



VT SG UK Defined Return Assets Fund

Monthly Report

30th September 2024

Investment Objective & Investment Selection

The investment objective of the VT SG UK Defined Return Assets Fund is to generate capital growth over the long term.

The Fund will seek to achieve its objective primarily via exposure (indirectly by way of a swap) to a portfolio of defined return investments, namely twelve rolling up to six year autocalls (each of which will have a potential maturity date on a different calendar month each year) which are designed to provide a defined return if the FTSE 100 is at, or above, a predefined level on a specified date. Capital is at risk and there is no guarantee that a positive return will be achieved over a 12 month, or any, period.

Monthly Review

During September, the Fund returned +0.06%, ahead of the FTSE 100 Total Return Index which returned -1.54%.

The Bank of England (BoE) September meeting saw interest rates held firm at 5%, while inflation also remained steady at 2.2%. In the US the Federal Reserve (Fed) cut interest rates by 0.5%, coming in ahead of the 0.25% cut which was expected, with the Fed also signalling more cuts on the way. This may influence the BoE to follow suit should inflation rise to the forecasted 2.5% towards the end of the year, however markets are still only pricing in a 0.25% cut at the November meeting.

The indicated Gross Redemption Yield (GRY) at the end of September 2024 has decreased to 7.97%. The September observation point triggered a reset of that contract, with a new 5.60% coupon replicating that previously held. Following the month end, the October observation point also triggered a reset, with a new 5.40% coupon.

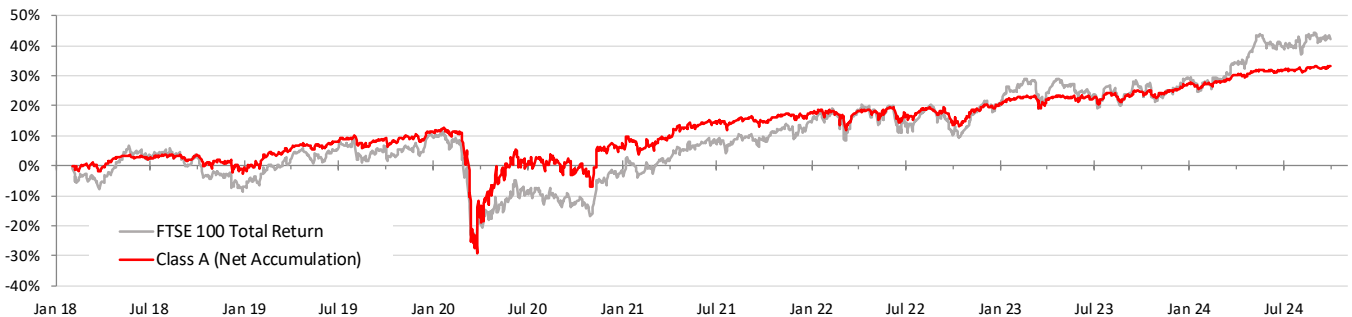
Past performance is not necessarily a guide to future performance.

See overleaf for a strategy overview.

Key Facts

| | |
|---------------------------------|--|
| Sponsor | Societe Generale |
| NAV Per Share | 133.1572p |
| Launch Date | 31 st January 2018 |
| Base Currency | GBP |
| Liquidity | Daily |
| Share Type | Accumulation |
| Initial Charge | 0% |
| Annual Management Charge | £68,201 per annum (chargeable to the fund) + 0.39% (relative to Fund size) |
| Minimum Subscription | £5,000 |
| ISIN | GB00BDZRYK47 |
| SEDOL | BDZRYK4 |
| Bloomberg Code | VTSGUAG LN |
| IA Sector | Specialist |
| Pricing | 12:00 noon |
| Dealing Deadline | 12:00 noon |
| Fax | 01343 880267 |
| Email | sg@valu-trac.com |

Fund & FTSE 100 TR Performance



Fund Performance Figures

| Date | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
|-------------|--------|--------|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2018 | | 0.57% | -1.25% | 3.59% | 0.03% | -0.30% | 0.86% | -0.52% | 0.53% | -2.71% | 1.06% | -2.30% | -0.58% |
| 2019 | 2.03% | 2.07% | 1.69% | 1.58% | -0.67% | 1.47% | 1.81% | -2.15% | 1.83% | -0.10% | 0.93% | 0.78% | 11.78% |
| 2020 | -0.60% | -6.06% | -18.12% | 17.37% | 2.94% | -1.76% | -0.81% | 1.15% | -2.99% | -5.03% | 12.95% | 1.35% | -3.98% |
| 2021 | -1.09% | 1.69% | 2.65% | 2.23% | 0.96% | 0.67% | 0.07% | 1.10% | -0.78% | 1.23% | -0.27% | 1.39% | 10.25% |
| 2022 | 0.03% | -0.56% | 1.12% | -0.36% | 1.28% | -1.74% | 0.76% | -0.64% | -3.46% | 2.52% | 3.18% | 0.51% | 2.50% |
| 2023 | 1.50% | 0.50% | -0.87% | 0.81% | -0.94% | 0.49% | 1.55% | -0.64% | 0.98% | -1.34% | 1.38% | 2.17% | 5.66% |
| 2024 | 0.07% | 0.24% | 1.90% | 0.80% | 0.19% | 0.12% | 0.57% | 0.51% | 0.06% | | | | 4.52% |

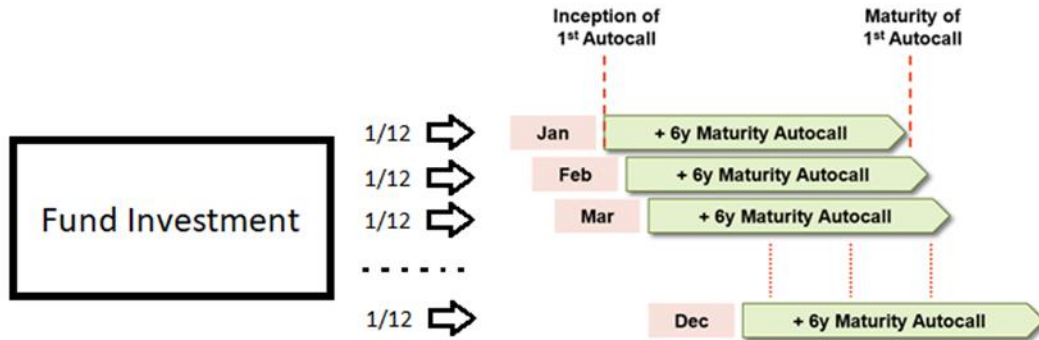
Past performance is not necessarily a guide to future performance Source Valu-Trac Investment Management Limited.



The Passive Defensive Investment Strategy

→ 12 Equal Holdings – Staggered Monthly

An investment into the Fund gives investors **equal** exposure to 12 defined return investments, namely twelve rolling up to six year autocalls (each of which will have a potential maturity date on a different calendar month each year) which are designed to provide a defined return if the FTSE 100 is at, or above, a predefined level on a specified date. Capital is at risk and there is no guarantee that a positive return will be achieved. The objective over time is to ensure investors have diversity of investment timing, investment level and potential return.



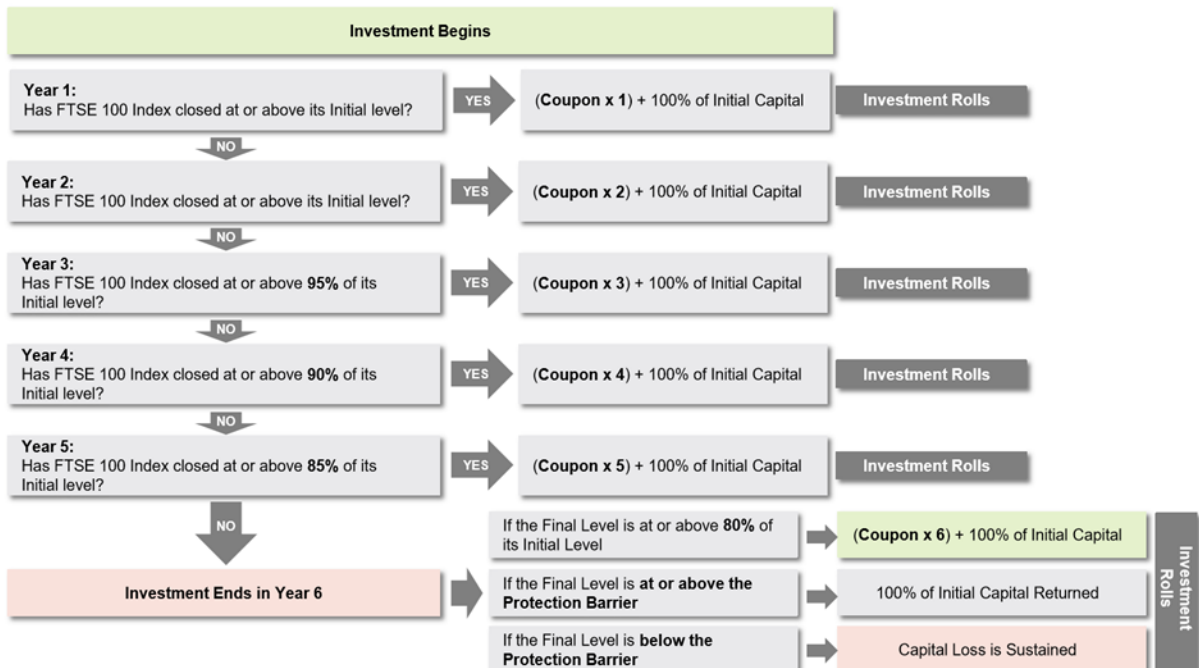
→ Example defined return investment returns

Each defined return investment return is dependent on the performance of the FTSE 100 Index.

If, on an annual autocall date, the FTSE 100 Index closes at or above the required level the defined return investment will end and the capital and any accumulated return for each year that has elapsed since the defined return investment start date, will be automatically reinvested into a new defined return investment following the very same strategy, resetting the dates and market levels at that time.

If, however, the FTSE 100 Index closes below the required level on an annual autocall date, the defined return investment will continue to the next annual autocall date.

If, the FTSE 100 Index does not close at or above the required level over any of the six annual autocall dates, the defined return investment will mature, and a capital loss will be incurred should the FTSE level be below 60% (Protection Barrier) of the defined return investment start date.





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| Asset Month Ref | Strike Level | Coupon | Strike Date | Next Autocall Date | Final Valuation Date | Assumed duration / time to kickout - years | GRY* | Autocall Coupons | | | | | |
|-----------------|--------------|--------|-------------|--------------------|----------------------|--|--------|------------------|--------------|-------------|-------------|-------------|-------------|
| | | | | | | | | Autocall #1 | Autocall #2 | Autocall #3 | Autocall #4 | Autocall #5 | Autocall #6 |
| | | | | | | | | (100% Level) | (100% Level) | (95% Level) | (90% Level) | (85% Level) | (80% Level) |
| January | 7724.94 | 6.65% | 09/01/23 | 06/01/25 | 05/01/29 | 0.27 | 10.69% | - | 113.30% | 119.95% | 126.60% | 133.25% | 139.90% |
| February | 7885.17 | 6.20% | 08/02/23 | 05/02/25 | 05/02/29 | 0.35 | 12.28% | - | 112.40% | 118.60% | 124.80% | 131.00% | 137.20% |
| March | 7929.92 | 6.35% | 08/03/23 | 05/03/25 | 05/03/29 | 0.43 | 11.66% | - | 112.70% | 119.05% | 125.40% | 131.75% | 138.10% |
| April | 7934.79 | 6.00% | 09/04/24 | 07/04/25 | 05/04/30 | 0.52 | 10.87% | 106.00% | 112.00% | 118.00% | 124.00% | 130.00% | 136.00% |
| May | 8381.35 | 6.00% | 09/05/24 | 06/05/25 | 07/05/30 | 2.59 | 7.02% | 106.00% | 112.00% | 118.00% | 124.00% | 130.00% | 136.00% |
| June | 8245.37 | 6.15% | 07/06/24 | 05/06/25 | 05/06/30 | 2.68 | 6.90% | 106.15% | 112.30% | 118.45% | 124.60% | 130.75% | 136.90% |
| July | 8139.81 | 6.00% | 09/07/24 | 07/07/25 | 05/07/30 | 0.77 | 10.86% | 106.00% | 112.00% | 118.00% | 124.00% | 130.00% | 136.00% |
| August | 8166.88 | 6.00% | 07/08/24 | 05/08/25 | 05/08/30 | 0.85 | 10.85% | 106.00% | 112.00% | 118.00% | 124.00% | 130.00% | 136.00% |
| September | 8270.84 | 5.60% | 09/09/24 | 05/09/25 | 05/09/30 | 2.93 | 6.64% | 105.60% | 111.20% | 116.80% | 122.40% | 128.00% | 133.60% |
| October | 7492.21 | 6.95% | 09/10/23 | 07/10/24 | 05/10/29 | 0.02 | 4.32% | 106.95% | 113.90% | 120.85% | 127.80% | 134.75% | 141.70% |
| November | 7401.72 | 6.80% | 08/11/23 | 05/11/24 | 06/11/29 | 0.10 | 6.58% | 106.80% | 113.60% | 120.40% | 127.20% | 134.00% | 140.80% |
| December | 7513.72 | 6.35% | 07/12/23 | 05/12/24 | 05/12/29 | 0.18 | 9.03% | 106.35% | 112.70% | 119.05% | 125.40% | 131.75% | 138.10% |

| | | |
|------|------|-------|
| FUND | 0.97 | 7.97% |
|------|------|-------|

* per annum

Autocall Coupons are the current potential returns based on the level of the FTSE 100 as of the 30th September 2024.

Performance Indicators

The table below is a snapshot of the current shape of the Fund.

| Market Move | -20% | -10% | 0% | 10% | 20% |
|----------------------------|---------|---------|---------|--------|--------|
| Intrinsic Value (GBP) | 1.24 | 1.22 | 1.10 | 1.08 | 1.08 |
| Avg Time to Maturity (yrs) | 4.89 | 2.97 | 0.97 | 0.47 | 0.47 |
| Gross Redemption Yield | 3.99% | 5.97% | 7.97% | 11.10% | 11.10% |
| Implied Value | £112.37 | £110.26 | £100.00 | £97.55 | £97.55 |

→ Intrinsic value

The intrinsic value is the aggregate terminal value of the Fund taking into account estimated fees over the relevant period (not accounting for additional value from future reinvestment).

→ Average Time to Maturity

The table also shows the weighted average time to maturity of the investments held within the Fund. Currently this is 0.97 years because, at current market levels, all of the auto-callable investments are likely to call within 0 to 3 years. This number gives the investor an idea of how long it will take for them to earn the expected GRY.

If the Market (The FTSE 100) moves up by 10%, then at present many of the 12 strategies would be set to mature sooner, and thus the Average Time To Maturity decreases.

→ Gross Redemption Yield

The table above shows the current expected yield of the Fund taking into account estimated fees for certain movements in the underlying indices. This yield is based on the Intrinsic Value and the Average Time to Maturity. For example, if markets do not move, we would expect the Fund to yield 7.97% given its current make-up.

If the Market (The FTSE 100) moves up by 10%, then the Average Time To Maturity decreases, and the Intrinsic Value (GBP) / Implied Value decreases and combined this increases the Gross Redemption Yield from 7.97% to 11.10%.



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Platforms



Disclaimer

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