

This report summarises the conclusions reached by the T. Bailey Fund Services Limited Board of Directors (“TBFS”) and the TBFS Fund Governance Committee (“FGC”) on whether the TB Evenlode 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 Evenlode Investment Management (“Evenlode”), 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 and capital growth over Rolling Periods of five years, with an emphasis on income).

Conclusion:

- The Fund is consistently outperforming both its comparator benchmarks (FTSE All Share Index and the Investment Association (“IA”) UK All Companies sector) over rolling periods of five years as well as on a cumulative basis over the long term, meaning the Fund has met its stated objectives.
- The Fund has strong risk-adjusted performance over the long term compared to the index and sector.
- The Fund has generated greater income than the FTSE All Share Index over the last five years.

Steps taken as part of, or as a 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 periods of five years has 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 Periodic Charge 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 are made to ensure services are provided on a competitive basis.
- The OCF has reduced over the past five years.

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

- TBFS will continue to monitor.

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 £3.49bn in size and the Fund size has grown significantly over the past five years.
- The OCF has been reduced over this period so any savings from economies of scale that have been achieved have been passed onto investors.

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

- From 2 March 2020, a tiered Periodic Charge was introduced to benefit investors within the Fund by reducing the OCF as the Fund grows in size. Further details on this can be found within the Prospectus.
- 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 in the IA UK All Companies sector and also against a more focussed list of peers.

Conclusion:

- The Fund OCFs are slightly lower than the median of all Funds within the sector.
- The Fund OCFs are also comparable to Funds in a more focussed list of peers.

Steps taken as part of, or as a 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 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:

- 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:

- A number of investors remain in the higher charging A class who are eligible to move into the cheaper B class.
- Investors within the B, C and D share classes are not subject to substantially similar rights.

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

- TBFS closed the A class on 2 March 2020 with all investors being converted into the corresponding B class within the Fund.

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 a consequence of, assessment:

- TBFS will continue to monitor.

Overall Assessment

Conclusion - Overall Assessment

TBFS's assessment (as the ACD of the Fund) is that the TB Evenlode Income Fund has delivered overall value to investors over the period.