



Annual Assessment of Value Statement as at 30 June 2023

VT Halo Global Asian Consumer Fund

Fund Information

Investment Manager:	Halo Global Asset Management Ltd
Authorised Fund Manager:	Valu-Trac Investment Management Limited (Valu-Trac)
Investment Objective:	The investment objective of the VT Halo Global Asian Consumer Fund is to achieve annualised total return of 7 – 11% (after deduction of fees) over 7 years (the length of a typical economic cycle). Capital is in fact at risk and there is no guarantee that a positive return will be achieved over that or any period.
Investment Policy:	The Sub-fund aims to meet its investment objective by investing primarily (at least 70%) in a portfolio of stocks quoted across the globe that have at least 35% of their revenues or profits coming from emerging markets, with the majority (at least 50%) of the emerging market exposure coming from Asia. The remainder of the Sub-fund's portfolio may be invested in other collective investment schemes (including those managed and/or advised by the ACD and Investment Manager), shares, bonds, money market instruments, deposits, cash and near cash. Derivatives (that is sophisticated investment instruments linked to the rise and fall of the price of other assets) may be used for efficient portfolio management purposes. It is expected that use of derivatives will be limited. There will be no particular emphasis on any industry or economic sector.
AUM (£):	£79.6m
Fund Launch Date:	03/11/2014

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 Halo Global Asian Consumer Fund	AUM (%)	Quality of Service	Performance	AFM costs - general	Economies of scale	Comparable market rates	Comparable services	Classes of units	Overall
Overall	100.0%	G	R	G	G	G	G	G	A
B Net Accumulation GBP	14.2%	G	R	G	G	A	G	G	A
B Net Income GBP	3.8%	G	R	G	G	A	G	G	A
C Net Accumulation GBP	24.4%	G	R	G	G	G	G	G	A
C Net Income GBP	51.8%	G	R	G	G	G	G	G	A
B Net Accumulation USD	1.9%	G	R	G	G	A	G	G	A
C Net Accumulation USD	4.0%	G	R	G	G	G	G	G	A

The table below shows the overall summary for the previous assessment i.e. carried out as at 30 June 2022:

VT Halo Global Asian Consumer Fund	AUM (%)	Quality of Service	Performance	AFM costs - general	Economies of scale	Comparable market rates	Comparable services	Classes of units	Overall
Overall	100.0%	G	A	G	G	G	G	G	A
Class A	0.7%	G	A	G	G	G	G	A	A
Class B	18.4%	G	A	G	G	G	G	A	A
Class C	80.9%	G	A	G	G	G	G	G	A

A new methodology for determining an overall fund rating has recently been implemented. This updated methodology looks to arrive at a notional, average rating, considering the individual ratings for each of the discrete assessment criteria. This approach may differ from the approach taken previously.

Previous Remedial Actions

- Performance:
 - Assessed as Amber.

The suitability of the target benchmark was discussed with the Investment Manager. The Investment Manager advised that they believed the benchmark to be appropriate.
- Classes of Units:
 - Assessed as Green, overall.
 - No specific action proposed.

New Remedial Actions

- Performance:
 - Assessed as Red.
 - The AFM will discuss the drivers of long-term performance, and trends in long term performance, with the Investment Manager at the next scheduled Investment Manager meeting.
 - Where a benchmark may no longer be suitable for a fund, the AFM will actively consider an alternative. The AFM will reopen discussions on the suitability of the target benchmark with the Investment Manager.
- Comparable Market Rates:
 - Assessed as Green, overall.
 - 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.

Detailed Assessment

Quality of Service

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

- Investment Management services: Halo Global Asset Management Ltd.
- Depository services: NatWest Trustee and Depository 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 Ongoing management and administration of the fund, including those provided directly and those currently being provided by third parties, are operating as unitholders may reasonably 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 Halo Global Asian Consumer Fund is to achieve annualised total return of 7 – 11% (after deduction of fees) over 7 years (the length of a typical economic cycle). Capital is in fact at risk and there is no guarantee that a positive return will be achieved over that or any period.

Constraining Benchmark:

none

Comparator Benchmark:

none

Target Benchmark:

A net total return of 7% p.a.

Peer Group:

The IA Asia Pacific ex Japan Sector

Minimum Recommended Holding Period:

7 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)	5 years (avg. return per-year)	7 years (avg. return per-year)	7 years Peer Rank
Benchmark	7.0%	7.0%	7.0%	7.0%	-
B Net Accumulation GBP	-8.7%	2.1%	0.7%	5.0%	Lowest 15%
B Net Income GBP	-8.7%	2.1%	0.7%	5.0%	Lowest 15%
C Net Accumulation GBP	-8.5%	2.3%	0.9%	5.2%	Lowest 18%
C Net Income GBP	-8.5%	2.3%	0.9%	5.2%	Lowest 16%
B Net Accumulation USD	-4.6%	3.1%	-0.1%	4.0%	Lowest 11%
Net Total Return*	1 year	3 years (avg. return per-year)	5 years (avg. return per-year)	Since Inception (avg. return per-year)	Since Inception Peer Rank
Benchmark	7.0%	-	-	7.2%	-
C Net Accumulation USD	-4.4%	-	-	-9.5%	Highest 49%


*To 30 June 2023

Source: Morningstar

The C Net Accumulation USD unit class launched on 23 April 2021.

The AFM has referred to both internal and external data sources for performance statistics, where the AFM has deemed this to be appropriate.

Conclusion:

 Red

Each unit class within the fund has failed to achieve its minimum target return over the minimum recommended holding period, or since inception, where appropriate.

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

The AFM has concluded that unitholders are not 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	0.99%	-
B Net Accumulation GBP	0.85%	Lowest 46%
B Net Income GBP	0.85%	Lowest 46%
C Net Accumulation GBP	0.65%	Lowest 19%
C Net Income GBP	0.65%	Lowest 19%
B Net Accumulation USD	0.85%	Lowest 46%
C Net Accumulation USD	0.65%	Lowest 19%

Source: Valu-Trac / Morningstar

Conclusion:

 Green

The Investment Management Fee is proposed by Halo Global Asset 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 Halo Global Asset 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 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)	2021	2022	Current	
				Peer Rank
Peer Group	-	-	1.02%	-
B Net Accumulation GBP	1.07%	1.06%	1.06%	Highest 44%
B Net Income GBP	1.07%	1.06%	1.06%	Highest 44%
C Net Accumulation GBP	0.87%	0.86%	0.86%	Lowest 37%
C Net Income GBP	0.87%	0.86%	0.86%	Lowest 37%
B Net Accumulation USD	1.07%	1.06%	1.06%	Highest 44%
C Net Accumulation USD	0.87%	0.86%	0.86%	Lowest 37%

Source: Morningstar

Conclusion

 Green

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

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

Where applicable, the AFM will discuss the level, and composition, of the OCF with the Investment Manager, at the next scheduled Investment Manager meeting.

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

Comparable Services

Valu-Trac act as AFM for only one fund for which Halo Global Asset Management Ltd act as Investment Manager.

The services provided in respect to this fund are 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
C Net Accumulation GBP	0.86%	-	-	£5,000,000	£100	£5,000,000
C Net Income GBP	0.86%	-	-	£5,000,000	£100	£5,000,000
C Net Accumulation USD	0.86%	-	-	\$5,000,000	\$100	\$5,000,000
B Net Accumulation GBP	1.06%	0.20%	0.20%	£100	£100	£100
B Net Income GBP	1.06%	0.20%	0.20%	£100	£100	£100
B Net Accumulation USD	1.06%	0.20%	0.20%	\$100	\$100	\$100

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

 Green

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

The C unit classes generally have more stringent investment minima than the B unit classes. Given that the difference in OCF between each of unit classes is below the suggested materiality threshold (of 0.30%), the AFM has concluded that unitholders within the B unit class 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.

Overall Assessment

 Amber

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

With regard to Performance, the AFM will discuss the drivers of long-term performance, and trends in long term performance, with the Investment Manager at the next scheduled Investment Manager meeting. Where a benchmark may no longer be suitable for a fund, the AFM will actively consider an alternative.

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

The AFM has concluded that the unitholders within the VT Halo Global Asian Consumer Fund are receiving reasonable value, overall.

26/10/2023