



Annual Assessment of Value Statement as at 31 March 2025

VT AJ Bell Income

Fund Information

Investment Manager:	AJ Bell Asset Management Limited
Authorised Fund Manager:	Valu-Trac Investment Management Limited (Valu-Trac)
Investment Objective:	The investment objective of VT AJ Bell Income is to generate income whilst maintaining capital value over a typical investment cycle (5-10 years) through a focus on exposure to a broad range of income generating assets such as bonds and equities. The Fund has a target average yield of 3-5% per annum (over a trailing three year period), which is not guaranteed and may be subject to change as the assumptions on which the target was calculated may change.
Investment Policy:	The Fund will seek to achieve its objective by investing mainly in other collective investment schemes (especially in the early stages of the Fund's growth) (including those managed or operated by the ACD and those with both passive and active strategies) and so provide exposure to equities (particularly those which the Investment Manager considers to have dividend yields above the average for the relevant regional stock markets and including investment trusts) and bonds as well as alternative asset classes (such as property and infrastructure). The Fund is also expected to invest directly in equities and bonds. The Fund may also invest in transferable securities, money market instruments, deposits, cash and near cash. The Fund will not have any particular geographic, industry or economic sector focus although, as the Fund is targeting higher income distribution, there will be a focus on higher income generating assets, although lower yielding assets will also be used to ensure diversification. The Fund may have exposure to emerging markets through its investments in e.g. collective investment schemes or direct equities. 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 (£):	£54.5m
Fund Launch Date:	08/04/2019

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 AJ Bell Income	AUM (%)	Quality of Service	Performance	AFM costs - general	Economies of scale	Comparable market rates	Comparable services	Classes of units	Overall
Overall	100.0%	 A	 G	 G	 G	 G	 G	 G	 G
I Accumulation	29.9%	 A	 G	 G	 G	 G	 G	 G	 G
I Income	70.1%	 A	 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 2024:

VT AJ Bell Income	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 Accumulation	31.5%	 G	 G	 G	 G	 G	 G	 G	 G
I Income	68.5%	 G	 G	 G	 G	 G	 G	 G	 G

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 Limited
- Depositary services: NatWest Trustee and Depositary Services Limited
- Custodian services: CACEIS Bank, UK Branch
- 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.

The AFM notes that there were a number of breaches which occurred in relation to this fund, over the period. The AFM worked closely with the Investment Manager to successfully address these breaches in a collaborative and timely manner, ensuring no on-going customer detriment.

Conclusion:



Amber

The AFM has concluded that, in the majority of instances, the 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 reasonable value, in relation to Quality of Service.

Performance

Objective:

The investment objective of VT AJ Bell Income is to generate income whilst maintaining capital value over a typical investment cycle (5-10 years) through a focus on exposure to a broad range of income generating assets such as bonds and equities. The Fund has a target average yield of 3-5% per annum (over a trailing three year period), which is not guaranteed and may be subject to change as the assumptions on which the target was calculated may change.

Constraining Benchmark:

none

Comparator Benchmark:

Net Total Return: IA Mixed Investment 20%-60% Shares Sector Average

Target Benchmark:

Income Generation: An annualised yield of 3%

Peer Group:

The VT AJ Bell Income Fund Custom Peer Group*

*derived from the IA Mixed Investment 20%-60% Shares Sector, with the VT AJ Bell Income Fund, incorporated subsequently. It should be noted that there is no peer group specified for this fund within the fund prospectus.

However, the AFM is satisfied that the peer group, described above, is appropriate for the purpose of the relevant, select analysis, within this report.

Minimum Recommended Holding Period:

Income Generation: 3 years

Total Return: 5 years

Management Approach:

Active (Active Asset Allocation, Passive Implementation)

The income generated (percentage yield) by the fund, is shown below:

Yield	1 year to Mar-2025	1 year to Mar-2024	1 year to Mar-2023	3 years to Mar-2025 (avg. per-year)
Benchmark	3.0%	3.0%	3.0%	3.0%
I Accumulation	3.5%	4.0%	3.3%	3.5%
I Income	3.4%	3.9%	3.3%	3.3%

Source: Valu-Trac

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

Change in Fund Value	1 year to Mar-2025	1 year to Mar-2024	1 year to Mar-2023	1 year to Mar-2022	1 year to Mar-2021	5 years to Mar-2025
I Accumulation	-0.3%	4.4%	-5.8%	4.6%	11.4%	14.4%
I Income	-0.3%	4.2%	-5.7%	4.5%	11.3%	14.0%

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	3.8%	2.1%	5.4%	-
I Accumulation	3.1%	2.9%	6.2%	Highest 41%
I Income	3.1%	2.9%	6.2%	Highest 41%

*To 31 March 2025

Total return is the actual rate of return of an investment over a period. Total return includes interest, capital gains, dividends, and realised distributions (where appropriate).

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 yield produced by each unit class within the fund is above that of the stipulated yield target, over the longer term.

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

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 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%	-
I Accumulation	0.59%	Lowest 33%
I Income	0.59%	Lowest 33%

Source: Valu-Trac / Morningstar

The AFM notes that the AMC for this fund was reduced to 0.50% on 01 November 2024. The value shown above, represents a weighted average, spanning the reporting period.

Conclusion:

 Green

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

Despite the fund having an AUM of less than £250m, the fund has a tiered depositary fee, subject to a minimum amount, alongside other fixed fees, such as audit fees.

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	-	-	1.06%	-
I Accumulation	0.65%	0.65%	0.59%	Lowest 17%
I Income	0.65%	0.65%	0.59%	Lowest 17%

Source: Morningstar

The AFM notes that the OCF for this fund was reduced to 0.50% on 01 November 2024. The value shown above, represents a weighted average, spanning the reporting period.

Conclusion

 Green

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 Limited are the Investment Manager. Each of these funds are what may be termed multi asset class funds. Differences between funds, in terms of their management approach 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 having 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 unit holders 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 has concluded that the unitholders within the VT AJ Bell Income fund are receiving good value overall.

28/07/2025