



Annual Assessment of Value Statement as at 30 June 2024

VT PortfolioMetrix GBP Allocation Assertive Fund

Fund Information

Investment Manager:	PortfolioMetrix Asset Management Ltd
Authorised Fund Manager:	Valu-Trac Investment Management Limited (Valu-Trac)
Investment Objective:	The investment objective of the Fund is to generate capital growth over the long term (more than 9 years).
Investment Policy:	The Fund will seek to achieve its objectives by investing at least 80% in passive (that is those investments which aim to track the performance of various financial indices) collective investment funds (such as OEICS, exchange traded funds and Investment Trusts, and which may include funds managed and/or operated by the ACD or Investment Manager) which will provide exposure to a diversified portfolio but with greater exposure to higher risk assets such as equities and to a limited degree alternatives such as property, infrastructure and commodities, and less emphasis on lower risk assets such as cash and fixed income. Equity exposure is expected to be more than 50% and will typically be around 90%. The Fund may also invest, directly in equities, bonds (investment grade and sub-investment grade), money market instruments, cash, near cash and deposits. The Fund may use derivatives for the purposes of efficient portfolio management. Foreign currency exposure through non-UK investments and particularly overseas bonds may be hedged back into £-Sterling. The Fund will not have any particular geographic, industry or economic sector focus and as such weightings in these may vary as required. The Fund is actively managed but, as noted above, will be allocated largely to passive collective investment funds with a view to controlling costs and with these funds being selected based on underlying asset allocation.
AUM (£):	£20.0m
Fund Launch Date:	31/08/2021

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 PortfolioMetrix GBP Allocation Assertive 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	 G	 G	 G	 G	 G	 G	 G
GBP Accumulation	100.0%	 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 June 2023:

The VT PortfolioMetrix GBP Allocation Assertive 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	 G	 G	 G	 G	 G	 G	 G
Accumulation	100.0%	 G	 G	 G	 G	 G	 G	 G	 G

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

- 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: PortfolioMetrix Asset 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 Fund is to generate capital growth over the long term (more than 9 years).

Constraining Benchmark:

none

Comparator Benchmark:

The IA Flexible Investment Sector Average

Prior to 15 May 2024, the comparator benchmark for the fund was given as the VT PortfolioMetrix GBP Allocation Assertive Composite Benchmark (70% IA Global Sector Average / 30% IA Mixed Investment 40% - 85% Shares Sector Average). This change of comparator benchmark was carried out in order to more closely align the fund with its respective IA Sector and to enable unitholders to more clearly determine the performance of the fund.

Target Benchmark:

none

Peer Group:

The IA Flexible Investment Sector

Minimum Recommended Holding Period:

9 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	Since Inception (avg. return per-year)	Since Inception Peer Rank
Benchmark	11.6%	1.7%	-
GBP Accumulation	16.6%	5.1%	Highest 11%

*To 30 June 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:



Green

The net total return of the fund is greater than that of its performance comparator benchmark, over the longer term (since inception).

The AFM has also assessed the investment risk within the Fund. The limited, statistical data set accepted, the AFM 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	0.84%	-
GBP Accumulation	0.38%	Lowest 11%

Source: Morningstar

Conclusion:



Green

The Investment Management Fee is proposed by PortfolioMetrix 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 PortfolioMetrix 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)	2022	2023	Current	
				Peer Rank
Peer Group	-	-	1.21%	-
GBP Accumulation	0.39%	0.43%	0.44%	Lowest 7%

Source: Morningstar

Conclusion

 Green

The OCF includes the costs of underlying funds held. This is currently estimated at 0.10%, 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, overall.

Comparable Services

Valu-Trac act as AFM for five funds for which PortfolioMetrix Asset Management Ltd are the Investment Manager. Each of these funds may be termed multi asset class funds. Differences between such 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

There is only one type of unit class in this fund, 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 the VT PortfolioMetrix GBP Allocation Assertive Fund are receiving good value, overall.

30/10/2024