

**VT BROMPTON FUNDS ICVC**

**(Sub-funds VT Brompton Cautious Fund and VT Brompton Adventurous  
Fund)**

**Annual Report and Financial Statements  
For the year ended 31 December 2023**

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## COMPANY OVERVIEW

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### **Type of Company**

VT Brompton Funds ICVC (the 'Company') is an investment company (company number IC001077) with variable capital incorporated in England and Wales under the Open Ended Investment Company Regulations 2001 (SI2001/1228).

The Company was incorporated and authorised by the Financial Conduct Authority on 20 December 2016.

The Company is a UCITS scheme and is an umbrella company (as defined in the OEIC Regulations). Each Sub-fund would be a UCITS scheme if it had a separate authorisation order.

Shareholders are not liable for the debts of the Company.

## STATEMENT OF THE AUTHORISED FUND MANAGER'S RESPONSIBILITIES

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The rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook require the Authorised Fund Manager to prepare financial statements for each accounting year which give a true and fair view of the financial position of the Company at the end of the financial year and its net revenue and net capital gains for the year. In preparing these financial statements the Authorised Fund Manager is required to:

- > comply with the Prospectus, the Statement of Recommended Practice for Authorised Funds issued by the Investment Association in May 2014, the Instrument of Incorporation, generally accepted accounting principles and applicable accounting standards, subject to any material departures which are required to be disclosed and explained in the financial statements.
- > select suitable accounting policies and then apply them consistently.
- > make judgements and estimates that are reasonable and prudent.
- > prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in operation for the foreseeable future.

The Authorised Fund Manager is required to keep proper accounting records and to manage the Company in accordance with the COLL regulations, the Instrument of Incorporation, and the Prospectus. The Authorised Fund Manager is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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## DIRECTOR'S STATEMENT

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In accordance with the requirements of the Financial Conduct Authority's Collective Investment Scheme's Sourcebook, we hereby certify the annual report.

Jonathan M. Child CA

David E. Smith CA

Valu-Trac Investment Management Limited  
Authorised Fund Manager

Date

## STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES AND REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS OF VT BROMPTON FUNDS ICVC

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### For the year ended 31 December 2023

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC Regulations), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Company's Instrument of Incorporation and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- > the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- > the sale, issue, redemption and cancellation of shares are carried out in accordance with the Regulations;
- > the value of shares in the Company is calculated in accordance with the Regulations;
- > any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- > the Company's income is applied in accordance with the Regulations; and
- > the instructions of the Authorised Fund Manager ("the AFM") are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Regulations and the Scheme documents in relation to the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the AFM:

- i) has carried out the issue, sale, redemption, cancellation and calculation of the price of the Company's shares and application of the Company's income in accordance with the Regulations and the Scheme documents of the Company, and
- ii) has observed the Investment and borrowing powers and restrictions applicable to the Company.

NatWest Trustee and Depositary Services Limited  
01 January 2024

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VT BROMPTON FUNDS ICVC (SUB-FUNDS VT BROMPTON CAUTIOUS FUND AND VT BROMPTON ADVENTUROUS FUND)

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### Opinion

We have audited the financial statements of VT Brompton Funds ICVC ('the Company') for the year ended 31 December 2023, which comprise the Statements of Total Return, Statements of Changes in Net Assets Attributable to Shareholders, Balance Sheets, the related Notes to the Financial Statements, including significant accounting policies and the Distribution Tables. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- > Give a true and fair view of the financial position of the Company as at 31 December 2023 and of the net revenue and the net capital gains on the scheme property of the Company for the year then ended;
- > Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- > Have been prepared in accordance with the Investment Association Statement of Recommended Practice for Authorised Funds, the rules of the Collective Investment Schemes Sourcebook (COLL Rules) of the Financial Conduct Authority and the Instrument of Incorporation.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions Relating to Going Concern

In auditing the financial statements, we have concluded that the Authorised Fund Manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Authorised Fund Manager with respect to going concern are described in the relevant sections of this report.

### Other Information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Authorised Fund Manager is responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinion on Other Matters Prescribed by the COLL Rules

In our opinion, based on the work undertaken in the course of the audit:

- > Proper accounting records for the Company have been kept and the accounts are in agreement with those records;
- > We have received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit; and
- > The information given in the report of the Authorised Fund Manager for the year is consistent with the financial statements.

**Responsibilities of the Authorised Fund Manager**

As explained more fully in the Authorised Fund Manager's responsibilities statement set out on page 2, the Authorised Fund Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Authorised Fund Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Fund Manager is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Fund Manager either intends to wind up the Company or to cease operations, or has no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

***Extent to which the audit was considered capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations by considering their experience, past performance and support available.

All engagement team members were briefed on relevant identified laws and regulations and potential fraud risks at the planning stage of the audit. Engagement team members were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and the sector in which it operates, focusing on those provisions that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- > UK Generally Accepted Accounting Practice including Financial Reporting Standard 102 and the IA Statement of Recommended Practice for Authorised Funds;
- > the Financial Conduct Authority's COLL Rules; and
- > the Company's Prospectus.

We gained an understanding of how the Company is complying with these laws and regulations by making enquiries of the Authorised Fund Manager. We corroborated these enquiries through our review of submitted returns, external inspections, relevant correspondence with regulatory bodies and the Company's breaches register.

We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur, by meeting with management and those charged with governance to understand where it was considered there was susceptibility to fraud. This evaluation also considered how the Authorised Fund Manager was remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how the Authorised Fund Manager oversees the implementation and operation of controls. In areas of the financial statements where the risks were considered to be higher, we performed procedures to address each identified risk. We identified a heightened fraud risk in relation to:

- > Management override of controls; and
- > the completeness and classification of special dividends between revenue and capital.

**Auditor's Responsibilities for the Audit of the Financial Statements (Continued)**

***Extent to which the audit was considered capable of detecting irregularities, including fraud (Continued)***

In addition to the above, the following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- > Reviewing the level of and reasoning behind the Company's procurement of legal and professional services;
- > Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business, review of a pre sign-off Net Asset Valuation (NAV) statement for any unexpected activity and reviewing judgements made by the Authorised Fund Manager in its calculation of accounting estimates for potential management bias;
- > Using a third-party independent data source to assess the completeness of the special dividend population and determining whether special dividends recognised were revenue or capital in nature with reference to the underlying circumstances of the investee companies' dividend payments;
- > Assessing the Company's compliance with the key requirements of the Collective Investment Schemes Sourcebook, and its Prospectus;
- > Completion of appropriate checklists and use of our experience to assess the Company's compliance with the IA Statement of Recommended Practice for Authorised Funds; and
- > Agreement of the financial statement disclosures to supporting documentation.

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

**Use of Our Report**

This report is made solely to the Company's shareholders, as a body, in accordance with Rule 4.5.12 of the COLL Rules issued by the Financial Conduct Authority under the Open-Ended Investment Companies Regulations 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Johnston Carmichael LLP  
Chartered Accountants  
Statutory Auditor  
Elgin, United Kingdom

## ACCOUNTING POLICIES

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### For the year ended 31 December 2023

The principal accounting policies, which have been applied in both the current and prior year, are set out below:

#### 1 Accounting policies

- (a) The financial statements have been prepared in accordance with FRS 102, the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Association (IA) in May 2014 and the amendments to the SORP issued by the IA in June 2017. The functional currency is Sterling.
- (b) There are no material events that have been identified that may cast significant doubt about the Company's ability to continue as a going concern for at least the next twelve months from the date these financial statements are authorised for issue. The AFM believes that the Company has adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis in preparing the financial statements.
- (c) All expenses, other than those relating to the purchase and sale of investments, are charged to revenue on the financial statement on an accruals basis. All expenses are then reallocated to capital, net of any tax effect for distribution purposes up until the 10 November 2022, thereafter, expenses of the Sub-funds were charged to income with the exception of expenses relating to the purchase and sale of investments.
- (d) Distributions on equities and collectives are recognised when the security is quoted ex-dividend. Interest on deposits and non-derivative securities is accounted for on an accruals basis. In the case of debt securities any difference between acquisition cost and maturity value is recognised as revenue over the life of the security using the straight line basis of calculating amortisation. Excess Reportable Income is recognised once reported by the relevant funds. Equalisation on distributions from collectives is treated as capital. All equalisation on distributions from collectives is then reallocated to revenue, for distribution purposes.
- (e) The ordinary element of stocks received in lieu of cash dividends is recognised as revenue of the Sub-funds, and where applicable is included in the distribution. In the case of an enhanced stock dividend the value of the enhancement is treated as capital.
- (f) Special dividends are treated as either revenue or a repayment of capital depending on the facts of each particular case. Where the receipt of a special dividend results in a significant reduction in the capital value or where the distribution arises from an underlying capital event such as a merger or disposal these would typically be deemed as capital so as to ensure that the matching principle is applied to gains and losses. Otherwise, the special dividend would typically be recognised as revenue. Where special dividends are treated as revenue, they are included in the amount available for distribution. The tax accounting treatment follows the principal amount.
- (g) The listed investments of the Sub-funds have been valued at bid market prices at the closing valuation point at 12 noon on 29 December 2023, whilst unlisted collectives are valued at the closing bid price for dual priced funds and the closing single price for single priced funds.
- (h) All transactions in foreign currencies are converted into Sterling at the rates of exchange ruling at the date of such transactions. Foreign currency assets and liabilities at the end of the accounting year are translated at the exchange rates at the closing valuation point on 29 December 2023.
- (i) Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay less or receive more tax.  
  
Deferred tax assets are recognised only to the extent that the AFM considers that it is more likely than not there will be taxable profits from which underlying timing differences can be deducted.
- (j) Tax is provided using tax rates and laws which have been enacted or substantively enacted at the balance sheet date.
- (k) In certain circumstances the AFM may charge a dilution levy on the sale or repurchase of shares. The levy, which is paid into the Sub-funds, is intended to cover dealing spread on assets bought and sold and certain charges such as applicable dealing taxes and brokers commission not included in the mid-market value of the Sub-funds used for Net Asset Value (NAV) calculations, which could have a diluting effect on the performance of the Sub-funds.

## ACCOUNTING POLICIES (Continued)

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- (l) The Sub-funds currently issues Accumulation shares. The Sub-funds go ex dividend twice annually and pays any income available to the shareholder two months in arrears, as a dividend distribution. Any revenue deficit is funded from capital.

If a distribution remains unclaimed for a period of six years after it has become due, it will be forfeited and will revert to the relevant Sub-funds (or if it no longer exists the AFM, if the sub fund no longer exists). Application to claim distributions that have not been paid should be made to the AFM before this six year period has elapsed.

For the treatment of expenses revert to policy 'c' and special dividends revert to policy 'f'.

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued net revenue included in the purchase price of the shares. It is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

## SUB-FUND OVERVIEW

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<b>Name of Sub-fund</b>	VT Brompton Cautious Fund
<b>Size of Sub-fund</b>	£172,037,071
<b>Launch date</b>	06 January 2017
<b>Investment objective and policy</b>	<p>The Sub-fund aims to generate a total return (i.e. through a combination of capital and / or income growth), by utilising a cautious approach to investing, over the longer term (at least 5 years).</p> <p>The composition of the portfolio will reflect the Investment Manager's view of the potential future return of different asset classes and specific investments - for this Sub-fund the Investments manager aims to take a cautious approach, with a higher proportion of the Sub-fund exposed to assets which it considers "lower risk" (such as fixed income) and less in those which may be "higher risk" (such as certain equities).</p> <p>The Sub-fund will be actively managed and will typically invest at least 80% of its Net Asset Value in collective investment schemes (including exchange traded funds and investment trusts, and which may include schemes which are managed and/or advised by the AFM and/or Investment Manager).</p> <p>The collective investment vehicles will provide exposure to fixed income (including but not limited to sovereign bonds, corporate bonds and convertible bonds) and other conservative alternative investments (including, but not limited to, UCITS Long Short funds, market neutral funds and structured products) as well as equities. The Sub-fund's exposure to equities will not exceed 35% of the Net asset Value of the Sub-fund .</p> <p>The Sub-fund may also invest directly in other transferable securities (Including equities), money market instruments, cash and near cash.</p> <p>Investments will not be confined by geographical, industrial or economic sector.</p> <p>Derivatives may be used only for Efficient Portfolio Management (including hedging) in accordance with the FCA Rules. Efficient portfolio management means using derivatives in a way that is designed to reduce risk or cost and/or generate extra income or growth. Use of derivatives is expected to be limited.</p>
<b>Performance comparator:</b>	<p>The Sub-fund is not managed to or constrained by a benchmark, and nor does the AFM use a benchmark in order to assess performance.</p> <p>However, many funds sold in the UK are grouped into sectors by the Investment Association (the "IA") (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.</p> <p>In order to assess the Sub-fund's performance, investors may find it useful to compare the Sub-fund against the performance of the IA Mixed Investment 0% - 35% Shares sector, which serves as a method of comparing the Sub-fund's performance with other funds which have broadly similar characteristics.</p>
<b>Ex-distribution dates</b>	30 June and 31 December
<b>Distribution dates</b>	31 August and last day of February
<b>Individual Savings Account (ISA)</b>	The Sub-fund is a qualifying investment for inclusion in an ISA.
<b>Share Classes</b>	Class A: Accumulation Retail Class B: Accumulation Staff

## SUB-FUND OVERVIEW (Continued)

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### Minimum investment\*

Lump sum subscription:	Class A: Accumulation Retail = £1,000 Class B: Accumulation Staff = £1,000
Top-up:	Class A: Accumulation Retail = £1,000 Class B: Accumulation Staff = £1,000
Holding:	Class A: Accumulation Retail = £1,000 Class B: Accumulation Staff = £1,000
Redemption:	Class A: Accumulation Retail = N/A (provided minimum holding is maintained) Class B: Accumulation Staff = N/A (provided minimum holding is maintained)
Switching:	Class A: Accumulation Retail = N/A (provided minimum holding is maintained) Class B: Accumulation Staff = N/A (provided minimum holding is maintained)

\*The AFM may waive the minimum levels at its discretion.

The Class B shares are only available to employees (as at the time of initial investment) of the Sub-fund's sponsor, Brompton Asset Management Services Ltd, or otherwise at the AFM's discretion.

**Initial, redemption and switching charges** Nil

### Annual management charges

The Annual management charges are:	Class A: Accumulation Retail = 0.65% Class B: Accumulation Staff = 0.45%
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The above percentages being percentages of the net asset value of the Sub-fund attributable to the relevant share class (plus VAT if applicable).

## INVESTMENT MANAGER'S REVIEW

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VT Brompton Cautious A Acc rose 4.17% over the year to 31 December 2023 while the Investment Association Mixed Investment 0-35% Total Return Shares index rose 5.95%.

Global equities rose 15.88% in sterling in 2023 while bonds fell 0.25%. Inflation eased thanks to falling energy prices although service sector inflation was stubborn. US inflation fell from 6.4% in January to 3.4% in December, eurozone inflation dropped from 8.6% to 2.9% and UK inflation dropped from 10.1% to 4%. In response, the Federal Reserve left its policy interest rate unchanged over the last five months of 2023 having lifted it from 4.25-4.5% in January to 5.25-5.5% in July, a level not seen since 2006. This extended pause increased investor confidence that the Fed would cut rates in 2024, possibly as early as June. The European Central Bank raised its policy rate to 4% in September then left it unchanged, predicting that eurozone inflation would decline gradually to reach its 2% target rate in 2025. Having lifted its Bank Rate to 5.25% in August, the Bank of England left it unchanged and implied that it would be cut in the third quarter of 2024 and ease to 4.25% by 2026. Most but not all major economies proved resilient in the face of monetary tightening, with US economic growth, in particular, exceeding expectations.

Despite March's banking crisis, during which several US banks failed and UBS rescued Credit Suisse, riskier assets did relatively well, with growth stocks, up 25.99% in sterling, benefitting from expectations of a turn down in the monetary cycle while value stocks returned only 6.32%. US stocks outperformed, up 19.16% in sterling, led higher by technology stocks, up 55.76% in response to investor enthusiasm about artificial intelligence. Towards the year end, the portfolio's US equity allocation increased while some profits were taken from Polar Capital Global Technology, up 45.19% over the year. With economic data proving resilient, defensive investments were reduced in favour of investments with greater growth prospects, with Polar Capital Global Insurance reduced and a passive investment tracking a global healthcare index sold.

The UK stockmarket, which has heavy weightings in cyclical sectors such as financials and energy, lagged, returning 7.85%. Concerns about stubborn UK inflation and the consequences for economic growth prompted the sale of Chelverton UK Equity Growth, which has a small company focus, while Artemis UK Special Situations, which invests in companies expected to benefit from improved management, was bought. Smaller companies tend to be more sensitive to domestic economic conditions.

After prolonged underperformance, Matthews Asia ex Japan Total Return Equity and Lindsell Train Japanese Equity, whose defensive consumer investments have suffered from rising costs and weak demand, were sold. The proceeds from the Lindsell Train sale were reinvested in Man GLG Japan CoreAlpha and Comgest Growth Japan. Improving corporate governance and increasing investor activism should benefit Japanese equities. The portfolio's overweight allocation to emerging market equities, which appeared attractively valued, may benefit from lower US interest rates and, potentially, dollar weakness.

UK government bonds, sterling investment-grade corporate bonds and sterling high-yield bonds returned 3.62%, 9.70% and 15.77% respectively. Henderson Fixed Interest Monthly Income was added because investments with relatively high interest-rate sensitivity may perform well as monetary policies ease. Schroder Strategic Credit was trimmed in favour of top-ups to two longer-duration investments, TwentyFour Dynamic Bond and Jupiter Dynamic Bond, which offered attractive yields.

Lower interest rates may prove a tailwind for equities and bonds in 2024. US stocks may perform well given a favourable economic backdrop for growth companies and significant advances in the technology sector. Out-of-favour emerging market assets may also benefit if the Fed reduces interest rates, which may result in dollar weakness. Political risk will, however, be a significant factor in markets, with general elections due in many countries. Gold may provide diversification and prove defensive should equity and bond markets fall.

Brompton Asset Management LLP  
Investment Manager to the Fund  
14 February 2024

Source: Refinitiv Lipper; global equities: MSCI AC World TR, global bonds: Bloomberg Barclays Global Aggregate Bond TR, growth equities: MSCI AC World Growth TR, value equities: MSCI AC World Value TR, US equities: S&P 500 TR, US technology equities: Dow Jones US Technology TR, UK equities: MSCI United Kingdom All Cap TR, UK government bonds: Markit iBoxx Sterling Gilts Overall TR, sterling corporate bonds: Markit iBoxx Sterling Corporates TR, sterling high yield bonds: ICE BofAML Sterling High Yield TR GBP.

## PERFORMANCE RECORD

### Financial Highlights

	Year ended 31 December 2023	Year ended 31 December 2022	Year ended 31 December 2021
<b>Class A: Accumulation Retail</b>			
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	108.6889	118.2277	111.4269
Return before operating charges	5.8521	(8.1433)	8.2821
Operating charges (note 1)	(1.3204)	(1.3955)	(1.4813)
Return after operating charges *	4.5317	(9.5388)	6.8008
Closing net asset value per share	113.2206	108.6889	118.2277
Retained distributions on accumulated shares	2.5879	1.7895	2.1024
*after direct transactions costs of:	-	0.0113	0.0066
<b>Performance</b>			
Return after charges	4.17%	(8.07%)	6.10%
<b>Other information</b>			
Closing net asset value	£168,640,383	£164,812,710	£172,757,661
Closing number of shares	148,948,473	151,637,134	146,122,883
Operating charges (note 2)	1.19%	1.23%	1.29%
Direct transaction costs	0.00%	0.01%	0.01%
<b>Prices</b>			
Highest share price	113.2206	118.4466	118.3380
Lowest share price	106.4932	105.3030	110.6613
<b>Class B: Accumulation Staff</b>			
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	110.4151	119.8255	112.7200
Return before operating charges	5.7229	(8.2247)	8.3729
Operating charges (note 1)	(1.1159)	(1.1857)	(1.2674)
Return after operating charges *	4.6070	(9.4104)	7.1055
Closing net asset value per share	115.0221	110.4151	119.8255
Retained distributions on accumulated shares	2.6322	1.8149	2.1271
*after direct transactions costs of:	-	0.0115	0.0067
<b>Performance</b>			
Return after charges	4.17%	(7.85%)	6.30%
<b>Other information</b>			
Closing net asset value	£3,408,093	£3,188,796	£3,849,745
Closing number of shares	2,962,990	2,888,006	3,212,794
Operating charges (note 2)	0.99%	1.03%	1.09%
Direct transaction costs	0.00%	0.01%	0.01%
<b>Prices</b>			
Highest share price	115.0221	120.0500	119.9077
Lowest share price	108.1877	106.9650	111.9820

## PERFORMANCE RECORD (Continued)

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1. The operating charges per share figure is calculated by applying the operating charges percentage to the average net asset valuation per share throughout the period.

2. The operating charges percentage is based on the expenses incurred during the period annualised, as a proportion of the average net asset value of the Sub-fund plus the costs of the open-ended funds the Sub-fund holds. Note, the 2022 and 2021 operating charges percentage also includes the underlying costs of investment trusts as per regulatory and Industry guidance issued in 2020, this was later changed to exclude underlying costs of investment trusts in December 2023.

### **Risk Profile**

Based on past data, the Sub-fund is ranked a '4' on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document. The Sub-fund is ranked 4 because funds of this type have experienced average rises and falls in market prices historically (31 December 2022: ranked 4). The higher the rank, the greater the potential reward but the greater the risk of losing money.

## PORTFOLIO SUMMARY

As at 31 December 2023

Holding		Value £	% of net assets
<b>Collective investment Schemes (31.12.2022: 71.73%)</b>			
655,087	Artemis UK Special Situations	5,433,749	3.16
512,951	Baillie Gifford Global Income Growth	5,365,465	3.12
474,894	Baillie Gifford Pacific	3,995,756	2.32
1,003,638	BlackRock European Absolute Alpha	1,804,205	1.05
248,146	Comgest Growth Japan	1,774,246	1.03
121,052	CT Real Estate Equity Market Neutral Fund	1,807,301	1.05
4,632,553	Fidelity Funds - Global Inflation-linked Bond	6,212,254	3.61
244,616	Guinness Global Equity Income	4,865,826	2.83
5,593,580	Janus Henderson Fixed Interest Monthly Income	6,958,413	4.04
1,270,419	Jupiter JGF Dynamic Bond	12,170,617	7.07
703,244	Man GLG Japan CoreAlpha	1,749,672	1.02
1,265,232	Man GLG UK Absolute Value	1,916,827	1.11
1,473,103	Man GLG UK Income	5,416,601	3.15
156,670	MI TwentyFour Dynamic Bond	14,411,628	8.38
298,394	Polar Capital Global Insurance	3,096,609	1.80
54,112	Polar Capital Global Technology	3,805,685	2.21
38,870	TM Redwheel Global Emerging Markets	4,012,108	2.33
21,102	Schroder ISF Asian Convertible Bond	3,405,685	1.98
34,694	Schroder ISF Strategic Credit	4,755,025	2.76
1,075,582	Troy Trojan	3,389,482	1.97
232,972	Vanguard Global Bond Index	28,329,185	16.47
		<b>124,676,339</b>	<b>72.46</b>
<b>Exchange Traded Commodities (31.12.2022: 2.09%)</b>			
119,050	iShares Physical Gold ETC	3,756,028	2.18
		<b>3,756,028</b>	<b>2.18</b>
<b>Exchange Traded Funds (31.12.2022: 20.59%)</b>			
19,365	iShares Core S&P 500 UCITS ETF	7,631,746	4.44
62,315	iShares \$ Treasury Bond 7-10yr UCITS ETF USD	8,602,585	5.00
3,957,002	iShares \$ Treasury Bond 7-10yr UCITS ETF GBP	17,505,776	10.18
		<b>33,740,107</b>	<b>19.62</b>
<b>Government Bonds (31.12.2022: 1.46%)</b>			
		-	-
<b>Investment Trusts (31.12.2022: 2.33%)</b>			
1,179,529	3i Infrastructure PLC	3,809,879	2.21
		<b>3,809,879</b>	<b>2.21</b>
<b>Real Estate Investment Trusts (31.12.2022: 0.75%)</b>			
		-	-
<b>Portfolio of investments (31.12.2022: 98.95%)</b>		<b>165,982,353</b>	<b>96.47</b>
<b>Net other assets (31.12.2022: 1.05%)</b>		<b>6,054,718</b>	<b>3.53</b>
		<b>172,037,071</b>	<b>100.00</b>

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

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	£
<b>Total purchases for the year (note 14)</b>	<b>53,909,605</b>
iShares \$ Treasury Bond 7-10yr UCITS ETF USD	8,622,098
Janus Henderson Fixed Interest Monthly Income	6,930,446
MI TwentyFour Dynamic Bond	5,156,583
Artemis UK Special Situations	5,119,307
Goldman Sachs Sterling Liquid Reserves	5,038,112
Baillie Gifford Pacific	4,228,454
Schroder ISF Asian Convertible Bond	3,381,167
iShares Core S&P 500 UCITS EFT	2,618,736
BlackRock European Dynamic	2,600,880
Comgest Growth Japan	1,734,543
Other various purchases	8,479,279
	£
<b>Total sales for the year (note 14)</b>	<b>59,144,724</b>
iShares \$ Treasury Bond 7-10yr UCITS ETF GBP	8,553,580
Goldman Sachs Sterling Liquid Reserves	8,343,108
Schroder ISF Strategic Credit	6,940,755
Liontrust Special Situations Fund	6,341,301
Man GLG UK Income	3,893,330
Lindsell Train Japanese Equity	3,777,870
Xtrackers MSCI World Health Care UCITS ETF	3,665,813
MI Chelverton UK Equity Growth	3,059,988
Matthews Asia Funds - Asia Ex Japan Total Return	2,750,349
UK Gilt 22/07/2023	2,500,000
Other various sales	9,318,630

The above represents the top 10 purchases and sales for the year.

## STATEMENT OF TOTAL RETURN

For the year ended 31 December

		2023		2022	
	Notes	£	£	£	£
Income					
Net capital gains/(losses)	2		4,147,057		(17,226,381)
Revenue	3	4,635,023		4,380,724	
Expenses	4	(1,182,821)		(1,183,615)	
Interest payable and similar charges	6	<u>-</u>		<u>(3,561)</u>	
Net revenue before taxation		3,452,202		3,193,548	
Taxation	5	<u>(467,967)</u>		<u>(427,483)</u>	
Net revenue after taxation			<u>2,984,235</u>		<u>2,766,065</u>
Total return before distributions			7,131,292		(14,460,316)
Finance costs: distributions	6		<u>(3,990,882)</u>		<u>(2,723,070)</u>
<b>Changes in net assets attributable to shareholders from investment activities</b>			<u>3,140,410</u>		<u>(17,183,386)</u>

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 December

	2023	2022
	£	£
<b>Opening net assets attributable to shareholders</b>	167,829,500	176,476,831
Amounts receivable on creation of shares	20,561,732	21,636,895
Amounts payable on cancellation of shares	(23,438,481)	(15,845,293)
Accumulation dividends retained	3,943,910	2,744,453
Changes in net assets attributable to shareholders from investment activities (see above)	<u>3,140,410</u>	<u>(17,183,386)</u>
<b>Closing net assets attributable to shareholders</b>	<u>172,037,071</u>	<u>167,829,500</u>

**BALANCE SHEET**

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As at	Notes	31.12.2023		31.12.2022	
		£	£	£	£
<b>FIXED ASSETS</b>					
Investment assets			165,982,353		166,068,655
<b>Current assets</b>					
Debtors	7	12,596,747		480,630	
Cash and bank balances	8	<u>5,515,238</u>		<u>2,040,916</u>	
<b>Total current assets</b>			<u>18,111,985</u>		<u>2,521,546</u>
<b>Total assets</b>			184,094,338		168,590,201
<b>CURRENT LIABILITIES</b>					
<b>Creditors</b>					
Bank overdraft	8	(2,028,714)		(158,874)	
Creditors	9	<u>(10,028,553)</u>		<u>(601,827)</u>	
<b>Total current liabilities</b>			<u>(12,057,267)</u>		<u>(760,701)</u>
<b>Net assets attributable to shareholders</b>			<u>172,037,071</u>		<u>167,829,500</u>

## NOTES TO THE FINANCIAL STATEMENTS

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### 1 Accounting policies

The principal accounting policies, which have been applied in both the current and prior year, are set out below on pages 7-8.

<b>2 Net capital gains/(losses)</b>	<b>2023</b>	<b>2022</b>
The net capital gains/(losses) comprise:	£	£
Non-derivative securities gains/(losses)	4,109,170	(17,231,115)
Transaction charges (custodian)	84	(2,262)
Currency gains	37,803	6,996
Total net capital gains/(losses)	<u>4,147,057</u>	<u>(17,226,381)</u>

<b>3 Revenue</b>	<b>2023</b>	<b>2022</b>
	£	£
Non-taxable dividends	1,112,367	1,056,135
Property income distributions (PIDs)	34,023	100,110
Interest on non-derivative securities	3,314,053	3,188,317
Bank interest	174,580	36,162
Total revenue	<u>4,635,023</u>	<u>4,380,724</u>

<b>4 Expenses</b>	<b>2023</b>	<b>2022</b>
	£	£

**Payable to the Authorised Fund Manager,  
associates of the Authorised Fund Manager,  
and agents of either of them:**

Annual management charge	<u>1,091,169</u>	<u>1,094,002</u>
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**Payable to the depositary, associates of the  
depositary, and agents of either of them:**

Depositary fee	56,617	56,997
Safe custody fee	12,525	14,058
	<u>69,142</u>	<u>71,055</u>

**Other expenses:**

Audit fee	9,749	7,770
FCA fee	28	50
Other expenses	12,733	10,738
	<u>22,510</u>	<u>18,558</u>

Total expenses	<u>1,182,821</u>	<u>1,183,615</u>
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

**5 Taxation**

	2023	2022
	£	£

**(a) Analysis of charge in the year**

UK Corporation tax	467,967	427,483
<b>Total tax charge for the year (note 5b)</b>	467,967	427,483

**(b) Factors affecting current tax charge for the year**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company 20.00% (2022: 20.00%). The differences are explained below:

Net revenue before taxation	3,452,202	3,193,548
Corporation tax at 20.00% (2022: 20.00%)	690,440	638,710
<u>Effects of:</u>		
Revenue not subject to UK corporation tax	(222,473)	(211,227)
<b>Total tax charge for the year (note 5a)</b>	467,967	427,483

**(c) Provision for deferred taxation**

At 31 December 2023 there is no potential deferred tax asset or liability (31 December 2022: £nil).

**6 Finance costs**

	2023	2022
	£	£

Interim dividend distribution	2,158,910	1,359,752
Final dividend distribution	1,785,000	1,384,701
	3,943,910	2,744,453

Add: Revenue deducted on cancellation of shares	140,234	74,883
Deduct: Revenue received on issue of shares	(93,262)	(96,266)

<b>Net distribution for the year</b>	3,990,882	2,723,070
Interest payable and similar charges	-	3,561
<b>Total finance costs</b>	3,990,882	2,726,631

**Reconciliation of distributions**

Net revenue after taxation	2,984,235	2,766,065
Expenses paid from capital	(1,094)	1,016,113
Relief on expenses allocated to capital	219	(203,223)
Equalisation from collectives allocated to revenue	117,657	-
Balance brought forward	1,015,178	159,293
Balance carried forward	(125,313)	(1,015,178)
<b>Net distribution for the year</b>	3,990,882	2,723,070

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

<b>7 Debtors</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>£</b>	<b>£</b>
Amounts receivable on creation of shares	258,543	64,695
Amounts receivable on unsettled trades	11,861,014	-
Accrued revenue:		
Non-taxable dividends receivable	33,290	37,444
Interest on non-derivative securities receivable	443,889	370,551
Property income distributions receivable	-	5,670
Prepayments	11	2,270
<b>Total debtors</b>	<b>12,596,747</b>	<b>480,630</b>
<b>8 Cash and bank balances</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>£</b>	<b>£</b>
Cash and bank balances	5,515,238	2,040,916
Bank overdraft	(2,028,714)	(158,874)
<b>9 Creditors</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>£</b>	<b>£</b>
Amounts payable on cancellation of shares	109,721	48,782
Amounts payable on unsettled trades	9,549,182	-
<b>Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:</b>		
Annual management charge	86,929	89,840
<b>Payable to the depositary, associates of the depositary, and agents of either of them:</b>		
Depositary fee	4,550	4,652
Safe custody and other custodian charges	12,599	20,364
	17,149	25,016
UK Corporation tax payable	254,226	427,483
Other accrued expenses	11,346	10,706
<b>Total creditors</b>	<b>10,028,553</b>	<b>601,827</b>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 10 Risk management policies

In pursuing its investment objective as stated on page 8, the Sub-fund holds a number of financial instruments. The Sub-fund's financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued revenue.

The main risks arising from the Sub-fund's financial instruments, those of its underlying holdings and the AFM's policies for managing these risks are summarised below. These policies have been applied throughout the year.

#### Market price risk

Market price risk is the risk that the value of the Sub-fund's investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the Sub-fund holds. It represents the potential loss the Sub-fund might suffer through holding market positions in the face of price movements.

The Sub-fund's investment portfolio is exposed to market price fluctuations, which are monitored by the AFM in pursuance of the investment objective and policy as set out in the Prospectus.

Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

If market prices at the balance sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders and equity for the year ended 31 December 2023 would have increased/decreased by £16,598,235 (31 December 2022: £16,606,866).

#### Foreign currency risk

Foreign currency risk is the risk that the value of the Sub-fund's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

The Sub-fund's investment portfolio is partly invested in collective investment schemes that are registered overseas and also collective investment schemes that invest in overseas securities and the balance sheet can be affected by movements in foreign exchange rates. The AFM may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the Sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to Sterling on or near the date of receipt.

Net currency assets and liabilities consist of:

	Net monetary assets and liabilities		Non-monetary assets		Total net assets	
	£		£		£	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Sterling	6,054,718	1,760,845	165,982,353	162,327,357	172,037,071	164,088,202
US Dollars	-	-	-	3,741,298	-	3,741,298
Total	6,054,718	1,760,845	165,982,353	166,068,655	172,037,071	167,829,500

If foreign exchange rates at the balance sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders and equity for the year ended 31 December 2023 would have increased/decreased by £Nil (31 December 2022: £374,130).

**10 Risk management policies (Continued)**

**Interest rate risk**

Interest rate risk is the risk to portfolio value due to changes in interest rates. The magnitude of the exposure from an adverse change in interest rates depends on the sensitivity of the instrument to changes in interest rates as well as the absolute change in interest rates. In general, values of long-term instruments are more sensitive to interest rate changes than the values of short-term instruments.

The Sub-fund takes on interest rate risk when the investment manager believes the expected returns compensate for the risk, limited by the investment objective, policy and any prospectus rules. The investment manager monitors the level of interest rate risk in the fund on a regular basis. In addition any cash deposits in the sub-fund are linked to SONIA, ensuring interest income increases as interest rates increase.

The table below details the interest rate risk profile at the balance sheet date:

	31.12.2023	31.12.2022
	£	£
Financial assets floating rate	5,515,238	2,040,916
Financial assets interest bearing instruments	102,351,168	95,044,383
Financial assets non-interest bearing instruments	76,227,932	71,504,902
Financial liabilities non-interest bearing instruments	(10,028,553)	(601,827)
Financial liabilities floating rate	(2,028,714)	(158,874)
	<b>172,037,071</b>	<b>167,829,500</b>

At 31 December 2023, if interest rates increased or decreased by 0.25%, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-fund would increase or decrease by approximately £8,716 (31 December 2022: £10,846).

**Maturity of financial liabilities**

The financial liabilities of the Sub-fund as at 31 December 2023 are payable either within one year or on demand.

**Liquidity risk**

The Sub-fund's assets comprise mainly of readily realisable securities. The main liability of the Sub-fund is the redemption of any shares that the investors wish to sell. Assets of the Sub-fund may need to be sold if insufficient cash is available to finance such redemptions.

**Credit risk**

Certain transactions in securities and bonds that the Sub-fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Sub-fund has fulfilled its responsibilities. The Sub-fund only buys and sells investments (including gilts) through brokers which have been approved by the AFM as acceptable counterparties and fund management companies. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers' financial ratings are reviewed.

Credit risk also arises on cash held within financial institutions. Credit risk on cash balances is mitigated by ensuring that cash is held with financial institutions that are at least investment grade credit related. Indirect credit risk arises from holdings in collectives that invest in debt securities as any default or perceived risk of default will affect the valuation of such holdings.

**Fair value disclosure**

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices and the lowest priority to un-observable inputs. The criteria applied to the fair values levels in these financial statements are as follows:

- Level 1: Unadjusted quoted price in an active market for an identical instrument;
- Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;
- Level 3: Valuation techniques using unobservable inputs.

Valuation Technique	31.12.2023		31.12.2022	
	Assets (£000's)	Liabilities (£000's)	Assets (£000's)	Liabilities (£000's)
Level 1: Unadjusted quoted price in an active market for an identical instrument	41,306	-	45,686	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1	124,676	-	120,383	-
Total	165,982	-	166,069	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 Shares held

<b>Class A: Accumulation Retail</b>	
<b>Opening shares at 01.01.2023</b>	<b>151,637,134</b>
Shares issued during the year	18,613,593
Shares cancelled during the year	(21,302,254)
Shares converted during the year	-
<b>Closing shares at 31.12.2023</b>	<b>148,948,473</b>
<b>Class B: Accumulation Staff</b>	
<b>Opening shares at 01.01.2023</b>	<b>2,888,006</b>
Shares issued during the year	212,521
Shares cancelled during the year	(137,537)
Shares converted during the year	-
<b>Closing shares at 31.12.2023</b>	<b>2,962,990</b>

12 Contingent assets and liabilities

At 31 December 2023, the Sub-fund had no contingent liabilities or commitments (31 December 2022: £nil).

13 Post balance sheet events

As indicated in the accounting policies in Note 1, the investments have been valued at the closing valuation point on 29 December 2023. Since that date, the Sub-fund's quoted price has moved as follows for each share class:

Share class	Price at 29 December 2023 (GBp)	Price at 25 April 2024 (GBp)
Class A: Accumulation Retail	113.2206	114.7026
Class B: Accumulation Staff	115.0221	116.5359

14 Direct transaction costs

	2023		2022	
	£	%	£	%
<b>Analysis of total purchase costs</b>				
Purchases in the year before transaction costs	53,909,605		132,817,154	
Commission	-	-	16,797	0.01%
Total purchase costs	-	-	16,797	0.01%
Total purchases including transaction costs	<u>53,909,605</u>		<u>132,833,951</u>	
<b>Analysis of total sale costs</b>				
Sales in the year before transaction costs	59,146,764		117,224,230	
Commission	(2,040)	-	(6,381)	(0.01%)
Total sale costs	<u>(2,040)</u>	-	<u>(6,381)</u>	(0.01%)
Total sales net of transaction costs	<u>59,144,724</u>		<u>117,217,849</u>	

The following represents the total of each type of transaction cost, expressed as a percentage of the Sub-fund's average net asset value in the year:

	2023		2022	
	£	% of average net asset value	£	% of average net asset value
Commission	2,040	-	23,178	0.01%
	<u>2,040</u>	-	<u>23,178</u>	0.01%

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

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**15 Portfolio Dealing Spread**

The average portfolio dealing spread at 31 December 2023 is 0.02% (31 December 2022: 0.06%)

**16 Related party transactions**

Valu-Trac Investment Management Limited, as AFM is a related party due to its ability to act in respect of the operations of the Sub-fund.

Amounts paid to the AFM and its associates are disclosed in note 4. The amounts due to the AFM and its associates at the balance sheet date are disclosed in note 9.

## DISTRIBUTION TABLES

### Interim distribution in pence per share

Group 1: Shares purchased prior to 01 January 2023

Group 2 : Shares purchased on or after 01 January 2023 and on or before 30 June 2023

<b>Class A: Accumulation Retail</b>	<b>Net revenue 31.08.2023</b>	<b>Equalisation</b>	<b>Distribution 31.08.2023</b>	<b>Distribution 31.08.2022</b>
Group 1	1.4132p	-	1.4132p	0.8936p
Group 2	0.9270p	0.4862p	1.4132p	0.8936p

<b>Class B: Accumulation Staff</b>	<b>Net revenue 31.08.2023</b>	<b>Equalisation</b>	<b>Distribution 31.08.2023</b>	<b>Distribution 31.08.2022</b>
Group 1	1.4383p	-	1.4383p	0.9064p
Group 2	0.8947p	0.5436p	1.4383p	0.9064p

### Final distribution in pence per share

Group 1: Shares purchased prior to 01 July 2023

Group 2 : Shares purchased on or after 01 July 2023 and on or before 31 December 2023

<b>Class A: Accumulation Retail</b>	<b>Net Revenue 29.02.2024</b>	<b>Equalisation</b>	<b>Distribution 29.02.2024</b>	<b>Distribution 28.02.2023</b>
Group 1	1.1747p	-	1.1747p	0.8959p
Group 2	0.6739p	0.5008p	1.1747p	0.8959p

<b>Class B: Accumulation Staff</b>	<b>Net Revenue 29.02.2024</b>	<b>Equalisation</b>	<b>Distribution 29.02.2024</b>	<b>Distribution 28.02.2023</b>
Group 1	1.1939p	-	1.1939p	0.9085p
Group 2	0.6216p	0.5723p	1.1939p	0.9085p

### Information for corporate shareholders

A corporate shareholder receives the distribution shown on the voucher enclosed with this report as follows:

- i) 24.00% of the total dividend allocation together with the tax credit is received as franked investment income.
- ii) 76.00% of the dividend allocation is received as an annual payment received after deduction of income tax at the lower rate and is liable to corporation tax. It is not franked investment income.

## SUB-FUND OVERVIEW

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<b>Name of Sub-fund</b>	VT Brompton Adventurous Fund
<b>Size of Sub-fund</b>	£211,465,467
<b>Launch date</b>	06 January 2017
<b>Investment objective and policy</b>	<p>The Sub-fund aims to generate capital growth (i.e. the increase in the value of the shares in the fund) over the longer term (at least 5 years).</p> <p>The composition of the portfolio will reflect the Investment Manager's view of the potential future return of different asset classes and specific investments - for this Sub-fund the Investment Manager aims to take an adventurous approach, with a greater proportion of the fund exposed to assets which it considers 'higher risk' (such as certain equities) and less on those which may be 'lower risk'.</p> <p>The Sub-fund will be actively managed and will typically invest at least 80% of its Net Asset Value in collective investment schemes (including exchange traded funds and investment trusts, and which may include schemes which are managed and / or advised by the AFM and / or Investment Manager).</p> <p>The Sub-fund will generally be exposed to equity markets. However, the Sub-fund will also have exposure (directly or indirectly) to other asset classes such as fixed income and alternatives (including, but not limited to, UCITS Long Short funds, market neutral funds and structured products), although exposure to such assets will not exceed 35% of the Net Asset Value of the Sub-fund except in exceptional circumstances (e.g. where the Investment Manager anticipates sharp falls in asset values due to severe market stress).</p> <p>The Sub-fund may also invest directly in other transferable securities (Including equities), money market instruments, cash and near cash.</p> <p>Investments will not be confined by geographical, industrial or economic sector.</p> <p>Derivatives may be used only for Efficient Portfolio Management (including hedging) in accordance with the FCA Rules. Efficient portfolio management means using derivatives in a way that is designed to reduce risk or cost and/or generate extra income or growth. Derivative use is expected to be limited.</p>
<b>Performance comparator</b>	<p>The Sub-fund is not managed to or constrained by a benchmark, and nor does the AFM use a benchmark in order to assess performance.</p> <p>However, many funds sold in the UK are grouped into sectors by the Investment Association (the "IA") (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.</p> <p>In order to assess the Sub-fund's performance, investors may find it useful to compare the Sub-fund against the performance IA Flexible Sector, which serves as a method of comparing the Fund's performance with other funds which have broadly similar characteristics.</p>
<b>Ex-distribution dates</b>	30 June and 31 December
<b>Distribution dates</b>	31 August and last day of February
<b>Individual Savings Account (ISA)</b>	The Sub-fund is a qualifying investment for inclusion in an ISA.
<b>Share Classes</b>	Class A: Accumulation Retail Class B: Accumulation Staff

## SUB-FUND OVERVIEW (Continued)

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### Minimum investment\*

Lump sum subscription:	Class A: Accumulation Retail = £1,000 Class B: Accumulation Staff = £1,000
Top-up:	Class A: Accumulation Retail = £1,000 Class B: Accumulation Staff = £1,000
Holding:	Class A: Accumulation Retail = £1,000 Class B: Accumulation Staff = £1,000
Redemption:	Class A: Accumulation Retail = N/A (provided minimum holding is maintained) Class B: Accumulation Staff = N/A (provided minimum holding is maintained)
Switching:	Class A: Accumulation Retail = N/A (provided minimum holding is maintained) Class B: Accumulation Staff = N/A (provided minimum holding is maintained)

\*The AFM may waive the minimum levels at its discretion.

The Class B shares are only available to employees (as at the time of initial investment) of the Sub-fund's sponsor, Brompton Asset Management Services Ltd, or otherwise at the AFM's discretion.

### Initial, redemption and switching charges Nil

### Annual management charges

The annual management charges are:	Class A: Accumulation Retail = 0.65% Class B: Accumulation Staff = 0.45%
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The above percentages being percentages of the net asset value of the Sub-fund attributable to the relevant share class (plus VAT if applicable).

## INVESTMENT MANAGER'S REVIEW

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VT Brompton Adventurous A Acc rose 6.53% over the year to 31 December 2023 while the Investment Association Flexible Investment Total Return index rose 7.48%.

Global equities rose 15.88% in sterling in 2023 while bonds fell 0.25%. Inflation eased thanks to falling energy prices although service sector inflation was stubborn. US inflation fell from 6.4% in January to 3.4% in December, eurozone inflation dropped from 8.6% to 2.9% and UK inflation dropped from 10.1% to 4%. In response, the Federal Reserve left its policy interest rate unchanged over the last five months of 2023 having lifted it from 4.25-4.5% in January to 5.25-5.5% in July, a level not seen since 2006. This extended pause increased investor confidence that the Fed would cut rates in 2024, possibly as early as June. The European Central Bank raised its policy rate to 4% in September then left it unchanged, predicting that eurozone inflation would decline gradually to reach its 2% target rate in 2025. Having lifted its Bank Rate to 5.25% in August, the Bank of England left it unchanged and implied that it would be cut in the third quarter of 2024 and ease to 4.25% by 2026. Most but not all major economies proved resilient in the face of monetary tightening, with US economic growth, in particular, exceeding expectations.

Despite March's banking crisis, during which several US banks failed and UBS rescued Credit Suisse, riskier assets did relatively well, with growth stocks, up 25.99% in sterling, benefitting from expectations of a turn down in the monetary cycle while value stocks returned only 6.32%. US stocks outperformed, up 19.16% in sterling, led higher by technology stocks, up 55.76% in response to investor enthusiasm about artificial intelligence. Towards the year end, the portfolio's US equity allocation increased while some profits were taken from Polar Capital Global Technology, up 45.19% over the year. With economic data proving resilient, defensive investments were reduced in favour of investments with greater growth prospects, with Polar Capital Global Insurance and Guinness Global Equity Income both sold.

The UK stockmarket, which has heavy weightings in cyclical sectors such as financials and energy, lagged, returning 7.85%. Concerns about stubborn UK inflation and the consequences for economic growth prompted the sale of Chelverton UK Equity Growth, which has a small company focus, while Artemis UK Special Situations, which invests in companies expected to benefit from improved management, was bought. Smaller companies tend to be more sensitive to domestic economic conditions. The allocation to smaller overseas companies was also reduced through the sales of Baillie Gifford Japanese Smaller Companies and Janus Henderson European Smaller Companies because small companies tend to be more vulnerable to economic weakness.

After prolonged underperformance, Matthews Asia ex Japan Total Return Equity and Lindsell Train Japanese Equity, whose defensive consumer investments have suffered from rising costs and weak demand, were sold and Nippon Active Value, which aims to benefit from improving Japanese corporate governance, was added. The portfolio's emerging market equity holdings were increased because emerging market equities appeared attractively valued and likely to benefit from lower US interest rates and, potentially, dollar weakness.

UK government bonds, sterling investment-grade corporate bonds and sterling high-yield bonds returned 3.62%, 9.70% and 15.77% respectively. Janus Henderson Fixed Interest Monthly Income was added (post year-end) because investments with relatively high interest-rate sensitivity may perform well as monetary policies ease. Schroder Strategic Credit was sold in favour of two longer-duration investments, TwentyFour Dynamic Bond and Jupiter Dynamic Bond, which offered attractive yields.

Lower interest rates may prove a tailwind for equities and bonds in 2024. US stocks may perform well given a favourable economic backdrop for growth companies and significant advances in the technology sector. Out-of-favour emerging market assets may also benefit if the Fed reduces interest rates, which may result in dollar weakness. Political risk will, however, be a significant factor in markets, with general elections due in many countries. Gold may provide diversification and prove defensive should equity and bond markets fall.

Brompton Asset Management LLP  
Investment Manager to the Fund  
14 February 2024

Source: Refinitiv Lipper; global equities: MSCI AC World TR, global bonds: Bloomberg Barclays Global Aggregate Bond TR, growth equities: MSCI AC World Growth TR, value equities: MSCI AC World Value TR, US equities: S&P 500 TR, US technology equities: Dow Jones US Technology TR, UK equities: MSCI United Kingdom All Cap TR, UK government bonds: Markit iBoxx Sterling Gilts Overall TR, sterling corporate bonds: Markit iBoxx Sterling Corporates TR, sterling high yield bonds: ICE BofAML Sterling High Yield TR GBP.

## PERFORMANCE RECORD

### Financial Highlights

<b>Class A: Accumulation Retail</b>	<b>Year ended 31 December 2023</b>	<b>Year ended 31 December 2022</b>	<b>Year ended 31 December 2021</b>
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	130.6136	148.0128	133.2135
Return before operating charges	10.1335	(15.5463)	16.6976
Operating charges (note 1)	(1.6050)	(1.8529)	(1.8983)
Return after operating charges *	8.5285	(17.3992)	14.7993
Closing net asset value per share	139.1421	130.6136	148.0128
Retained distributions on accumulated shares	1.6267	1.6865	1.3082
*after direct transactions costs of:	0.0135	0.0279	0.0205
Performance			
Return after charges	6.53%	(11.76%)	11.11%
Other information			
Closing net asset value	£202,688,029	£197,291,559	£211,033,887
Closing number of shares	145,669,821	151,049,739	142,578,125
Operating charges (note 2)	1.19%	1.33%	1.35%
Direct transaction costs	0.01%	0.02%	0.01%
Prices			
Highest share price	139.3900	148.4799	151.0490
Lowest share price	129.2619	126.2095	132.8226

<b>Class B: Accumulation Staff</b>	<b>Year ended 31 December 2023</b>	<b>Year ended 31 December 2022</b>	<b>Year ended 31 December 2021</b>
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	132.0497	149.4128	134.2531
Return before operating charges	9.9765	(15.7728)	16.7908
Operating charges (note 1)	(1.3500)	(1.5903)	(1.6311)
Return after operating charges *	8.6265	(17.3631)	15.1597
Closing net asset value per share	140.6762	132.0497	149.4128
Retained distributions on accumulated shares	1.5080	1.6948	1.3176
*after direct transactions costs of:	0.0136	0.0281	0.0207
Performance			
Return after charges	6.53%	(11.62%)	11.29%
Other information			
Closing net asset value	£8,771,857	£7,993,478	£8,341,639
Closing number of shares	6,235,494	6,053,384	5,582,948
Operating charges (note 2)	0.99%	1.13%	1.15%
Direct transaction costs	0.01%	0.02%	0.01%
Prices			
Highest share price	140.9247	149.8884	152.4401
Lowest share price	130.6871	127.5889	133.8821

## PERFORMANCE RECORD (Continued)

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1. The operating charges per share figure is calculated by applying the operating charges percentage to the average net asset valuation per share throughout the period.
2. The operating charges percentage is based on the expenses incurred during the period annualised, as a proportion of the average net asset value of the Sub-fund plus the costs of the open-ended funds the Sub-fund holds. Note, the 2022 and 2021 operating charges percentage also includes the underlying costs of investment trusts as per regulatory and Industry guidance issued in 2020, this was later changed to exclude underlying costs of investment trusts in December 2023.

### **Risk Profile**

Based on past data, the Sub-fund is ranked a '5' on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document. The Sub-fund is ranked 5 because funds of this type have experienced relatively high rises and falls in market prices historically (31 December 2022: ranked 5). The higher the rank, the greater the potential reward but the greater the risk of losing money.

## PORTFOLIO SUMMARY

As at 31 December 2023

Holding	Value £	% of net assets
<b>Collective investment Schemes (31.12.2022: 77.57%)</b>		
954,031 Artemis UK Special Situations	7,913,404	3.74
756,453 Baillie Gifford Pacific	6,364,798	3.01
1,608,112 BlackRock European Dynamic	4,691,142	2.22
735,713 Comgest Growth Japan	5,260,345	2.49
7,846,207 Fidelity Index US	30,942,301	14.63
873,418 Jupiter JGF Dynamic Bond	8,367,342	3.96
2,975,295 WS Lightman European	4,535,243	2.14
66,600 Man GLG Asia (ex Japan) Equity	7,120,858	3.37
2,661,321 Man GLG Japan CoreAlpha	6,621,367	3.13
4,339,177 Man GLG Undervalued Assets	6,847,221	3.24
136,303 MI TwentyFour Dynamic Bond	12,538,124	5.93
1,107,649 Liontrust Special Situations Fund	5,346,621	2.53
99,666 Polar Capital Global Technology	7,009,479	3.31
47,386 Prusik Asian Equity Income	7,409,775	3.50
106,791 RWC Global Emerging Markets	11,022,713	5.21
26,480 Schroder ISF Asian Convertible Bond	4,273,647	2.02
1,000,054 Stewart Investors Indian Subcontinent Sustainability	4,533,143	2.14
32,264 Vanguard Global Bond Index	3,923,246	1.86
	<b>144,720,769</b>	<b>68.43</b>
<b>Exchange Traded Commodities (31.12.2022: 2.13%)</b>		
147,894 iShares Physical Gold ETC	4,666,056	2.21
	<b>4,666,056</b>	<b>2.21</b>
<b>Exchange Traded Funds (31.12.2022: 13.36%)</b>		
50,850 iShares Core S&P 500 UCITS ETF	20,039,985	9.48
204,925 iShares Gold Producers UCITS ETF	2,228,559	1.05
60,574 iShares Core MSCI World UCITS ETF	4,325,589	2.05
10,969 iShares NASDAQ 100 UCITS ETF	8,300,242	3.93
	<b>34,894,375</b>	<b>16.51</b>
<b>Investment Trusts (31.12.2022: 4.77%)</b>		
1,400,020 3i Infrastructure PLC	4,522,065	2.14
302,777 Aberforth Smaller Companies Trust PLC	4,178,323	1.98
2,380,098 Mobius Investment Trust PLC	3,248,833	1.53
2,216,400 Nippon Active Value Fund PLC	3,546,240	1.68
1,086,526 Chrysalis Investments Ltd	843,144	0.39
467,513 Vietnam Enterprise Investments Limited	2,599,372	1.22
	<b>18,937,977</b>	<b>8.94</b>
<b>Real Estate Investment Trusts (31.12.2022: 0.86%)</b>		
	-	-
<b>Portfolio of investments (31.12.2022: 98.69%)</b>		
	<b>203,219,177</b>	<b>96.09</b>
<b>Net other assets (31.12.2022: 1.31%)</b>		
	<b>8,246,290</b>	<b>3.91</b>
	<b>211,465,467</b>	<b>100.00</b>

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

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	£
<b>Total purchases for the year (note 14)</b>	<b>108,176,598</b>
Artemis UK Special Situations	7,396,128
BlackRock European Dynamic	8,524,388
Comgest Growth Japan	5,145,575
Goldman Sachs Sterling Liquid Reserves	4,900,000
iShares Core MSCI World UCITS ETF	4,323,078
iShares Core S&P 500 UCITS ETF	5,000,487
Jupiter JGF Dynamic Bond	8,280,000
MI TwentyFour Dynamic Bond	12,181,200
Polar Capital Global Insurance	6,370,623
Prusik Asian Equity Income	7,348,471
Other various purchases	38,706,648

	£
<b>Total sales for the year (note 14)</b>	<b>120,194,647</b>
Schroder ISF Strategic Credit	13,524,447
Polar Capital Global Insurance	11,771,277
Lindsell Train Japanese Equity	8,614,739
Matthews Asia Funds - Asia Ex Japan Total Return	8,564,227
Janus Henderson European Smaller Companies	8,391,556
FTF Martin Currie European Unconstrained	8,344,727
Guinness Global Equity Income	7,803,553
MI Chelverton UK Equity Growth	7,281,303
Man GLG Undervalued Assets	6,392,600
iShares Core MSCI World UCITS ETF	5,725,063
Other various sales	33,781,155

The above transactions represent the top 10 purchases and sales during the year.

## STATEMENT OF TOTAL RETURN

For the year ended 31 December

		2023		2022	
	Notes	£	£	£	£
Income					
Net capital gains/(losses)	2		11,409,687		(27,998,983)
Revenue	3	3,227,349		3,079,550	
Expenses	4	(1,444,153)		(1,438,982)	
Interest payable and similar charges	6	<u>(2,376)</u>		<u>(2,593)</u>	
Net revenue before taxation		1,780,820		1,637,975	
Taxation	5	<u>-</u>		<u>-</u>	
Net revenue after taxation			<u>1,780,820</u>		<u>1,637,975</u>
Total return before distributions			13,190,507		(26,361,008)
Finance costs: distributions	6		<u>(2,535,958)</u>		<u>(2,597,898)</u>
<b>Changes in net assets attributable to shareholders from investment activities</b>			<u>10,654,549</u>		<u>(28,958,906)</u>

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 December

	2023	2022
	£	£
<b>Opening net assets attributable to shareholders</b>	205,213,613	219,273,252
Amounts receivable on creation of shares	19,712,451	27,049,410
Amounts payable on cancellation of shares	(26,622,754)	(14,802,779)
Accumulation dividends retained	2,507,608	2,652,636
Changes in net assets attributable to shareholders from investment activities (see above)	10,654,549	(28,958,906)
<b>Closing net assets attributable to shareholders</b>	<u>211,465,467</u>	<u>205,213,613</u>

**BALANCE SHEET**

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As at	Notes	31.12.2023		31.12.2022	
		£	£	£	£
<b>FIXED ASSETS</b>					
Investment assets			203,219,177		202,506,920
<b>Current assets</b>					
Debtors	7	10,023,009		195,092	
Cash and bank balances	8	<u>6,351,354</u>		<u>4,562,274</u>	
<b>Total current assets</b>			<u>16,374,363</u>		<u>4,757,366</u>
<b>Total assets</b>			219,593,540		207,264,286
<b>CURRENT LIABILITIES</b>					
<b>Creditors</b>					
Bank overdraft	8	(3,498,430)		(1,369,401)	
Creditors	9	<u>(4,629,643)</u>		<u>(681,272)</u>	
<b>Total current liabilities</b>			<u>(8,128,073)</u>		<u>(2,050,673)</u>
<b>Net assets attributable to shareholders</b>			<u>211,465,467</u>		<u>205,213,613</u>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

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### 1 Accounting policies

The principal accounting policies, which have been applied in both the current and prior year, are set out below on pages 7-8.

### 2 Net capital gains/(losses)

	2023	2022
	£	£
The net capital gains/(losses) comprise:		
Non-derivative securities gains/(losses)	11,409,209	(27,970,354)
Transaction charges (custodian)	478	(1,351)
Currency (losses)	-	(27,278)
Total net capital gains/(losses)	<u>11,409,687</u>	<u>(27,998,983)</u>

### 3 Revenue

	2023	2022
	£	£
Non-taxable dividends	2,056,875	2,359,531
Property income distributions (PIDs)	47,636	221,064
Interest on non-derivative securities	963,435	472,143
Bank interest	159,403	26,812
Total revenue	<u>3,227,349</u>	<u>3,079,550</u>

### 4 Expenses

	2023	2022
	£	£

#### Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:

Annual management charge	<u>1,336,104</u>	<u>1,332,584</u>
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#### Payable to the depositary, associates of the depositary, and agents of either of them:

Depositary fee	67,675	67,948
Safe custody fee	17,313	20,001
	<u>84,988</u>	<u>87,949</u>

#### Other expenses:

Audit fee	9,728	7,790
FCA fee	24	52
Other expenses	13,309	10,607
	<u>23,061</u>	<u>18,449</u>

Total expenses	<u>1,444,153</u>	<u>1,438,982</u>
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 Taxation	2023	2022
	£	£
<b>(a) Analysis of charge in the year</b>		
UK Corporation tax	-	-
<b>Total tax charge for the year (note 5b)</b>	<b>-</b>	<b>-</b>
<b>(b) Factors affecting current tax charge for the year</b>		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company 20.00% (2022: 20.00%). The differences are explained below:		
Net revenue before taxation	1,780,820	1,637,975
Corporation tax at 20.00% (2022: 20.00%)	356,164	327,595
<u>Effects of:</u>		
Revenue not subject to UK corporation tax	(411,375)	(471,906)
Current year expenses not utilised	55,211	144,311
<b>Total tax charge for the year (note 5a)</b>	<b>-</b>	<b>-</b>

**(c) Provision for deferred taxation**

At 31 December 2023 there is a potential deferred tax asset of £870,659 (31 December 2022: £815,448) in relation to surplus management expenses.

6 Finance costs	2023	2022
	£	£
Interim dividend distribution	1,571,478	1,807,893
Final dividend distribution	936,130	844,743
	<u>2,507,608</u>	<u>2,652,636</u>
Add: Revenue deducted on cancellation of shares	104,457	56,964
Deduct: Revenue received on issue of shares	(76,107)	(111,702)
<b>Net distribution for the year</b>	<b>2,535,958</b>	<b>2,597,898</b>
Interest payable and similar charges	2,376	2,593
<b>Total finance costs</b>	<b>2,538,334</b>	<b>2,600,491</b>
<b>Reconciliation of distributions</b>		
Net revenue after taxation	1,780,820	1,637,975
Expenses paid from capital	2,074	1,239,484
Relief on expenses allocated to capital	(415)	(143,485)
Equalisation from collectives allocated to revenue	304,391	-
Balance brought forward	472,339	336,263
Balance carried forward	(23,251)	(472,339)
<b>Net distribution for the year</b>	<b>2,535,958</b>	<b>2,597,898</b>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

<b>7 Debtors</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>£</b>	<b>£</b>
Amounts receivable on creation of shares	100,879	79,919
Amounts receivable on unsettled trades	9,649,439	-
Accrued revenue:		
Non-taxable dividends receivable	4,200	50,287
Interest on non-derivative securities receivable	268,459	54,668
Property income distributions receivable	-	7,939
Prepayments	32	2,279
<b>Total debtors</b>	<b>10,023,009</b>	<b>195,092</b>

  

<b>8 Cash and bank balances</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>£</b>	<b>£</b>
Cash and bank balances	6,351,354	4,562,274
Bank overdraft	(3,498,430)	(1,369,401)

  

<b>9 Creditors</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>£</b>	<b>£</b>
Amounts payable on cancellation of shares	170,871	534,788
Amounts payable on unsettled trades	4,323,078	-
<b>Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:</b>		
Annual management charge	105,696	109,193
<b>Payable to the depositary, associates of the depositary, and agents of either of them:</b>		
Depositary fees	5,742	6,066
Safe custody and other custodian charges	12,761	20,593
	18,503	26,659
Other accrued expenses	11,495	10,632
<b>Total creditors</b>	<b>4,629,643</b>	<b>681,272</b>

## 10 Risk management policies

In pursuing its investment objective as stated on page 26, the Sub-fund holds a number of financial instruments. The Sub-fund's financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued revenue.

The main risks arising from the Sub-fund's financial instruments, those of its underlying holdings and the AFM's policies for managing these risks are summarised below. These policies have been applied throughout the year.

### Market price risk

Market price risk is the risk that the value of the Sub-fund's investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the Sub-fund holds. It represents the potential loss the Sub-fund might suffer through holding market positions in the face of price movements.

The Sub-fund's investment portfolio is exposed to market price fluctuations, which are monitored by the AFM in pursuance of the investment objective and policy as set out in the Prospectus.

Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

If market prices at the balance sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders and equity for the year ended 31 December 2023 would have increased/decreased by £20,321,918 (31 December 2022: £20,250,692).

**10 Risk management policies (Continued)**

**Foreign currency risk**

Foreign currency risk is the risk that the value of the Sub-fund's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

The Sub-fund's investment portfolio is partly invested in collective investment schemes that are registered overseas and also collective investment schemes that invest in overseas securities and the balance sheet can be affected by movements in foreign exchange rates. The AFM may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the Sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to Sterling on or near the date of receipt.

Net currency assets and liabilities consist of:

	Net monetary assets and liabilities		Non-monetary assets		Total net assets	
	£		£		£	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Sterling	8,246,290	2,706,693	203,219,177	202,506,920	211,465,467	205,213,613
Total	8,246,290	2,706,693	203,219,177	202,506,920	211,465,467	205,213,613

**Interest rate risk**

Interest rate risk is the risk to portfolio value due to changes in interest rates. The magnitude of the exposure from an adverse change in interest rates depends on the sensitivity of the instrument to changes in interest rates as well as the absolute change in interest rates. In general, values of long-term instruments are more sensitive to interest rate changes than the values of short-term instruments.

The Sub-fund takes on interest rate risk when the investment manager believes the expected returns compensate for the risk, limited by the investment objective, policy and any prospectus rules. The investment manager monitors the level of interest rate risk in the fund on a regular basis. In addition any cash deposits in the sub-fund are linked to SONIA, ensuring interest income increases as interest rates increase.

The table below details the interest rate risk profile at the balance sheet date:

	31.12.2023	31.12.2022
	£	£
Financial assets floating rate	6,351,354	4,562,274
Financial assets interest bearing instruments	29,102,359	19,669,268
Financial assets non-interest bearing instruments	184,139,827	183,032,744
Financial liabilities non-interest bearing instruments	(4,629,643)	(681,272)
Financial liabilities floating rate	(3,498,430)	(1,369,401)
	<b>211,465,467</b>	<b>205,213,613</b>

At 31 December 2023, if interest rates increased or decreased by 0.25%, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-fund would increase or decrease by approximately £7,132 (31 December 2022: £7,982).

**Liquidity risk**

The Sub-fund's assets comprise mainly of readily realisable securities. The main liability of the Sub-fund is the redemption of any shares that the investors wish to sell. Assets of the Sub-fund may need to be sold if insufficient cash is available to finance such redemptions.

**Credit risk**

Certain transactions in securities that the Sub-fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Sub-fund has fulfilled its responsibilities. The Sub-fund only buys and sells investments through brokers which have been approved by the AFM as acceptable counterparties and fund management companies. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in broker's financial ratings are reviewed.

Credit risk also arises on cash held within financial institutions. Credit risk on cash balances is mitigated by ensuring that cash is held with financial institutions that are at least investment grade credit related. Indirect credit risk arises from holdings in collectives that invest in debt securities as any default or perceived risk of default will affect the valuation of such holdings.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 10 Risk management policies (Continued)

#### Fair value disclosure

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices and the lowest to un-observable inputs. The criteria applied to the fair values levels in these financial statements are as follows:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

Valuation Technique	31.12.2023		31.12.2022	
	Assets (£000's)	Liabilities (£000's)	Assets (£000's)	Liabilities (£000's)
Level 1: Unadjusted quoted price in an active market for an identical instrument	58,498	-	43,333	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1	144,721	-	159,174	-
Total	203,219	-	202,507	-

### 11 Shares held

#### Class A: Accumulation Retail

<b>Opening shares at 01.01.2023</b>	<b>151,049,739</b>
Shares issued during the year	14,154,950
Shares cancelled during the year	(19,534,868)
Shares converted during the year	-
<b>Closing shares at 31.12.2023</b>	<b>145,669,821</b>

#### Class B: Accumulation Staff

<b>Opening shares at 01.01.2023</b>	<b>6,053,384</b>
Shares issued during the year	548,326
Shares cancelled during the year	(366,216)
Shares converted during the year	-
<b>Closing shares at 31.12.2023</b>	<b>6,235,494</b>

### 12 Contingent assets and liabilities

At 31 December 2023, the Sub-fund had no contingent liabilities or commitments (31 December 2022: £nil).

### 13 Post balance sheet events

As indicated in the accounting policies in Note 1, the investments have been valued at the closing valuation point on 29 December 2023. Since that date, the Sub-fund's quoted price has moved as follows for each share class:

Share class	Price at 29 December 2023 (GBp)	Price at 25 April 2024 (GBp)
Class A: Accumulation Retail	139.1421	146.7340
Class B: Accumulation Staff	140.6762	148.3555

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**14 Direct transaction costs**

	2023		2022	
	£	%	£	%
<b>Analysis of total purchase costs</b>				
Purchases in the year before transaction costs	108,164,872		187,642,438	
Commission	1,046	0.00%	22,568	0.01%
Taxes and levies	10,680	0.01%	7,969	0.00%
Total purchase costs	11,726	0.01%	30,537	0.01%
Total purchases including transaction costs	<u>108,176,598</u>		<u>187,672,975</u>	
<b>Analysis of total sale costs</b>				
Sales in the year before transaction costs	120,198,736		168,869,712	
Commission	(4,085)	(0.00%)	(17,795)	(0.01%)
Taxes and levies	(4)	(0.00%)	(828)	(0.00%)
Total sale costs	(4,089)	(0.00%)	(18,623)	(0.01%)
Total sales net of transaction costs	<u>120,194,647</u>		<u>168,851,089</u>	

The following represents the total of each type of transaction cost, expressed as a percentage of the Sub-fund's average net asset value in the year:

	2023	% of average	2022	% of average
	£	net asset value	£	net asset value
Commission	5,131	0.00%	40,363	0.02%
Taxes and levies	10,684	0.01%	8,797	0.00%
	<u>15,815</u>	<u>0.01%</u>	<u>40,363</u>	<u>0.02%</u>

**15 Portfolio Dealing Spread**

The average portfolio dealing spread at 31 December 2023 is 0.10% (31 December 2022: 0.09%)

**16 Related Party transactions**

Valu-Trac Investment Management Limited, as AFM is a related party due to its ability to act in respect of the operations of the Sub-fund.

Amounts paid to the AFM and its associates are disclosed in note 4. The amounts due to the AFM and its associates at the balance sheet date are disclosed in note 9.

## DISTRIBUTION TABLES

### Interim distribution in pence per share

Group 1: Shares purchased prior to 01 January 2023

Group 2: Shares purchased on or after 01 January 2023 and on or before 30 June 2023

<b>Class A: Accumulation Retail</b>	<b>Net revenue 31.08.2023</b>	<b>Equalisation</b>	<b>Distribution 31.08.2023</b>	<b>Distribution 31.08.2022</b>
Group 1	1.0051p	-	1.0051p	1.1487p
Group 2	0.4972p	0.5079p	1.0051p	1.1487p

<b>Class B: Accumulation Staff</b>	<b>Net revenue 31.08.2023</b>	<b>Equalisation</b>	<b>Distribution 31.08.2023</b>	<b>Distribution 31.08.2022</b>
Group 1	1.0172p	-	1.0172p	1.1600p
Group 2	0.4094p	0.6078p	1.0172p	1.1600p

### Final distribution in pence per share

Group 1: Shares purchased prior to 01 July 2023

Group 2: Shares purchased on or after 01 July 2023 and on or before 31 December 2023

<b>Class A: Accumulation Retail</b>	<b>Net Revenue 29.02.2024</b>	<b>Equalisation</b>	<b>Distribution 29.02.2024</b>	<b>Distribution 28.02.2023</b>
Group 1	0.6216p	-	0.6216p	0.5378p
Group 2	0.0964p	0.5252p	0.6216p	0.5378p

<b>Class B: Accumulation Staff</b>	<b>Net Revenue 29.02.2024</b>	<b>Equalisation</b>	<b>Distribution 29.02.2024</b>	<b>Distribution 28.02.2023</b>
Group 1	0.4908p	-	0.4908p	0.5348p
Group 2	0.0458p	0.4450p	0.4908p	0.5348p

### Information for corporate shareholders

A corporate shareholder receives the distribution shown on the voucher enclosed with this report as follows:

- i) 63.73% of the total dividend allocation together with the tax credit is received as franked investment income.
- ii) 36.27% of the dividend allocation is received as an annual payment received after deduction of income tax at the lower rate and is liable to corporation tax. It is not franked investment income.

## INFORMATION FOR INVESTORS

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### Distribution

Distributions of the revenue of the Company if applicable will be made to shareholders on or before the last day of February each year and interim allocations of revenue on or before 31 August.

### Individual shareholders

**Income tax:** Tax-free annual dividend allowance now standing at £1,000 (2023/24). UK resident shareholders are subject to new, higher rates of tax on dividend income in excess of the annual allowance. The actual rate depends on the individual's tax rate band.

**Capital gains tax:** Individual shareholders resident in the UK for tax purposes may be liable to capital gains tax on realisation of their shares as with other chargeable assets. However, the first £6,000 (2023/24) of gains each year are presently tax free for individuals. Gains in excess of that amount are charged at the rate of tax applicable to the individual tax payer.

### Corporate shareholders

Companies resident for tax purposes in the UK, which hold shares should note that OEIC distributions are streamed into both franked and unfranked income. The unfranked income element will be treated as an annual payment which has been subject to income tax at prevailing rates and will be liable to tax accordingly. On realisation of their shares, UK resident companies may be liable to pay corporation tax on any capital gains.

The above information on taxation is only a general summary, and shareholders should consult their own tax advisors in relation to their own circumstances. Shareholders should also note that the position as outlined may change to reflect future changes in tax legislation.

### Issue and redemption of shares

Valu-Trac Investment Management Limited is the AFM and Registrar. Valu-Trac Investment Management Limited will receive requests for the purchase or sale of shares at any time during normal business hours between 8.30am and 5.30pm. Instructions may be given by email (grosvenor@valu-trac.com) or by sending an application form to the Registrar. Application forms are available from the Registrar.

The price of shares will be determined by reference to a valuation of the Company's net assets at 12 noon (London Time) on each dealing day.

The AFM has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for shares in whole or part, and in this event the AFM will return any money sent, or the balance of such monies, at the risk of the applicant. In addition the AFM may reject any application previously accepted in circumstances where the applicant has paid by cheque and that cheque subsequently fails to be cleared.

Any subscription monies remaining after a whole number of shares has been issued will not be returned to the applicant. Instead, smaller denomination shares will be issued in such circumstances.

A contract note giving details of the shares purchased and the price used will be issued by the Registrar by the end of the business day following the valuation point by reference to which the purchase price is determined, together with, where appropriate, a notice of the applicant's right to cancel. Settlement is due four business days after the trade date shown on the contract note and should be made to the AFM's dealing account.

Ownership of shares will be evidenced by an entry on the Company's Register of Shareholders. Certificates will not be issued. Statements in respect of periodic distributions of revenue will show the number of shares held by the recipient in respect of which the distribution is made. Individual statements of a shareholder's shares will also be issued at any time on request by the registered holder.

Where shares are redeemed, payment will be made not later than the close of business on the fourth business day following the next valuation point after receipt by the AFM of a request for redemption. The minimum value of shares that a shareholder may hold is £1,000. The AFM may waive the minimum levels at its discretion.

The most recent issue and redemption prices are available from the AFM.

### Assessment of Value

The AFM conducts an assessment of value for the Sub-funds each year. The assessment of value reports are available on the AFM's website.

## INFORMATION FOR INVESTORS (Continued)

### Remuneration

The AFM is subject to a remuneration policy which meets the requirements of the Undertakings for Collective Investment in Transferable Securities Directive (UCITS) as set out in SYSC 19E of the FCA Handbook.

The policy is designed to ensure practices for employee remuneration are consistent with, and promote, sound and effective risk management. It does not encourage risk-taking which is inconsistent with the risk profiles, rules or instrument of incorporation of the funds managed, and does not impair the AFM compliance with its duty to act in the best interests of the funds it manages.

The AFM has reviewed the Remuneration Policy and its application in the last year which has resulted in no material changes to the policy or irregularities to process.

The AFM is required to disclose the total remuneration it pays to its staff during the financial year, split into fixed and variable remuneration, with separate aggregate disclosure for staff whose actions may have a material impact on the risk profile of a fund or the AFM itself. This includes executives, senior risk and compliance staff and certain senior managers.

28.05.2023	Number of Beneficiaries	Fixed Remuneration	Variable Remuneration Paid	Total Remuneration Paid
Total remuneration paid by the AFM during the year	86	£3,462,948	£ nil	£3,462,948
Remuneration paid to employees of the AFM who have a material impact on the risk profile of the UK UCITS	18	£1,043,732	£ nil	£1,043,732
Senior Management	14	£779,584	£ nil	£779,584
Control Functions	4	£264,148	£ nil	£264,148
Employees receiving total remuneration that takes them into the same remuneration brackets as senior management and risk takers	0	£ -	£ nil	£ -

Further information is available in the AFM's Remuneration Policy document which can be obtained from [www.valu-trac.com](http://www.valu-trac.com). A paper copy of the remuneration policy is available on request from the registered office of the Authorised Fund Manager free of charge.

**CORPORATE DIRECTORY**

<b>Authorised Fund Manager &amp; Registrar</b>	Valu-Trac Investment Management Limited Orton Fochabers Moray IV32 7QE  Telephone: 01343 880344 Fax: 01343 880267 Email: grosvenor@valu-trac.com  Authorised and regulated by the Financial Conduct Authority Registered in England No 2428648
<b>Director</b>	Valu-Trac Investment Management Limited as AFM
<b>Investment Manager</b>	Brompton Asset Management LLP 1 Knightsbridge Green London SW1X 7QA  Authorised and regulated by the Financial Conduct Authority
<b>Depository</b>	NatWest Trustee and Depository Services Limited House A Floor 0, 175 Glasgow Road Gogarburn Edinburgh EH12 1HQ  Authorised and regulated by the Financial Conduct Authority
<b>Auditor</b>	Johnston Carmichael LLP Chartered Accountants Commerce House Elgin IV30 1JE