



Annual Assessment of Value Statement as at 30 September 2024

VT Blackwood Prime

Fund Information

Investment Manager:	Sorbus Partners LLP
Authorised Fund Manager:	Valu-Trac Investment Management Limited (Valu-Trac)
Investment Objective:	The investment objective of the VT Blackwood Prime is to provide a total return through a combination of capital growth and income over the long term (5 years +). Capital is in fact at risk and there is no guarantee that a positive return will be achieved over a 5 year, or any, period.
Investment Policy:	The Fund will seek to achieve its objective by investing directly and indirectly (via collective investment schemes) in a diversified portfolio consisting mainly of equities. It is expected that the exposure to equities will be approximately 40- 85%. The Fund may also invest in other OEICS, Unit Trusts, other collective investment vehicles (including REITS and funds managed and/or operated by the ACD and/or Investment Manager (and including other sub-funds of the Company)) providing exposure to assets including fixed income, money market instruments, cash, infrastructure/property and alternatives such as commodities as permitted by the rules. The Fund may also invest directly in fixed income, money market instruments, deposits, cash and near cash. The Fund will not have any particular industry or economic sector focus and as such weightings in these may vary as required. Derivatives and forward transactions may be held for efficient portfolio management purposes.
AUM (£):	£79.8m
Fund Launch Date:	26/04/2021

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 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 Blackwood Prime	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
A Income	63.8%	G	G	G	G	G	G	G	G
B Income	36.2%	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 30 September 2023:

VT Blackwood Prime	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	 A	 G
A Income	63.8%	 G	 G	 G	 G	 G	 G	 G	 G
B Income	36.2%	 G	 G	 G	 G	 G	 G	 A	 G

Previous Remedial Actions

- Classes of Units:
 - Assessed as Amber
 - Where applicable, the AFM will discuss the level of the Ongoing Charges Figure (OCF) with the Investment Manager at the next scheduled Investment Manager meeting.

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: Sorbus Partners LLP
- Depositary services: NatWest Trustee and Depositary Services Limited
- Custodian services: CACEIS Investor Services
- 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 investment objective of the VT Blackwood Prime is to provide a total return through a combination of capital growth and income over the long term (5 years +). Capital is in fact at risk and there is no guarantee that a positive return will be achieved over a 5 year, or any, period.

Constraining Benchmark:

none

Comparator Benchmark:

The IA Mixed Investment 40%-85% Shares Sector Average

Target Benchmark:

none

Peer Group:

The VT Blackwood Prime Fund Custom Peer Group*

*Derived from the IA Mixed Investment 40%-85% Shares Sector, with the VT Blackwood Prime 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)	Since Inception (avg. return per-year)	Since Inception Peer Rank
Benchmark	13.8%	2.5%	3.1%	-
A Income	14.0%	5.0%	4.2%	Highest 31%
Benchmark	13.8%	2.5%	2.7%	-
B Income	13.8%	4.8%	4.1%	Highest 27%

*To 30 September 2024

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 B unit class launched on 21 July 2021.

Source: Morningstar

Conclusion:



Green

The net total return of each unit class within the fund is above that of its performance comparator benchmark, over the long term (since inception).

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	0.72%	-
A Income	0.32%	Lowest 18%
B Income	0.47%	Lowest 27%

Source: Valu-Trac / Morningstar

Conclusion:



Green

The Investment Management Fee is proposed by Sorbus Partners LLP. 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 Sorbus Partners LLP; 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.

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)	2022	2023	Current	
				Peer Rank
Peer Group	-	-	1.00%	-
A Income	0.67%	0.66%	0.74%	Lowest 33%
B Income	0.82%	0.81%	0.89%	Lowest 45%

Source: Morningstar

Conclusion

 Green

The OCF includes the costs of underlying funds held. This is currently estimated at 0.37%, 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 five funds for which Sorbus Partners LLP are the Investment Manager. Some funds are what may be termed multi-asset funds and others are what may be termed single asset class funds. This fund may be considered to be a multi-asset fund. Allowing for any explicit difference in risk profile or investment approach between these funds, this fund is priced consistently in relation to other funds within the wider group.

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

	Current OCF	Difference Compared to Least Expensive	Difference Compared to Next Least Expensive	Minimum Lump Sum Investment	Minimum Subsequent Investment	Minimum Holding Amount
A Income	0.74%	-	-	£1,000	-	£1,000
B Income	0.89%	0.15%	0.15%	£1,000	-	£1,000

Both unit classes come with similar investment minima.

The AFM notes that the A unit class has been designated as a 'founders' unit class, reserved for those who may have invested in the early stages of the Fund. This unit class is otherwise available at the AFM's discretion.

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 all seven, discrete criteria assessed above i.e. all have been assessed as green.

The AFM has concluded that the unitholders within the VT Blackwood Prime fund are receiving good value, overall.

28/01/2025