

Valu-Trac Investment Management Limited

Annual Assessment of Value Statement as at 30 September 2024

VT Greystone Global Growth Fund

Fund Information

Investment Manager:	Foundation Investment Management Ltd
Authorised Fund Manager:	Valu-Trac Investment Management Limited (Valu-Trac)
Investment Objective:	The investment objective of the Sub-fund is to achieve capital growth over the long term (10 years).
Investment Policy:	The Sub-fund aims to achieve its objective through exposure of at least 80% to a portfolio of equities throughout the world. This exposure will primarily (at least 70%) be indirect through investment in collective investments schemes (which may include those managed and/or operated by the ACD or Investment Manager), however a limited amount of direct equities may also be used. Exposure to UK equities (that is those companies which are established and/or listed in the UK) is expected to be up to a maximum of 20%. The Sub-fund may also invest in fixed income, money market instruments, deposits, cash and near cash. The Sub-fund will be actively managed. Save as noted above the Sub-fund will not have any particular geographic, industry or economic sector focus and as such weightings in these may vary as required. The Sub-fund does not intend to have an interest in immovable or tangible movable property.
AUM (£):	£76.2m
Fund Launch Date:	05/12/2005

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 Greystone Global Growth Fund	AUM (%)	'	ality of ervice	Perf	ormance		FM costs - general	Eco	nomies of scale		nparable ket rates		mparable ervices	Classe	es of units	(Overall
Overall	100.0%	0	G	0	А	0	G	0	G	0	А	0	G	0	А		G
A Accumulation	0.5%	0	G	0	А	0	G	0	G	0	G	0	G	0	G	0	G
R Accumulation	99.5%	0	G	0	А	0	G	0	G	0	А	0	G	0	А	0	G

The table below shows the overall summary for the previous assessment i.e. carried out as at 30 September 2023:

VT Greystone Global Growth Fund	AUM (%)	(Quality of Service	Pe	rformance	Α	AFM costs - general	Eco	onomies of scale		nparable ket rates		omparable services	Class	es of units		Overall
Overall	100.0%		G	0	А		G		G	0	А		G	0	А	0	G
A Accumulation	0.4%		G	0	А		G		G	0	G		G		G	0	G
R Accumulation	99.6%	0	G	0	А	0	G	0	G	0	А	0	G	0	А	0	G

Previous 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.
- Comparable Market Rates:
 - Assessed as Amber
 - Where applicable, the AFM will discuss the level, and composition, of the Ongoing Charges Figure (OCF) with the Investment Manager at the next scheduled Investment Manager meeting.
- Classes of Units:
 - Assessed as Amber
 - The AFM will discuss the differential in the Ongoing Charges Figure (OCF) between unit classes within the fund, with the Investment Manager at the next scheduled Investment Manager meeting.

New Remedial Actions

- Performance
 - o Assessed as Amber
 - The AFM notes that there has been an improvement in near term performance. The AFM will discuss the drivers of long-term performance and trends in long term performance, with the Investment Manager, with a view to improving investor outcomes.
 - Where a benchmark may no longer be deemed suitable for a fund, the AFM will consider an alternative.
- Comparable Market Rates:
 - Assessed as Amber
 - The AFM will discuss the level, and composition, of the Ongoing Charges Figure (OCF) with the Investment Manager, where applicable.
- Classes of Units:
 - Assessed as Amber
 - The AFM will discuss the differential in the OCF between unit classes within the fund, with the Investment Manager.

Quality of Service

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

- Investment Management services: Foundation Investment Management Ltd.
- 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 Sub-fund is to achieve capital growth over the long term (10 years).

Constraining Benchmark:

none

Comparator Benchmark:

IA Global Sector Average

Target Benchmark:

none

Peer Group:

The IA Global Sector

Minimum Recommended Holding Period:

10 Years

Management Approach:

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)	10 years (avg. return per-year)	10 years Peer Rank	Since Inception (avg. return per-year)	Since Inception Peer Rank
Benchmark	16.4%	4.4%	-	-	-	5.5%	-
A Accumulation	18.4%	1.7%	-	-	-	3.2%	Lowest 28%
Benchmark	16.4%	4.4%	8.4%	9.8%	-	-	-
R Accumulation	17.5%	0.9%	6.3%	9.2%	Lowest 33%	-	-

^{*}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.

Source: Morningstar

Conclusion



Amber

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 since inception, where appropriate.

The AFM notes that there has been an improvement in near term performance. The AFM will discuss the drivers of long-term performance and trends in long term performance, with the Investment Manager, with a view to improving investor outcomes.

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).

Where a benchmark may no longer be deemed suitable for a fund, the AFM will consider an alternative.

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

		Peer Rank
Peer Group	0.84%	
A Accumulation	0.00%	Lowest 1%
R Accumulation	0.75%	Lowest 40%

Source: Morningstar

Conclusion



Green

The Investment Management Fee is proposed by Foundation Investment Management Ltd. 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 Foundation Investment Management Ltd.; 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 below that of 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	-	-	1.04%	-			
A Accumulation	0.60%	0.65%	0.60%	Lowest 22%			
R Accumulation	1.35%	1.40%	1.35%	Highest 27%			

Source: Valu-Trac / Morningstar

Conclusion



Amber

The OCF includes the costs of underlying funds held. This is currently estimated at 0.55%, but can change as the underlying investments made, change.

Unitholders within the A unit class are currently paying an OCF lower than the market average for similar funds.

Unitholders within the R unit class are currently paying an OCF higher than the market average for similar funds.

The AFM will discuss the level, and composition, of the OCF with the Investment Manager, where applicable.

The AFM has concluded that unitholders are receiving reasonable value, in relation to Comparable Market Rates, overall.

Comparable Services

Valu-Trac act as AFM for four funds for which Foundation Investment Management Ltd 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 a single -asset fund.

Differences between funds, in terms of their 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	Compared	Lump Sum	Minimum Subsequent Investment	Holding
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		to Least Expensive	Least Expensive			
A Accumulation	0.60%	-	-	£5,000,000	£100,000	£5,000,000
R Accumulation	1.35%	0.75%	0.75%	£1,000	£100	£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.

Conclusion



Amber

The AFM will discuss the differential in the OCF between unit classes within the fund, with the Investment Manager.

The AFM has concluded that unitholders are receiving reasonable value, in relation to Classes of Units.

Overall Assessment



Green

The AFM has concluded that unitholders are receiving good value in respect to four of the seven, discrete criteria assessed above i.e. each has been assessed as green.

With regard to Performance, the AFM notes that there has been an improvement in near term performance. The AFM will discuss the drivers of long-term performance and trends in long term performance, with the Investment Manager, with a view to improving investor

Where a benchmark may no longer be deemed suitable for a fund, the AFM will consider an alternative.

With regard to Comparable Market Rates, the AFM will discuss the level, and composition, of the OCF with the Investment Manager, where applicable.

With regard to Classes of Units, the AFM will discuss the differential in the OCF between unit classes within the fund, with the Investment Manager.

The AFM has concluded that the unitholders within the VT Greystone Global Growth Fund are receiving good value, overall.

20/11/2024