Investment Objective:	The objective of the Fund is to achieve capital and income growth over the long term (5 years). Capital is in fact at risk, and there is no guarantee that the investment objective will be achieved over a five year, or any, period.
Investment Policy:	<p>The Fund will seek to achieve its objective by investing at least 70% in collective investment schemes (both active and index tracker and which may include those managed and/or advised by the ACD or Investment Manager) to actively gain exposure (indirectly) to a broad range of asset classes (including equities, bonds (both investment grade and sub-investment grade), commodities, infrastructure and property) on a global basis, including emerging markets (those markets whose economies are in an emerging growth phase and offer higher potential return with higher risks than developed market countries).</p> <p>The Fund may also invest directly in shares in companies, corporate and government bonds (both investment grade and sub-investment grade), cash, deposits and money market instruments (such as treasury bills).</p> <p>In managing the Fund, the Investment Manager aims for volatility to be no more than two-thirds of that of the S&P 500.</p> <p>Derivatives may be used by the fund for efficient portfolio management and hedging.</p>
AUM (£):	£2.3m
Fund Launch Date:	06/08/2010

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 Global Total Return 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	R	G	R	G	G	R
F Net Accumulation GBP	100.0%	G	G	R	G	R	G	G	R

The table below shows the overall summary for the previous assessment i.e. carried out as at 31 March 2024:

The VT Global Total Return 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	A	G	R	G	G	A
F Net Accumulation GBP	100.0%	G	G	A	G	R	G	G	A

Previous Remedial Actions

- AFM Costs – General
 - Assessed as Amber
 - The AFM will discuss the level of the Annual Management Charge (AMC) with the Investment Manager.
- Comparable Market Rates
 - Assessed as Red
 - The AFM will discuss the level, and composition, of the Ongoing Charges Figure (OCF) with the Investment Manager.
- Economies of Scale
 - Assessed as Green
 - The AFM is engaged in discussions with the Investment Manager over strategies to increase the AUM of the fund.

New Remedial Actions

- AFM Costs – General
 - Assessed as Red
 - The AFM will discuss the costs and overall structure of the fund with the Investment Manager, with a view to ensuring a suitable customer outcome, by Q4 2025.
- Comparable Market Rates
 - Assessed as Red
 - The AFM will discuss the costs and overall structure of the fund with the Investment Manager, with a view to ensuring a suitable customer outcome, by Q4 2025.

Detailed Assessment

Quality of Service

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

- Investment Management services: icf management limited
- Depository services: NatWest Trustee and Depository Services Limited
- Custodian services: CACEIS Bank, UK Branch
- 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 objective of the Fund is to achieve capital and income growth over the long term (5 years). Capital is in fact at risk, and there is no guarantee that the investment objective will be achieved over a five year, or any, period.

Constraining Benchmark:

none

Comparator Benchmark:

Performance: SONIA

Target Benchmark:

none

Peer Group:

The VT Global Total Return Fund Custom Peer Group*

*derived from the IA Targeted Return Sector, with The VT Global Total Return Fund, incorporated subsequently.

Minimum Recommended Holding Period:

5 Years

Management Approach:

Active

The net total return and peer ranking (where available) for each available 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	5.1%	4.2%	2.5%	-
F Net Accumulation GBP	1.2%	1.4%	5.7%	Highest 33%

*To 31 March 2025

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.

The AFM is aware that markets may have been more volatile than usual in March 2025. Such levels of volatility may result in a temporary, and intermittent, dislocation between fund return and benchmark return, for a short period of time.

Source: Morningstar

Conclusion:

 Green

The net total return of 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 notes that the level of volatility within the fund has remained below that of the anticipated level, over the minimum recommended holding period. More broadly, the AFM has concluded that the level of investment risk within the fund is not out of keeping, for an actively managed Fund of this type.

The AFM has concluded that unitholders are receiving good 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	0.73%	-

F Net Accumulation GBP	1.80%	Highest 2%
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Source: Valu-Trac / Morningstar

Conclusion:

 Red

The Investment Management Fee is proposed by icf 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 icf 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 are currently paying an AMC higher than the market average for similar funds.

The AFM will discuss the costs and overall structure of the fund with the Investment Manager, with a view to ensuring a suitable customer outcome, by Q4 2025.

The AFM has concluded that unitholders are receiving reasonable 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)	2023	2024	Current	
				Peer Rank
Peer Group	-	-	1.02%	-
F Net Accumulation GBP	2.61%	2.80%	3.18%	Highest 1%

Source: Morningstar

Conclusion

 Red

The OCF includes the costs of underlying funds held. This is currently estimated at 0.75% but can change as the underlying investments made change.

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

The AFM will discuss the costs and overall structure of the fund with the Investment Manager, with a view to ensuring a suitable customer outcome, by Q4 2025.

The AFM has concluded that unitholders are not receiving good value, in relation to Comparable Market Rates.

Comparable Services

Valu-Trac act as AFM for one fund for which icf management limited are the Investment Manager.

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 within this fund 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 unit holders are receiving good value in relation to Classes of Units.

Overall Assessment

 Red

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

With regard to AFM Costs – General, the AFM will discuss the costs and overall structure of the fund with the Investment Manager, with a view to ensuring a suitable customer outcome, by Q4 2025.

With regard to Comparable Market Rates, the AFM will discuss the costs and overall structure of the fund with the Investment Manager, with a view to ensuring a suitable customer outcome, by Q4 2025.

The AFM has concluded that the unitholders within The VT Global Total Return Fund are not receiving good value, overall.

28/07/2025