



Annual Assessment of Value Statement as at 30 September 2024

Moray Place Investment Company

Fund Information

Investment Manager:	Hollis Capital Limited
Authorised Fund Manager:	Valu-Trac Investment Management Limited (Valu-Trac)
Investment Objective:	The Company's objective is to protect and increase (in that order) the purchasing power of its investors' capital over the long term.
Investment Policy:	<p>The Company will aim to meet its objective through long-only positions primarily in shares issued by established companies listed on recognised stock exchanges throughout the world. The Company may also invest in other transferable securities, including shares, corporate bonds, government and public securities and warrants, units in collective investment schemes (regulated and unregulated), money-market instruments, deposits and gold.</p> <p>The Company will not "short" securities, will not invest in derivatives or immovables and will not borrow to invest. In exceptional circumstances, the Company may borrow to meet cashflow and liquidity constraints; such borrowings are not expected to exceed 90 days. In addition, the Company has no intention to engage in short-term trading activities.</p> <p>The Company's portfolio will be constructed without reference to any index.</p>
AUM (£):	£181.4m
Fund Launch Date:	15/05/2012

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 :

Moray Place Investment Company	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
Accumulation	71.3%	● G	● G	● G	● G	● G	● G	● G	● G
Income	28.7%	● 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:

Moray Place Investment Company	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
Accumulation	73.1%	● G	● G	● G	● G	● G	● G	● G	● G
Income	26.9%	● G	● G	● G	● G	● G	● G	● G	● G

Previous Remedial Actions

- None

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: Hollis Capital Limited
- Depository services: NatWest Trustee and Depository 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 Company's objective is to protect and increase (in that order) the purchasing power of its investors' capital over the long term.

Constraining Benchmark:

none

Comparator Benchmark:

none

Target Benchmark:

UK CPI

Peer Group:

The Moray Place Investment Company Custom Peer Group*

*Derived from the IA Targeted Absolute Return Sector, with the Moray Place Investment Company, 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)	5 years (avg. return per-year)	5 years Peer Rank
Benchmark	1.7%	6.1%	4.4%	-
Accumulation	16.9%	9.5%	8.4%	Highest 9%
Income	16.9%	9.5%	8.4%	Highest 9%

*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.

Note that a redemption fee of up to 5% is applicable to the sale of units, dependent on the date of purchase of those units. This could impact the headline returns shown above

Source: Valu-Trac / Morningstar

Conclusion:

 Green

The net total return of each unit class within the fund is greater than that of the target benchmark over the minimum recommended holding period.

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	0.73%	-
Accumulation	0.37%	Lowest 19%
Income	0.37%	Lowest 19%

Source: Valu-Trac / Morningstar

Conclusion:

 Green

The Investment Management Fee is proposed by Hollis Capital Limited. 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 Hollis Capital Limited; 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

Investors in the fund benefit from economies of scale via a tiered Investment Management Fee. The fee currently payable to the Investment Manager is 0.5% of the fund's AUM for the first £20m, 0.35% of the fund's AUM between £20m and £150m, and 0.30% of the fund's AUM thereafter.

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.

The AFM has concluded that unitholders are receiving good value, in relation to Economies of Scale

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	-	-	0.94%	-
Accumulation	0.49%	0.49%	0.44%	Lowest 16%
Income	0.49%	0.49%	0.44%	Lowest 16%

Source: Valu-Trac / 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 only one fund for which Hollis Capital are the Investment Manager.

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

There is only one type of unit class within this fund (albeit with an accumulation and income variant) and all investors are offered the same level of service; therefore, all unitholders of this fund are treated equally in all respects.

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 Moray Place Investment Company are receiving good value, overall.

20/11/2024