Statement by the Authorised Fund Manager (AFM) to the unitholders of the VT Avastra Global Alternatives Fund on the outcome of the AFM's assessment of the value provided to unitholders

For the year ended 28 February 2023

This assessment is to establish what the VT Avastra Global Alternatives Fund (the Fund) has delivered to you in return for the price you have had to pay.

Our assessment has been conducted against the seven factors outlined by the FCA and the Fund has been rated via a 'traffic light' system, where green (G) indicates receiving good value, amber (A) indicates receiving reasonable value and red (R) indicates not receiving good value.

The dashboard below shows the overall summary of this assessment, as at 28 February 2023:

| | Quality of Service | Performance | AFM costs - general | Economies of scale | Comparable market rates | Comparable services | Classes of units | Overall |
|-------------------------------------|-----------------------|-------------|------------------------|--------------------|----------------------------|---------------------|------------------|---------|
| VT Avastra Global Alternatives Fund | G | R | A | G | R | G | G | R |
| Sterling Accumulation | G | R | A | G | R | G | G | R |
| US Dollar Accumulation | G | R | A | G | R | G | G | R |

The dashboard below shows the overall summary for the previous assessment i.e. carried out as at 28 February 2022:

| | Quality of Service | Performance | AFM costs - general | Economies of scale | Comparable market rates | Comparable services | Classes of units | Overall |
|-------------------------------------|-----------------------|-------------|------------------------|--------------------|----------------------------|---------------------|------------------|---------|
| VT Avastra Global Alternatives Fund | G | G | R | G | G | G | G | G |
| Sterling Accumulation | G | G | R | G | G | G | G | G |
| US Dollar Accumulation | G | G | R | G | ● G | G | G | G |

VT Avastra Global Alternatives Fund was launched on 22 November 2010.

The AFM is the Authorised Corporate Director of the Fund, Valu-Trac Investment Management Limited (Valu-Trac). The Investment Manager is Oakham Wealth Management Ltd.

The fund aims to achieve capital growth over the medium term (five years).

The fund will invest in a range of collective investment schemes, money market instruments, transferable securities (including structured products) and derivative instruments in order to gain indirect exposure to property, commodities, hedge Funds, currency Funds and convertible bonds.

The portfolio will be actively managed and will normally remain fully invested unless there is significant volatility in other asset markets or asset valuations are not attractive. There will, however, be no restrictions on the underlying investments held, in terms of investment type, geographical or economic sector and the Fund manager has the absolute discretion to weight the portfolio towards any investment type or sector, including cash, at any time.

Borrowing will be permitted up to the levels stated in the Regulations. Foreign currency exposure may be hedged back to the base currency.

The value of each share class at the end of the last five financial years are as follows:

| At and for the year ended | | | | | | | | |
|---------------------------|--|---------|---------|--------|--------|--|--|--|
| | 28-Feb-23 28-Feb-22 28-Feb-21 28-Feb-20 28-Feb | | | | | | | |
| | | | | | | | | |
| Value of Fund | | | | | | | | |
| (per Performance Record) | | | | | | | | |
| Sterling Accumulation | £3.03m | £3.51m | £3.52m | £3.71m | £3.84m | | | |
| US Dollar Accumulation | \$0.02m | \$0.02m | \$0.02m | - | - | | | |
| | | | | | | | | |

Source: Valu-Trac Administration Services, since 16/07/2021; prior to 16/07/2021, FundRock Partners Limited US Dollar Accumulation share class launched 14 October 2020

In carrying out the assessment of value the following criteria were considered:

1. Quality of service

The AFM considers that a good level of service was provided to unitholders by all parties involved commensurate to the amount paid by the Fund for those services. The AFM monitors the following operational services:

Depositary - NatWest Trustee and Depositary Services Limited

Custodian – RBC Investor Services Trust, UK branch (RBC)

The external audit is conducted by Johnston Carmichael LLP.

These services are essential in ensuring that the Fund operated efficiently and in the case of the Depositary and Custodian the service is supervised on an on-going daily basis by the AFM. As a unitholder this means that you can be certain that your requests such as investment and redemption of the Fund's units will always be carried out exactly as set out in the documentation.

Valu-Trac does not delegate any of the core operating functions of the Fund such as fund administration, fund accounting and transfer agency. This means that the AFM directly employs and supervises the individuals who are carrying out this work and that those undertaking the work are appropriately qualified and experienced. Due to this high level of supervision and control of these functions the AFM believes that the unitholders can be certain that their instructions will be carried out efficiently and that the reporting they receive is timely and focused. The AFM works closely with the investment manager to coordinate any required investment communications.

The AFM has concluded that the unitholders within the Fund are receiving good value for the quality of services provided by each party (detailed analysis on how we have arrived at this conclusion can be provided on request).

2. Performance

The AFM has assessed performance of the Fund net (after) of all the charges that are outlined in its prospectus.

The stated investment objective of the Fund is to achieve capital growth over the medium term (five years).

The change in capital value for each share class is shown below:

| Change in NAV | 12m to 28-Feb-23 | 12m to 28-Feb-22 | 12m to 28-Feb-21 | 12m to 28-Feb-20 | 12m to 28-Feb-19 | 5 Years to Feb-23 |
|---------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------------|
| Sterling Accumulation | -7.02% | 5.22% | -0.09% | -0.58% | -2.77% | -5.52% |
| US Dollar Accumulation | -16.38% | 0.54% | 6.80% | - | - | -10.21% |

Source: Valu-Trac

US Dollar Accumulation share class launched 14 October 2020

Net total returns generated by the Fund, incorporating both capital growth and income, are shown within the table below. This is after on-going charges (OCF). This includes the fee paid to the Investment Manager, and transaction costs.

The performance comparator selected for the Fund is the Sterling overnight index average ("SONIA").

Periods shorter than five years are also reviewed, to provide context for longer term performance.

Note the comparator has been adjusted for the relevant share class currencies to provide relevant comparison.

| Total Net Return | 2023 Performance | 2023 Comparator Performance | 5-Year Performance (p.a) | 5-Year Comparator Performance (p.a) | |
|---------------------------|---------------------|-----------------------------------|--------------------------------|--|--|
| Sterling Accumulation | -7.01% | 1.99% | -1.20% | 0.70% | |
| US Dollar Accumulation | -16.01% | -7.97% | -4.25% | -2.05% | |

Source: Morningstar

US Dollar Accumulation share class launched 14 October 2020. Since Inception Performance figures for this share class are shown above.

The AFM has referred to both internal and external data sources for performance statistics, where the AFM has felt this to be appropriate. Typically, statistics such as capital gain and historic yield, are not readily available via external data sources.

The Fund has not achieved capital growth over the last twelve months, nor over the longer term, with regard to either share class.

The Fund has underperformed the performance comparator on a total return basis, over the last twelve months and over the longer term, with regard to both share classes.

The AFM has also assessed the risk the Fund took to achieve the above performance and has concluded that the Fund has not taken excessive risk to achieve this performance (detailed analysis on how we have arrived at this conclusion can be provided on request).

The AFM has therefore concluded that unitholders within the Fund are not receiving good value, with regard to performance.

3. AFM costs - general

The costs directly charged to the Fund, during the year ended 28 February 2023, were as follows:

| | £ | %age of average fund value |
|---------------------------------|--------|----------------------------|
| Investment manager's fee | 11,658 | 0.35% |
| ACD fee | 10,675 | 0.32% |
| Depositary fee | 18,000 | 0.53% |
| Audit fee | 6,455 | 0.19% |
| FCA fee | 58 | 0.00% |
| Safe custody fee | 237 | 0.01% |
| Transaction charges (custodian) | -2 | 0.00% |
| Other expenses | 5,760 | 0.17% |
| Total Costs | 52,841 | 1.57% |

Source: Valu-Trac

The AFM has concluded that the Annual Management Charge (AMC) (this is the Investment Manager fee and the ACD fee) equivalent to 0.67% is reasonable for an actively managed Fund of this type. Within this charging structure, the ACD fee is fixed and may rise annually, in line with inflation, and the Investment Manager's fee is variable. However, owing to the modest size of the Fund, overall, the sum of all direct charges is higher than other, similar Funds, managed by the AFM.

The AFM has therefore concluded that unitholders are receiving reasonable value, with regard to AFM costs.

4. Economies of scale

The AFM has assessed to what extent it has been able to achieve any savings as a result of economies of scale. Where any such savings have been made this has in every case been passed on to the unitholders. An example of this is the depositary fees charged being on a sliding scale so reduce in cost as the Fund exceeds certain thresholds. As the AFM grows its total assets across all schemes it uses this purchasing power to benefit all schemes.

The AFM has therefore concluded that all unitholders within the Fund are receiving good value in terms of economies of scale.

5. Comparable market rates

The AFM has considered the costs charged to the Fund, by comparing the ongoing charges (OCF) of the share classes to the average OCF of the IA Specialist sector retail classes, where available, alongside the historical change for each share class. This is shown below:

| OCF | 28-Feb-23 | 28-Feb-22 | 28-Feb-21 | 28-Feb-20 | 28-Feb-19 |
|------------------------------|-----------|-----------|-----------|-----------|-----------|
| Sterling Accumulation | 2.02% | 2.18% | 3.00% | 3.23% | 3.05% |
| US Dollar Accumulation | 2.02% | 2.18% | 3.00% | - | - |
| IA Specialist Sector Average | 1.16% | - | - | - | - |

Source: Valu-Trac / Morningstar

Unitholders are currently paying an OCF greater than that of the market average for similar funds. This is also among the most expensive within the peer group.

The trend in charges has been favourable for unitholders, with the OCF generally tending to reduce, as the overall size of the Fund has remained largely static.

The AFM has concluded that unitholders within the Fund are not receiving good value, with regard to market rates.

6. Comparable services

The services provided to this Fund and the costs are also comparable amongst other similar funds operated by the AFM with the same investment manager, and is aligned with its normal operating model.

The AFM concludes that unitholders in all share classes are receiving good value, with regard to comparable services.

7. Classes of units

There is only type of share class in this Fund (with Sterling and USD denominated versions). Therefore, all unitholders of this Fund are treated equally in all respects.

The AFM concludes that unitholders are receiving good value with regard to classes of units.

CONCLUSION

Our assessment has been conducted against the seven factors outlined by the FCA and the Fund has been rated via a 'traffic light' system, where green (G) indicates receiving good value, amber (A) indicates receiving reasonable value and red (R) indicates not receiving good value.

| | Quality of Service | Performance | AFM costs - general | Economies of scale | Comparable market rates | Comparable services | Classes of units | Overall |
|-------------------------------------|-----------------------|-------------|------------------------|--------------------|-------------------------|---------------------|------------------|---------|
| VT Avastra Global Alternatives Fund | G | R | A | G | R | G | G | R |
| Sterling Accumulation | G | R | A | G | R | G | G | R |
| US Dollar Accumulation | G | R | A | G | R | G | G | R |

In taking all of these criteria into consideration, the AFM will conclude whether the payments out of the scheme property as set out in the prospectus, are justified in the context of the overall value delivered to unitholders.

Capital growth has been negative for both available share classes, over both the near and long term. Overall performance, for both share classes, has been below that of the performance comparator, over

both the near and long term. The AFM has concluded that unitholders are not receiving good value, with regard to performance.

The AFM has concluded that the Annual Management Charge (AMC) (this is the Investment Manager fee and the ACD fee) is reasonable for an actively managed Fund of this type. However, owing to the modest size of the Fund, overall, the sum of all direct charges is higher than other, similar Funds, managed by the AFM.

Unitholders are currently paying an OCF greater than that of the market average for similar funds. This is also among the most expensive within the peer group. The AFM has therefore concluded that unitholders within the Fund are not receiving good value, with regard to market rates. The AFM will continue to monitor the OCF of the find over the next twelve months, to ensure it continues to fall towards the average.

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

The AFM has engaged with the Investment Manager in relation to the issues highlighted within this report. Discussions are on-going.

01/06/2023