

Valu-Trac Investment Management Limited

Annual Assessment of Value Statement as at 31 December 2023

VT Gravis UK Infrastructure Income Fund

Fund Information

Investment Manager:	Valu-Trac Investment Management Limited (Valu-Trac)
Authorised Fund Manager:	Valu-Trac Investment Management Limited (Valu-Trac)
Investment Objective:	The investment objective of the VT Gravis UK Infrastructure Income Fund is to generate income and preserve capital with potential for capital growth.
Investment Policy:	The sub-fund will aim to meet its objectives by investing primarily (at least 70%) in equities (which are mainly listed in the United Kingdom and whose primary activity is in the wider infrastructure sector of the United Kingdom). In addition to investing in equities, the subfund may also invest in other transferable securities, bonds, collective investment schemes, money market instruments, deposits, cash and near cash. The Fund will have a specific focus on investments denominated in Sterling, which are themselves invested in Sterling assets and which have most or all of their activities within the UK. Other than as noted in the policy there is no particular emphasis on any geographical area or industry or economic sector.
AUM (£):	£650.8m
Fund Launch Date:	25/01/2016

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 Gravis UK Infrastructure Income Fund	AUM (%)		uality of Service	Per	rformance	FM costs - general	Eco	onomies of scale		mparable rket rates	omparable services	Class	es of units		Overall
Overall	100.0%		G	0	А	G		G		G	G		G		G
C Net Accumulation GBP	13.7%	0	G	0	А	G	0	G	0	G	G	0	G		G
C Net Income GBP	5.9%		G	0	А	G	0	G	0	G	G	0	G		G
Net Accumulation GBP	49.2%	0	G	0	А	G		G	0	G	G	0	G		G
I Net Income GBP	30.9%		G	0	А	G		G		G	G		G		G
C Net Accumulation EUR (H)	0.1%	0	G	0	А	G	0	G	0	G	G	0	G		G
C Net Income EUR (H)	0.0%		G	0	А	G	0	G	0	G	G	0	G		G
C Net Accumulation USD (H)	0.0%		G	0	А	G		G		G	G		G		G
Net Income EUR (H)	0.1%		G		R	G		G	0	G	G	0	G	0	Α
I Net Accumulation USD (H)	0.1%	0	G	0	А	G	0	G		G	G		G		G

The table below shows the overall summary for the previous assessment i.e. carried out as at 31 December 2022:

VT Gravis UK Infrastructure Income Fund	AUM (%)		uality of Service	Pe	rformance		M costs - general	Eco	nomies of scale		mparable rket rates	mparable services	Class	es of units	Overall
Overall	100.0%		G		G	0	А		G		G	G		G	G
C Net Accumulation GBP	16.6%		G		G	0	А		G		G	G		G	G
C Net Income GBP	7.1%		G		G	0	А		G		G	G		G	G
Net Accumulation GBP	49.5%	0	G		G	0	А		G	0	G	G		G	G
I Net Income GBP	26.5%		G		G	0	А		G		G	G		G	G
C Net Accumulation EUR (H)	0.1%		G		G	0	А		G		G	G		G	G
C Net Income EUR (H)	0.0%	0	G		G	0	А		G	0	G	G		G	G
C Net Accumulation USD (H)	0.0%	0	G		G	0	А		G	0	G	G	0	G	G
I Net Income EUR (H)	0.1%	0	G		G	0	А		G		G	G		G	G
I Net Accumulation USD (H)	0.1%	0	G		G	0	А		G	0	G	G		G	G

The 2022 assessment used previous criteria that has since been updated as described above, and therefore the results for 2022 are not directly comparable with the updated 2023 assessment.

Previous Remedial Actions

None

New Remedial Actions

- Performance
 - Assessed as Amber
 - The AFM will discuss the drivers of long-term performance and investment risk, and trends in long term performance and investment risk, with the Investment Manager, at the next scheduled Investment Manager meeting.

Detailed Assessment

Quality of Service

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

- Investment Management services: Valu-Trac Investment Management Limited (Valu-Trac)
- Depositary services: NatWest Trustee and Depositary Services Limited
- Custodian services: RBC Investor Services Trust, UK branch (RBC)
- 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 Gravis UK Infrastructure Income Fund is to generate income and preserve capital with potential for capital growth.

Constraining Benchmark:

none

Comparator Benchmark:

MSCI UK Index NR

Target Benchmark:

none

Peer Group:

IA Infrastructure Sector

Minimum Recommended Holding Period:

5 Years

Management Approach:

Active

The income generated (percentage yield) by each available share class within the fund, is shown below:

Yield	1 year to Dec-2023	1 year to Dec-2022	1 year to Dec-2021	1 year to Dec-2020	1 year to Dec-2019	5 years to Dec-2023 (avg. per- year)	Since Inception to Dec-2023 (avg. per- year)
Benchmark~	-	-	-	-	-	5.0%	-
C Net Accumulation GBP	5.3%	4.4%	4.0%	4.5%	5.1%	5.0%	-
C Net Income GBP	5.2%	4.4%	4.0%	4.4%	5.4%	4.5%	-
I Net Accumulation GBP	5.4%	4.5%	4.1%	4.5%	5.1%	5.0%	-
I Net Income GBP	5.3%	4.5%	4.1%	4.5%	5.1%	4.5%	-
Benchmark~	-	-	-	-	-	5.0%	-
C Net Accumulation EUR (H)	5.3%	4.3%	4.1%	4.3%	4.9%	4.8%	-
Benchmark~	-	-	-	-	-	5.0%	-
C Net Income EUR (H)	5.2%	4.3%	4.0%	4.3%	4.8%	4.3%	-
Benchmark~	-	-	-	-	-	-	5.0%
C Net Accumulation USD (H)	5.2%	4.5%	3.9%	-	-	-	4.4%
Benchmark~	-	-	-	-	-	-	5.0%
I Net Income EUR (H)	5.2%	4.3%	4.1%	-	-	-	4.4%
Benchmark~	-	-	-	-	-	-	5.0%
I Net Accumulation USD (H)	5.5%	4.4%	3.8%	-	-	-	4.5%

[~] Indicative yield target.

Source: Valu-Trac / Morningstar

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. Please note that, for the € and \$ hedged unit classes, no directly appropriate comparator may be available. The performance of these unit class, therefore, has been partly assessed in the context of the return(s) generated by the relevant, un-hedged unit class, after making a reasonable allowance for current hedging arrangements and for hedging costs.

Net Total Return*	1 year	3 years (avg. return per-year)	5 years (avg. return per-year)	5 years Peer Rank	Since Inception (avg. return per-year)	Since Inception Peer Rank
Benchmark	7.7%	11.3%	6.9%	-	-	-
C Net Accumulation GBP	-5.8%	0.3%	3.1%	Lowest 24%	-	-
C Net Income GBP	-5.8%	0.3%	3.1%	Lowest 23%	-	-
I Net Accumulation GBP	-5.7%	0.4%	3.2%	Lowest 24%	-	-
I Net Income GBP	-5.7%	0.4%	3.2%	Lowest 24%	-	-
Benchmark	-	-	-	-	-	-
C Net Accumulation EUR (H)	-7.2%	-0.8%	2.1%	Lowest 15%	-	-
Benchmark	-	-	-	-	-	-
C Net Income EUR (H)	-8.0%	-1.5%	1.5%	Lowest 14%	-	-
Benchmark	-	-	-	-	-	-
C Net Accumulation USD (H)	-5.8%	0.9%	-	-	0.5%	Lowest 43%
Benchmark	-	-	-	-	-	-
I Net Income EUR (H)	-7.3%	-0.8%	-	-	0.8%	Lowest 8%
Benchmark	-	-	-	-	-	-
I Net Accumulation USD (H)	-5.2%	1.0%	-	-	1.8%	Lowest 22%

^{*}To 31 December 2023

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 / Valu-Trac

Performance of the C Net Accumulation EUR (H) unit class and C Net Income EUR (H) unit class is shown in EUR.

The C Net Accumulation USD (H) unit class was launched on 31 January 2020. Performance is shown in USD.

The I Net Income EUR (H) unit class was launched on 12 May 2020. Performance is shown in EUR.

The I Net Accumulation USD (H) unit class was launched on 10 July 2020. Performance is shown in USD.

Conclusion:



Amber

Each unit class within the fund has failed to generate a yield in excess of its indicative yield target, over the minimum recommended holding period or the longer term (since inception), where appropriate.

The net total return of each unit class within the fund is below that of its performance comparator benchmark, over the minimum recommended holding period or the longer term (since inception), where applicable.

The AFM has also assessed the investment risk within the Fund. The AFM notes that the released volatility within the fund is typically lower than that of the performance comparator benchmark and of peers.

The AFM will discuss the drivers of long-term performance and investment risk, and trends in long term performance and investment risk, with the Investment Manager, at the next scheduled Investment Manager meeting.

The AFM has concluded that unitholders are receiving reasonable 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				
Allitual Management Charge (AMC)		Peer Rank			
Peer Group	0.81%	-			
C Net Accumulation GBP	0.75%	Lowest 49%			
C Net Income GBP	0.75%	Lowest 49%			
I Net Accumulation GBP	0.65%	Lowest 29%			
I Net Income GBP	0.65%	Lowest 29%			
C Net Accumulation EUR (H)	0.75%	Lowest 49%			
C Net Income EUR (H)	0.75%	Lowest 49%			
C Net Accumulation USD (H)	0.75%	Lowest 49%			
I Net Income EUR (H)	0.65%	Lowest 29%			
I Net Accumulation USD (H)	0.65%	Lowest 29%			

Source: Valu-Trac / Morningstar

Conclusion:



Green

The Investment Management Fee and 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 more 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:

On Coine Charges Figure (OCF)	2024	2022	Current			
On-Going Charges Figure (OCF)	2021	2022		Peer Rank		
Peer Group			1.05%	-		
C Net Accumulation GBP	1.62%	1.65%	0.75%	Lowest 29%		
C Net Income GBP	1.62%	1.65%	0.75%	Lowest 29%		
I Net Accumulation GBP	1.52%	1.55%	0.65%	Lowest 20%		
I Net Income GBP	1.52%	1.55%	0.65%	Lowest 20%		
C Net Accumulation EUR (H)	1.62%	1.65%	0.75%	Lowest 29%		
C Net Income EUR (H)	1.62%	1.65%	0.75%	Lowest 29%		
C Net Accumulation USD (H)	1.62%	1.65%	0.75%	Lowest 29%		
I Net Income EUR (H)	1.52%	1.55%	0.65%	Lowest 20%		
I Net Accumulation USD (H)	1.52%	1.55%	0.65%	Lowest 20%		

Source: Morningstar

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 five funds for which Gravis Advisory Limited are the Investment Advisor. Differences between funds, in terms of their investment objective, management

approach anticipated risk profile, notwithstanding, this fund is priced consistently with other funds within 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

	Current OCF	Difference Compared to Least Expensive	Difference Compared to Next Least Expensive	Minimum Lump Sum Investment	Minimum Subsequent Investment	Minimum Holding Amount
I Net Accumulation GBP	0.65%	-	-	£5,000,000	£10,000	£50,000,000
I Net Income GBP	0.65%	-	-	£5,000,000	£10,000	£50,000,000
I Net Income EUR (H)	0.65%	-	-	€5,000,000	€10,000	€50,000,000
I Net Accumulation USD (H)	0.65%	-	-	\$5,000,000	\$10,000	\$50,000,000
C Net Accumulation GBP	0.75%	0.10%	0.10%	£1,000	£500	£1,000
C Net Income GBP	0.75%	0.10%	0.10%	£1,000	£500	£1,000
C Net Accumulation EUR (H)	0.75%	0.10%	0.10%	€1,000	€500	€1,000
C Net Income EUR (H)	0.75%	0.10%	0.10%	€1,000	€500	€1,000
C Net Accumulation USD (H)	0.75%	0.10%	0.10%	\$1,000	\$500	\$1,000

Where a unit class may have a minimum investment or minimum holding amount, this may help the unit class scale quicker, leading to a lower proportional servicing cost, and thus, lower Ongoing charges.

Unit holders within all unit classes receive a comparable level of service.

Conclusion



Green

The I unit classes come with more stringent investment minima than the C unit classes. Given that the incremental difference in OCF between each unit class does not exceed the suggested materiality threshold, the AFM has concluded that unitholders within each of unit classes are receiving good value, in relation to Classes of Units.

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 six of the seven, discrete criteria assessed above i.e. each has been assessed as green.

With regard to Performance, the AFM will discuss the drivers of long-term performance and investment risk, and trends in long term performance and investment risk, with the Investment Manager, at the next scheduled Investment Manager meeting.

The AFM has concluded that the unitholders within the VT Gravis UK Infrastructure Income Fund are receiving good value, overall.

27/03/2024