

This report summarises the conclusions reached by the T. Bailey Fund Services Board of Directors ("TBFS") and the TBFS Fund Governance Committee ("FGC") on whether the TB Saracen UK Income Fund (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 Saracen Fund Managers Limited ("Saracen"), 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 provide income exceeding 110% of the dividend income of the MSCI UK All Cap Index and an overall return (income plus capital growth) in excess of that index, in each case over rolling periods of five years (after charges)).

Conclusion:

- The Fund is consistently outperforming both its target (MSCI UK All Cap Index) and comparator (IA UK Equity Income) benchmarks on a cumulative basis over the long term since launch, meaning the Fund has met its stated objectives.
- As at the time of the report, the Fund does not have performance figures for a full five year period. Therefore, it is not currently possible to assess the performance over a rolling period of five years.
- The Fund has higher volatility than the Index and Sector average. However, the Fund achieves a greater risk-adjusted return compared to both.

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

- Target benchmarks and comparator benchmarks have been clarified and Investment Objective and Policy wording has also been redrafted. We continue to review and monitor these to ensure they remain appropriate and transparent.
- Rolling five year periods have replaced "long-term" as the appropriate time period over which to measure performance.

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.
- The OCF has fallen significantly over the past four years despite inclusion of research charges within the OCF since 2018.

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

- Ongoing review of costs being performed to see if further savings can be made.

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 £3.6m in size and the Fund size has grown slightly over the past four years.
- The OCF has also fallen significantly over this period.
- The AMC is not tiered.
- Any savings from economies of scale that have been achieved have been passed onto investors.

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

- TBFS will continue to monitor.

Comparable Market Rates

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

Review performed:

- Review of Fund OCF compared to other Funds of similar size in the IA UK Equity Income sector.

Conclusion:

- The Fund OCFs are relatively high compared to other Funds within the sector due to the small size of the Fund.

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

- TBFS will continue to monitor.

Comparable Services

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

Review performed:

- Comparison of rates charged by 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 consequence of, assessment:

- TBFS will continue to monitor.

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 both share classes (B Acc & B Inc) are identical so all shareholders are subject to the same rights and charges.

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

- TBFS will continue to monitor.

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.
- The quality of services provided by the Investment Manager, the ACD and other third parties is high.
- The level of Fund charges is therefore felt to be commensurate with the range and quality of services provided.

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

- TBFS will continue to monitor.

Overall Assessment

Conclusion - Overall Assessment

Overall, TBFS's assessment (as the ACD of the Fund) is that charges are justified in the context of the overall value delivered to shareholders in the Fund.