



**Value Assessment Report**  
**February 2020**

This Report has been provided by the Board of Slater Investments Limited (**Slater**) for the following Authorised Collective Schemes:

- Slater Growth Fund (Authorised Unit Trust (**AUT**));
- Slater Recovery Fund (AUT);
- Slater Income Fund (Open Ended Investment Company (**OEIC**));
- Slater Artorius Fund (OEIC)

(singularly the **Fund**, collectively the **Funds**). Reference to **Units** refers to both units in the AUTs and shares in the OEICs. **Investors** refers to unitholders in the AUTs and shareholders in the OEICs.

The Financial Conduct Authority (**FCA**) requires the Board of Slater to conduct, at least annually, for each Fund it manages, an assessment of whether the payments out of the Fund property set out in the prospectus of each Fund are justified in the context of the overall value delivered to Investors, taking into account the following criteria as set out by the FCA under COLL 6.6.20R

- **Quality of Service**
- **Performance**
- **Fund Manager Costs**
- **Economies of Scale**
- **Comparable Services**
- **Comparable Market Rates**
- **Classes of Units**

This Report references both services provided directly by Slater and those services delegated by Slater to third parties such as, but not limited to, depositary services, custody and settlement, audit provision, legal services and other costs as may be set out or allowable in the Funds governing documentation.

The Slater Board have conducted a rigorous review of the Funds grouping the results under seven assessment criteria set by the FCA:

The key points that emerged under each criterion were:

### 1. **Quality of Service**

Having reviewed the internal and external services, including operational statistics of third party providers, the Board noted that there are no outstanding issues with any of the providers, such as the Transfer Agent, Depositary or Custodian. The Board also noted that Slater received only 1 customer complaint during 2019 (across all of the Funds) which was satisfactorily concluded. All investor communications were issued on time. There were no delays in issuing payments to Investors. The Board also noted the new developments outside of regulatory requirement that enhance quality of service, for instance a new improved website which includes an online dealing portal. The Board has concluded that Slater provides good value to the Investors in the Funds.

## **2. Performance**

The Board looked at 12 months, three years, five years and ten years performance data. Each Funds' performance has been in line with its respective objectives and investment policy. Taking this data into consideration, alongside other factors, the Board's overall conclusion is that the performance record of the Funds provides good value to Investors.

## **3. Fund Manager Costs**

Slater, the Fund Manager and Investment Manager to the Funds, is FCA authorised, professional management firm. The Board notes that the Investment Manager provides an active investment management service consistent with the investment policies and objectives set out within each Fund's prospectus. The fees of the Investment Manager represent the largest cost to the Funds and are clearly set out within each Funds prospectus. These fees are considered comparable with the market rates for other professional investment managers for providing comparable services. This fee may vary by Unit class to reflect the size of the minimum investment into that Unit class, with the object of providing economies of scale for larger Investors. The Board notes that the Investment Manager does not charge for the provision of any services other than for Investment Management, services like investment research, fund accounting share registration and transfer agency are all covered by Slater in the Fund Management fee. The Board noted that the initial charges were removed from 3 of the 4 Slater Funds completely during 2019.

## **4. Economies of Scale**

The Board considered whether there have been economies of scale in respect of the Funds and whether Investors have appropriately benefited from any such economies of scale. Currently, the Board does not believe that there are any savings as a result of economies of scale which could be passed back to the Investors in the Funds, however the Board notes that the Auditor of the Funds has been changed and that the new Auditor's fees are lower therefore saving Investors' money.

## **5. Comparable Services**

The Board assessed the Funds compared with other relevant institutional Third party mandates managed by Slater. The Board noted that the segregated mandates which pursue comparable strategies to the Funds pay similar fees to the Annual Management Charge on the Funds.

## **6. Comparable Market Rates**

The Board compared the Funds expenses at a Unit level, against a peer group of other relevant funds within the same Investment Association (IA) sector. They observed that the Funds fees and expenses compared in line with similar funds included within the peer group and IA sector tested against. The Board concluded that the Funds' cost structure was fair and reasonable in relation to the services provided.

## **7. Classes of Units**

The Board considered each of the Funds, its available unit classes and relevant pricing and distribution policies. The Board concluded that the current pricing and distribution policies should be maintained and reviewed annually to ensure all Investors are in the correct unit class.

It is the Board's overall conclusion that Slater provides good value to Investors. However, in the spirit of what the FCA is trying to achieve, the Board recognises that it should not be complacent and that there are always opportunities for improvement, which the Board will be looking to achieve in 2020.