



Valu-Trac Administration Services

Annual Assessment of Value Statement as at 31 March 2023

VT AJ Bell Global Growth

Fund Information

Investment Manager:	AJ Bell Asset Management Ltd.
Authorised Fund Manager (AFM):	Valu-Trac Investment Management Limited (Valu-Trac)
Investment Objective:	The investment objective of VT AJ Bell Global Growth is to achieve long term capital growth with a focus on having exposure (often indirect) to global equities, including higher risk equities such as emerging markets, small cap and technology, with minimal holdings or exposure to defensive assets such as cash, fixed interest securities, money-market funds and collective investment schemes following alternative strategies such as property and commodities. This is to keep the Fund within a predetermined risk profile. Capital is in fact at risk and there is no guarantee that capital growth will be achieved over a 5 year, or any, period.
Investment Policy:	The Fund will seek to achieve its objective (and so provide exposure to the asset classes noted in the objective) by investing predominantly (80% +), in index-tracking investments or strategies (those instruments and/or investment strategies that aim to track the performance of various financial indices) and which typically consist of collective investment schemes (including those managed or operated by the ACD) as well as equities, bonds and transferable securities. The Fund may also invest in non-index tracking collective investment schemes, equities, bonds, transferable securities, money market instruments, deposits, cash and near cash. 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 have exposure to emerging markets through its investments in e.g. collective investment schemes, equities or futures. The Fund's risk profile is managed by restricting the types of asset held and allocations to those assets. The risk profiles are determined by the external risk rating agency's forward looking volatility assumptions. The Fund aims to operate with a risk rating of 8, on a scale of 1-10 where 1 is an allocation to cash and 10 is an allocation to riskier equity regions such as Asia and emerging markets. Derivatives (that is sophisticated investment instruments linked to the rise and fall of

	the price of other assets) are held only for efficient portfolio management purposes.
AUM (£):	£186.7m
Fund Launch Date:	11/06/2018

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 AJ Bell Global Growth	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
I Net Accumulation	100.0%	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 AJ Bell Global Growth	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
I Net Accumulation	100.0%	G	G	G	G	G	G	G	G

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

- None

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: AJ Bell Asset Management Ltd.
- Depositary services: NatWest Trustee and Depositary Services Limited
- Custodian services: RBC Investor Services Trust, UK branch (RBC)
- External audit: Frame Kennedy

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 VT AJ Bell Global Growth is to achieve long-term capital growth with a focus on having exposure (often indirect) to global equities, including higher risk equities such as emerging markets, small cap and technology, with minimal holdings or exposure to defensive assets such as cash, fixed interest securities, money-market funds and collective investment schemes following alternative strategies such as property and commodities. This is to keep the Fund within a predetermined risk profile. Capital is in fact at risk and there is no guarantee that capital growth will be achieved over a 5 year, or any, period.

Constraining Benchmark:

None

Comparator Benchmark:

IA Flexible Investment Sector Average

Target Benchmark:

none

Peer Group:

IA Flexible Investment Sector

Minimum Recommended Holding Period:

5 Years

Management Approach:

Active Asset Allocation, Passive Implementation

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	SI to Mar-2019	Since Inception to Feb-2023
I Net Accumulation	-2.5%	9.3%	36.8%	-12.3%	-3.1%	25.2%

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)	SI (avg. return per-year)	SI years Peer Rank
Benchmark	-4.0%	9.3%	3.4%	-
I Net Accumulation	-0.4%	15.3%	6.5%	Highest 7%

*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

The fund has not yet been in existence for the minimum recommended holding period; however, the fund has achieved positive capital growth, since inception.

The fund has out-performed its comparator benchmark, on a total return basis, over three years.

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	
		Peer Rank
Peer Group	0.88%	-
I Net Accumulation	0.17%	Lowest 8%

Source: Valu-Trac / Morningstar

Conclusion:

 Green

The Investment Management Fee is proposed by AJ Bell 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 AJ Bell; 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

Although the fund is smaller than £250m, we note the fees charged are already comparable to funds with a similar objective, but a larger amount of assets, indicating the fees are already representative of a much larger fund.

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	-	-	-	1.25%	-
I Net Accumulation	0.35%	0.34%	0.34%	0.31%	Lowest 6%

Source: Morningstar

Conclusion

 Green

The OCF includes the costs of underlying funds held. This is currently estimated at 0.14%, 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 nine funds, for which AJ Bell Asset Management Ltd. are the Investment Manager. Six of these funds are 'growth' funds designed for long term wealth accumulation, two aim to achieve a combination of income and growth, and one overlays a responsible investment objective. This fund forms part of the six growth funds, and it priced consistently with the other five funds in the 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, 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. all criteria have been assessed as green.

The AFM has concluded that the unitholders within the VT AJ Bell Global Growth fund are receiving good value, overall.

01/08/2023