

Summary Value Assessment Report as at 31<sup>st</sup> January 2023

T. Bailey Fund Services Limited ("TBFS") in its capacity as the Authorised Corporate Director for the TB Doherty Cautious Managed Fund (the "Fund") continuously reviews the value the fund delivers to investors throughout the year, this annual report enables TBFS to provide you with its assessment that the Fund delivers value on a consistent process. Where issues have been identified, TBFS is engaged, seeking improvements.

This report summarises the conclusions reached by the T. Bailey Fund Services Limited Board of Directors and the TBFS Fund Governance Committee ("FGC") on whether the Fund has delivered value to investors during the period. The framework used by TBFS takes into account seven criteria as outlined below. In order to reach this conclusion, TBFS has analysed Fund information on costs, services and performance and has also made comparisons where appropriate. TBFS has also engaged with Doherty Pension & Investment Consultancy ("Doherty"), the Investment Manager and Sponsor of the Fund, as part of the process. This report is a summary of the overall conclusions reached, split by the seven criteria.

The overall assessment for each criteria is shown by the colour of the circle: Green is satisfactory (the Fund is delivering value based on that measure), Amber means some issues have been identified and Red means the Fund is not delivering value based on that measure and action is required to rectify.

The report concludes with an overall assessment of value which takes into account all of the seven criteria.

**Is the performance of the Fund, after charges over an appropriate timescale, in line with the Fund's investment objectives, policy and strategy?**

**Performance**

**Review performed:**

- Review of Fund performance after costs compared to stated objectives to achieve capital growth in excess of the Consumer Prices Index plus 2% per annum over five-year rolling periods.
- The Fund is currently managed to sit within the Investment Association ("IA") Mixed Investment 20-60% Shares sector. This means that the Fund's assets will reflect any requirements from time to time of the sector.

**Conclusion:**

- The Fund has underperformed its target benchmark (as detailed above) over rolling periods of five years.
- Whilst the Fund has also lagged the IA Mixed Investment 20-60% Shares sector over rolling periods of five years, performance compared to the sector has improved greatly over one and three years with the Fund sitting in the top quartile of its peers.

**Steps taken as part of, or as a consequence of, assessment:**

- TBFS will continue to monitor the performance of the Fund compared to its stated objectives.

**Are the costs of providing the service reasonable and fair?**

**Costs**

**Review performed:**

- Review of Fund costs including Annual Management Charge ("AMC") and other elements which make up the Ongoing Charges Figure ("OCF").

**Conclusion:**

- Costs charged to Fund are consistent with Prospectus disclosures and are charged at competitive rates.
- External costs are in accordance with agreed rates.
- Periodic reviews of external provider costs to ensure services are provided on a competitive basis.

**Steps taken as part of, or as a consequence of, assessment:**

- None.

**Have economies of scale been passed onto investors as the Fund has grown?**

**Economies of Scale**

**Review performed:**

- Review of total Fund costs (OCF) over time compared to Fund size.

**Conclusion:**

- The Fund is £27m in size and has reduced over the past five years.
- The OCF of the Fund has increased slightly over the period.
- No savings from economies of scale could be achieved due to the small size of the Fund.

**Steps taken as part of, or as a consequence of, assessment:**

- None.

## Comparable Market Rates

### Are the Fund costs reasonable when compared to other comparable Funds?

#### Review performed:

- Review of Fund OCFs compared to other Fund of Funds in the IA Mixed Investment 20-60% Shares sector.

#### Conclusion:

- The Fund OCFs are high compared to the median of all Fund of Funds within the sector.
- The Fund OCFs are also relatively high compared to Fund of Funds of a similar size within the sector.

#### Steps taken as part of, or as a consequence of, assessment:

- TBFS is working with the Investment Manager to address these failings and reduce the OCF of the Fund.

## Comparable Services

### Are the services provided to the Fund good value when compared to other services provided by the Authorised Corporate Director ("ACD")?

#### Review performed:

- Comparison of rates charged by the ACD to the Fund with rates charged to other mandates.

#### Conclusion:

- The amounts charged to the Fund are reasonable in light of the Fund size and services offered when compared to other services provided by the ACD to other mandates.

#### Steps taken as part of, or as a consequence of, assessment:

- None.

## Classes of Units

### Do any shareholders hold shares in classes subject to higher charges than those applying to other classes with substantially similar rights?

#### Review performed:

- Review of shareholders in all share classes.

#### Conclusion:

- The AMC and OCF on the legacy A class is 0.50% higher due to inbuilt trail commission.

#### Steps taken as part of, or as a consequence of, assessment:

- TBFS is working with Doherty to assess the suitability of the A class.

## Quality of Service

### Is the range and quality of services provided to investors of good quality?

#### Review performed:

- Review of range and quality of all services provided to shareholders. This review involved identification of services and assessment of quality via review of relevant key performance indicators ("KPIs").

#### Conclusion:

- The range of services provided by the Investment Manager, the ACD and other third parties is comprehensive.

#### Steps taken as part of, or as a consequence of, assessment:

- None.

## Overall Assessment

### Conclusion - Overall Assessment

As ACD, TBFS's overall assessment of the TB Doherty Cautious Managed Fund is that whilst shorter term performance compared to its sector has improved, due to its continued failure over the long term to meet its target benchmark - further impacted by its high ongoing charges when compared to its peers in the same sector - the Fund has some key areas where improvements need to be made. TBFS is working with the Investment Manager to address these failings and will assess the ongoing viability of the Fund.