

## **CHELVERTON GLOBAL CONSUMER FRANCHISE FUND – FAIR VALUE ASSESSMENT – 2023**

The Manufacturer (Chelverton Asset Management Ltd) of Chelverton Global Consumer Franchise Fund (“Fund”) is required to provide an annual statement attesting that the costs of associated services provided to the Company represent fair value.

### **VALUE ASSESSMENT**

In order to assess if a product or service provides value, firms must consider at least the following:

1. *the nature of the product or service, including the benefits that will be provided or may reasonably be expected and their qualities*

This is an investment fund established as an Irish Collective Asset-Management Vehicle (ICAV).

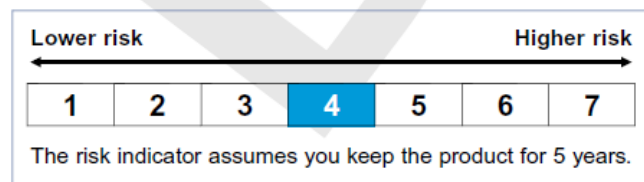
The investment objective of the Sub-Fund is to increase the value of shares.

**Investment policies** The Sub-Fund invests in companies in the food, beverage, tobacco, household and personal care sectors that are listed on global recognised markets. The Sub-Fund may also hold cash or cash equivalents to aid efficient management of the Sub-Fund or to enable the redemption of shares.

**Benchmark** The Sub-Fund is actively managed, meaning the Investment Manager actively selects and invests the securities in which the Sub-Fund invests with the aim of meeting the investment objective of the Sub-Fund, and is not managed with reference to any benchmark.

### **What are the risks and what could I get in return?**

#### **Risks**



The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this product as 4 out of 7, which is a medium risk class.

This rates the potential losses from future performance at a medium level, and poor market conditions could impact the capacity of the Sub-Fund to pay you.

**Be aware of currency risk.** In some circumstances, you may receive payments in a different currency, so the final return you will get may depend on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.

Performance and expectations are defined in the PRIIP and considered appropriate. Nonetheless, since CAM has taken over the investment management of the fund and whilst there is no intention of amending the investment policy, it is noted that it is a time of a potential adjustment to the funds, in the hope of providing better value to investors, including consumers.

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An example performance scenario is demonstrated below on GBP A share class is below:

### Performance scenarios

The figures shown include all the costs of the product itself, and includes the costs of your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

**What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted.**

The unfavourable, moderate, and favourable scenarios shown are illustrations using the worst, average, and best performance of the product over the last 10 years. Markets could develop very differently in the future.

The stress scenario shows what you might get back in extreme market circumstances.

**Unfavourable:** this type of scenario occurred for an investment between 30 June 2021 and 31 August 2022.

**Moderate:** this type of scenario occurred for an investment between 28 August 2015 and 28 August 2020.

**Favourable:** this type of scenario occurred for an investment between 29 December 2012 and 29 December 2017.

Recommended holding period		5 years	
Example Investment		£ 10,000	
Scenarios		if you exit after 1 year	if you exit after 5 years (recommended holding period)
Minimum	There is no minimum guaranteed return. You could lose some or all of your investment.		
Stress	What you might get back after costs Average return each year	£ 2,998 -70.0%	£ 2,921 -21.8%
Unfavourable	What you might get back after costs Average return each year	£ 8,260 -17.4%	£ 9,092 -1.9%
Moderate	What you might get back after costs Average return each year	£ 10,323 3.2%	£ 13,288 5.9%
Favourable	What you might get back after costs Average return each year	£ 12,672 26.7%	£ 17,495 11.8%

### What happens if the Sub-Fund is unable to pay out?

If we are not able to pay you out what we owe you, you are not covered by any national compensation scheme. To protect you, the assets are held with a separate company, a depository. Should we default, the depository would liquidate the investments and distribute the proceeds to the investors. In the worst case, however, you could lose your entire investment.

2. *any limitations that are part of the product or service, and*

There are no limitations as far as Chelverton Asset Management is concerned.

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3. *the expected total price customers will pay, including all applicable fees and charges over the lifetime of the relationship between customers and firms.*

Whilst there are a number of share classes available in the fund, they are only charged at two costs. 60bps (founder share class) and 100bps (ordinary share class). This is under review as to whether these share classes should be amended to bring the costs in line with other Chelverton managed OEICs. Until this review is completed, Chelverton will not be actively marketing the fund. This Assessment of Value will be amended in advance of that date.

Further, all other costs are under review. As a first step, Chelverton pay for all research off of its own balance sheet so that cost has been removed from the fund as of the date of transfer. This will reduce costs for the end consumer.

In reviewing the costs, whilst all share classes are not included, the GBP share classes (founder (E Shares) and ordinary (A Shares)) is included [NB. TER includes a variety of costs including ManCo and Administration Costs.

### *E Shares*

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#### What are the costs?

The person advising on or selling you this product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment.

#### Costs over time

The tables show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest, how long you hold the product. The amounts shown here are illustrations based on an example investment amount and different possible investment periods.

We have assumed:

- In the first year you would get back the amount that you invested (0% annual return). For the other holding periods we have assumed the product performs as shown in the moderate scenario,
- £ 10,000 per year is invested.

Example Investment £ 10,000	if you exit after 1 year	if you exit after 5 years (recommended holding period)
Total Costs	£ 662	£ 2,055
Annual cost impact*	6.6%	3.1%

### Composition of costs

One-off costs upon entry or exit		Annual cost impact if you exit after 1 year
Entry costs	0.00%, we do not charge an entry fee.	0 GBP
Exit costs	0.00%, we do not charge an exit fee for this product, but the person selling you the product may do so.	0 GBP
Ongoing costs taken each year		Annual cost impact if you exit after 1 year
Management fees and other administrative or operating costs	0.61% of the value of your investment per year. This is an estimate based on actual costs over the last year.	61 GBP
Transaction costs	0.16% of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the underlying investments for the product. The actual amount will vary depending on how much we buy and sell.	16 GBP
Incidental costs taken under specific conditions		Annual cost impact if you exit after 1 year
Performance fees	There is no performance fee for this product.	0 GBP

### How long should I hold it and can I take money out early?

#### Recommended holding period: 5 years

This product is designed for longer term investments; you should be prepared to stay invested for at least 5 years. However, you can redeem your investment without penalty at any time during this period, or hold the investment longer. You can sell your shares any day that banks are open in Ireland and the United Kingdom. You must submit your application to the Sub-Fund's Administrator before 1.00 p.m. one business day before the day on which you want to sell.

*A Shares*

**What are the costs?**

The person advising on or selling you this product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment.

**Costs over time**

The tables show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest, how long you hold the product. The amounts shown here are illustrations based on an example investment amount and different possible investment periods.

We have assumed:

- In the first year you would get back the amount that you invested (0% annual return). For the other holding periods we have assumed the product performs as shown in the moderate scenario,
- £ 10,000 per year is invested.

Example Investment £ 10,000	if you exit after 1 year	if you exit after 5 years (recommended holding period)
Total Costs	£ 662	£ 2,055
Annual cost impact*	6.6%	3.1%

**Composition of costs**

One-off costs upon entry or exit		Annual cost impact if you exit after 1 year
Entry costs	4.85% of the amount you pay in when entering this investment.	485 GBP
Exit costs	0.00%, we do not charge an exit fee for this product, but the person selling you the product may do so.	0 GBP
Ongoing costs taken each year		Annual cost impact if you exit after 1 year
Management fees and other administrative or operating costs	1.61% of the value of your investment per year. This is an estimate based on actual costs over the last year.	161 GBP
Transaction costs	0.16% of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the underlying investments for the product. The actual amount will vary depending on how much we buy and sell.	16 GBP
Incidental costs taken under specific conditions		Annual cost impact if you exit after 1 year
Performance fees	There is no performance fee for this product.	0 GBP

**How long should I hold it and can I take money out early?**

**Recommended holding period: 5 years**

This product is designed for longer term investments; you should be prepared to stay invested for at least 5 years. However you can redeem your investment without penalty at any time during this period, or hold the investment longer. You can sell your shares any day that banks are open in Ireland and the United Kingdom. You must submit your application to the Sub-Fund's Administrator before 1.00 p.m. one business day before the day on which you want to sell.

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The Board of the ICAV reviews costs on an ongoing basis, which are disclosed in the report and accounts, which can be viewed by consumers. The Board have not raised any issues as regards cost.

There is no performance fee payable on the product.

4. *any characteristics of vulnerability that retail customers in the target market display and the impact these characteristics have on the likelihood that retail customers may not receive fair value from its products.*

In considering the value assessment and how it applies to different groups of retail customer in their target market, we consider the following:

1. whether any retail customers who have characteristics of vulnerability may be less likely to receive fair value; and
  - CAM does not have permissions to market directly to retail clients and is therefore very unlikely to have sight of clients exhibiting vulnerability. CAM's approach to vulnerable clients is explained in the documents referred to at the top of this assessment of value. Since all clients are charged the same fees for investing in the trust, CAM considers there is no further action required on this client group, though notes it would expect distributors down the chain to consider outcomes for vulnerable clients. CAM will be asking for clarity from its distribution partners on this issue in due course.
2. whether the product provides fair value for each of the different groups of retail customer in the target market, including in circumstances where the pricing structure of the product involves different prices being charged to different groups of retail customers.
  - All groups of customers are charged the same management fee therefore all group of customers receive value as anticipated in this document.

***In addition, the Firm has asked the following questions:***

- *Are there elements of the pricing structure that could lead to foreseeable harm?*

The costs are disclosed in the Key Investment Documents, and therefore should not lead to foreseeable harm. As Chelverton Asset Management Ltd does not market to retail clients, it is not able to consider elements of vulnerability. For Target Market Analysis and CAM's response to the Consumer Duty in general, please refer to CAM Compliance.

- *Are there fees or charges or rates which appear unjustifiably or unreasonably high compared to the benefits of the product and other comparable products (either in the firm's product portfolio or comparable products supplied by other firms)?*

Please see above. Costs are reviewed by the Board of the ICAV.

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- *Should/have any changes in the benefits of the product been reflected in the price?*

Please see above. Costs are reviewed by the Board of the ICAV.

- *Should/have any material changes to assumptions that underpinned pricing (for example on costs of servicing) been reflected in changes to the price?*

Please see above. Costs are reviewed by the Board of the ICAV.

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### Other relevant information

**Cost, performance and risk** The cost, performance and risk calculations included in this key information document follow the methodology prescribed by EU rules.

**Performance scenarios** You can find previous performance scenarios updated on a monthly basis at <https://funds.waystone.com/public>.

**Past performance** You can download the past performance over the last 5 years from our website at <https://funds.waystone.com/public>.

### Annual Report– Investment Managers Commentary

Please refer to the Annual Report for the Investment Managers commentary on current market conditions.

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### **Disclaimer**

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Past performance is not a reliable guide to future performance. The value of investments may go down as well as up and you may not get back the amount you originally invested.

Investors should note that changes in rates of exchange may have an adverse effect on the value, price or income of investments. Tax rates and reliefs may change and the value of tax reliefs depends on individual circumstances. The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

The shares of smaller companies may be less liquid and their performance more volatile over shorter time periods. Fund performance figures are net of the ongoing charges and portfolio transaction costs unless otherwise stated.

Chelverton Asset Management Ltd (“CAM”) does not take into account the EU criteria for environmentally sustainable economic activities as it does not distribute funds in Europe.