

VT SORBUS VECTOR FUNDS ICVC

**(SUB-FUNDS VT SORBUS VECTOR FUND 1, VT SORBUS ETHICS FUND,
VT SHAHEEN GLOBAL, VT BLACKWOOD PRIME & VT BLACKWOOD
KEYSTONE)**

**Annual Report and Financial Statements
For the year ended 30 September 2023**

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COMPANY OVERVIEW

Type of Company:

VT Sorbus Vector Funds ICVC (the 'Company') is an investment company (company number IC001059) 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 10 March 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 (AFM's) RESPONSIBILITIES

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/(losses) 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.

DIRECTOR'S STATEMENT

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

David Fraser FCCA

David E. Smith CA

Valu-Trac Investment Management Limited
Authorised Fund Manager

Date 8th January 2024

STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES AND REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS OF VT SORBUS VECTOR FUNDS ICVC

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"), and 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 and 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 October 2023

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VT SORBUS VECTOR FUNDS ICVC (SUB-FUNDS VT SORBUS VECTOR FUND 1, VT SORBUS ETHICS FUND, VT SHAHEEN GLOBAL, VT BLACKWOOD PRIME & VT BLACKWOOD KEYSTONE)

Opinion

We have audited the financial statements of VT Sorbus Vector Funds ICVC ("the Company") for the year ended 30 September 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 Generally Accepted Accounting Practice including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- > give a true and fair view of the financial position of the Company at 30 September 2023 and of the net revenue and the net capital gains/(losses) on the scheme property of the Company for the year then ended; and
- > have been properly prepared in accordance with the IA Statement of Recommended Practice for Authorised Funds, the rules of the Collective Investment Schemes Sourcebook 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 described further in the auditor's 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 12 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VT SORBUS VECTOR FUNDS ICVC (SUB-FUNDS VT SORBUS VECTOR FUND 1, VT SORBUS ETHICS FUND, VT SHAHEEN GLOBAL, VT BLACKWOOD PRIME & VT BLACKWOOD KEYSTONE) (Continued)

Opinion on Other Matters Prescribed by the COLL Regulations

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 liquidate 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Extent to which the audit is 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, focusing on provisions of those laws and regulations 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 Collective Investment Schemes Sourcebook; 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 any relevant correspondence with regulatory bodies and the Company's breaches register.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VT SORBUS VECTOR FUNDS ICVC (SUB-FUNDS VT SORBUS VECTOR FUND 1, VT SORBUS ETHICS FUND, VT SHAHEEN GLOBAL, VT BLACKWOOD PRIME & VT BLACKWOOD KEYSTONE) (Continued)

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

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

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur, by meeting with management 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;
- > the completeness and classification of special dividends between revenue and capital; and
- > the presentation and disclosures related to the Company's ESG objectives.

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:

- > 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;
- > Performing a recalculation of the performance fee payable for the period, verifying key inputs to underlying market or fund data;
- > Assessing the Company's compliance with the key requirements of the Collective Investment Schemes Sourcebook and its Prospectus;
- > Evaluating the nature of disclosures related to ESG by reference to the Company's Prospectus and relevant Regulator publications setting out expectations for operators of ESG funds;
- > 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 are to 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 Collective Investment Schemes Sourcebook ("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 shareholders 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

Date 8 January 2024

ACCOUNTING POLICIES

For the year ended 30 September 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 and performance fees, are charged to revenue on an accruals basis.
- (d) Distributions on equities, collectives and trusts are recognised when the security is quoted ex-dividend. Interest on deposits and debt 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 effective yield basis of calculating amortisation. Rebates from Investment Managers are recognised on an accruals basis and recognised as revenue. 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-fund, 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) Investments are stated at their fair value at the balance sheet date. In determining fair value, the valuation point is 12 noon on 29 September 2023 with reference to quoted bid prices from reliable external sources. Unlisted collective investment schemes 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 rate of exchange ruling at the dates of such transactions. Foreign currency assets and liabilities at the end of the accounting period are translated at the exchange rates at 12 noon on 29 September 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) 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-fund, is intended to cover certain charges not included in the bid market value of the Sub-fund, used in calculating the share price, which could have a diluting effect on the performance of the Sub-fund.

ACCOUNTING POLICIES (Continued)

- (k) The Sub-funds currently issues Income shares. The Sub-funds go ex dividend semi-annually and pay any income available to the shareholder two months in arrears, as a dividend distribution with the exception of VT Blackwood Keystone which pays the income as an interest distribution. Any revenue deficit at the year end 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-fund (or if it no longer exists the AFM). 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 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.

- (l) For VT Sorbus Vector Fund 1, a performance fee is payable to reward the investment manager in the event of the outperformance by the Sub-fund compared to its benchmark index. The benchmark index of the VT Sorbus Vector Fund 1 is the MSCI UK IMI Net Dividends Reinvested Index. The performance fee is only applicable to the Class A share class and is 10% of the amount by which the Sub-fund has outperformed the benchmark. The amount is payable annually in arrears. The performance fee is charged to capital.

SUB-FUND OVERVIEW

Name of Sub-fund	VT Sorbus Vector Fund 1
Size of Sub-fund	£46,653,122
Launch date	21 April 2016
Sub-fund objective and policy	<p>The investment objective of the VT Sorbus Vector Fund 1 is to generate income and capital growth.</p> <p>The Sub-fund will aim to meet its objectives by investing primarily (at least 70%) in a small number of UK equities (many of which are likely to have a small market capitalisation) which the investment manager considers to be undervalued. In addition to investing in equities, the Sub-fund may also invest in other transferable securities, collective investment schemes, money market instruments, deposits, cash and near cash.</p> <p>The Sub-fund will not have any particular industry or economic sector focus and as such weightings in these may vary as required.</p>
Derivatives	The Sub-fund may hold derivatives only for efficient portfolio management purposes. It is not intended that the use of derivatives for efficient portfolio management purposes will increase the risk profile of the Sub-fund.
Authorised Fund Manager (AFM)	Valu-Trac Investment Management Limited
Ex-distribution dates	30 September and 31 March
Distribution dates	30 November and 31 May
Individual Savings Account (ISA)	The Sub-fund is a qualifying investment for inclusion in an ISA.
Minimum Investment*	
Lump Sum Subscription	Class A = £1,000 Class B = N/A
Top-Up	Class A = N/A Class B = N/A
Holding	Class A = £1,000 Class B = N/A
Redemption:	N/A (provided minimum holding is maintained)
Switching	N/A (provided minimum holding is maintained)
Initial and redemption charges	Nil
Performance fee	Details of the performance fee are disclosed on page 8 Note I (I).

*The AFM may at its discretion waive or discount the initial charges and accept subscriptions and/or holdings lower than the minimum amount.

Note: Class B shares are only available to the employees (and their connected persons) of the investment manager of the Sub-fund.

SUB-FUND OVERVIEW (Continued)

Annual management charges

The annual management charge is comprised of a fixed element which is retained by the AFM for its own account and a variable element which is paid by the AFM to the Investment Manager.

The AFM charges (which include the management fee) are £20,000* plus:

Class A = 0.75%

Class B = 0.00%

The above percentages being percentages of the net asset value of the Sub-fund attributable to the relevant class.

*The fixed element of the fee shall rise annually in line with the rate of inflation (calculated in accordance with the Consumer Prices Index) on 1 April each year (from April 2017). In the event of negative inflation, the fixed element of the fee will remain unchanged.

** B Class shares are only available to the employees (and their connected persons) of the Investment Manager of the Sub-Fund.

INVESTMENT MANAGER'S REVIEW

Over the last 12 months SORBUS VECTOR generated a total return of 4.4% (A Net Income). This compares to 13.9% on the benchmark, the MSCI UK IMI All Companies Index.

The performance of equity markets was driven by US technology stocks; driving stock markets higher, having led them lower in 2022. These companies mostly fail our value based criteria (by some margin) so we do not wish to expose our investors to this risk.

In 2023 UK equity markets have been range bound, that is they have been trading within a relatively narrow band.

Some of our larger holdings, such as Diageo and Burberry, have had a disappointing period (in terms of share price movement) but their fundamentals remain intact: these are high quality consumer brands that can produce returns for shareholders regardless of economic conditions.

We expect that economic conditions and hence company profitability is going to worsen and that these companies will show their value. It is anecdotal but we are seeing increased evidence of profit warnings, which are significantly and negatively impacting company share prices.

The bottom of a bear market is characterised by stock prices remaining flat or even rising on the back of bad news. This is an indicator that negativity and bad news is already factored into share prices. We are not there yet. Poor trading news (which is increasing in frequency) is denting share prices which shows that markets are not correctly pricing the prevailing economic condition.

We continue to focus on defensive, high quality companies that can perform throughout the market cycle. We also retain high cash reserves to give us opportunities going into the bear market.

If markets continue to rise then SORBUS VECTOR will underperform but as Warren Buffett famously said the first rule of investing is to not lose money. Now is the time to be focused on protecting investor capital over chasing returns and taking on risk.

There were two new holdings added to the fund in the first six months of the year and two exited. The two new holdings were: Lindsell Train Investment Trust and Nestle. The two holdings sold were: Revolution Bars and Synectics. There were no holdings added or removed in the second half of this year. Rationale for the changes in the first six months of the year were given in the interim accounts commentary.

Sorbus Partners LLP
Investment Manager to the Fund
31 October 2023

PERFORMANCE RECORD

Financial Highlights

A (Net Income)

	Year ended 30 September 2023	Year ended 30 September 2022	Year ended 30 September 2021
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	176.9592	210.3284	151.6202
Return before operating charges	9.4313	(29.2477)	61.9850
Operating charges (note 1)	(1.6460)	(1.6348)	(1.6107)
Return after operating charges *	7.7853	(30.8826)	60.3743
Distributions on income shares	(3.8843)	(2.4866)	(1.6661)
Closing net asset value per share	180.8602	176.9592	210.3284
*after direct transactions costs of:	0.0716	0.2517	0.3598
Performance			
Return after charges	4.40%	(14.68%)	39.82%
Other information			
Closing net asset value	£42,999,085	£43,728,336	£76,899,925
Closing number of shares	23,774,769	24,710,965	36,561,837
Operating charges (note 2)	0.92%	0.84%	0.89%
Performance fee	0.00%	0.00%	0.71%
Direct transaction costs	0.04%	0.13%	0.20%
Prices			
Highest share price	197.4917	209.6153	217.0653
Lowest share price	175.3868	176.9592	146.4827

B (Net Income)

	Year ended 30 September 2023	Year ended 30 September 2022	Year ended 30 September 2021
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	187.2957	222.6786	158.7624
Return before operating charges	10.0450	(31.0124)	67.4631
Operating charges (note 1)	(0.3219)	(0.1845)	(0.1907)
Return after operating charges *	9.7231	(31.1969)	67.2724
Distributions on income shares	(5.6154)	(4.1860)	(3.3562)
Closing net asset value per share	191.4034	187.2957	222.6786
*after direct transactions costs of:	0.0757	0.2665	0.3792
Performance			
Return after charges	5.19%	(14.01%)	42.37%
Other information			
Closing net asset value	£3,899,129	£4,124,423	£6,097,817
Closing number of shares	2,037,127	2,202,091	2,738,394
Operating charges (note 2)	0.17%	0.09%	0.10%
Direct transaction costs	0.04%	0.13%	0.20%
Prices			
Highest share price	209.2262	222.1199	230.9612
Lowest share price	185.7120	187.2957	153.5182

PERFORMANCE RECORD (Continued)

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 year.
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 together with the ongoing charges included within the underlying holdings held within the Sub-fund.

Risk Profile

Based on past data, the Sub-fund is ranked a 6 on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document (30 September 2022: ranked 6). The Sub-fund is ranked 6 because weekly historical performance data indicates that it has experienced significant rises and falls in market prices historically.

PORTFOLIO STATEMENT

As at 30 September 2023

Holding	Value £	% of net assets
Equity Holdings (30.09.2022: 91.02%)		
450,000 A.G.Barr PLC	2,193,750	4.70%
375,000 Anglo-Eastern Plantations PLC	2,677,500	5.74%
600,000 Anpario PLC	1,590,000	3.41%
95,000 Burberry Group PLC	1,821,625	3.91%
100,000 Diageo PLC	3,060,500	6.56%
400,000 Dialight PLC	636,000	1.36%
200,000 Dunelm Group PLC	2,098,000	4.50%
1,975,000 ECO Animal Health Group PLC	2,192,250	4.70%
166,000 Fevertree Drinks PLC	2,005,280	4.30%
248,148 Focusrite PLC	1,265,555	2.71%
242,500 Hargreaves Lansdown PLC	1,932,240	4.14%
1,000,000 Hostelworld Group PLC	1,250,000	2.68%
23,800 London Stock Exchange Group PLC	1,973,972	4.23%
1,348,000 ME Group International PLC	2,124,448	4.55%
23,750 Nestle SA	2,214,218	4.75%
220,000 Nichols PLC	2,211,000	4.74%
1,250,000 PZ Cussons PLC	1,810,000	3.88%
55,000 Reckitt Benckiser Group PLC	3,199,900	6.86%
85,000 Unilever PLC	3,471,824	7.44%
	39,728,062	85.16%
Investment Trusts (30.09.2022: 0.00%)		
2,280 Lindsell Train Investment Trust PLC	2,001,840	4.29%
	2,001,840	4.29%
Portfolio of investments (30.09.2022: 91.02%)		
	41,729,902	89.45%
Net other assets (30.09.2022: 9.66%)		
	4,923,220	10.55%
	46,653,122	100.00%

Note: The 30 September 2022 comparators percentages are based on Mid pricing and does not add up to 100%. The Mid to Bid adjustment for the year ended 30 September 2022 was (0.68%).

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total purchases for the year (note 14)	7,080,645
Lindsell Train Investment Trust PLC	2,346,190
Nestle SA	2,325,210
UK Treasury Bill 18/09/2023	999,620
Diageo PLC	542,757
Anpario PLC	498,924
PZ Cussons PLC	367,944

	£
Total sales for the year (note 14)	9,043,581
Euromoney Institutional Investor PLC	1,461,000
Hostelworld Group PLC	1,058,416
UK Treasury Bill 18/09/2023	1,000,000
Fevertree Drinks PLC	997,947
Dunelm Group PLC	979,410
EMIS Group PLC	889,958
London Stock Exchange Group PLC	439,004
Synectics PLC	358,867
Unilever PLC	283,529
Reckitt Benckiser Group PLC	257,174
Other various sales	1,318,276

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

STATEMENT OF TOTAL RETURN

For the year ended 30 September

	Notes	2023	2022
		£	£
Income			
Net capital gains/(losses)	2	749,901	(11,979,781)
Revenue	3	1,538,053	1,520,224
Expenses	4	(413,442)	(561,358)
Interest payable and similar charges	6	-	(5,465)
Net revenue before taxation		1,124,611	953,401
Taxation	5	(9,439)	(17,684)
Net revenue after taxation		1,115,172	935,717
Total return before distributions		1,865,073	(11,044,064)
Finance costs: distributions	6	(1,115,172)	(934,959)
Changes in net assets attributable to shareholders from investment activities		749,901	(11,979,023)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 30 September

	2023	2022
	£	£
Opening net assets attributable to shareholders	47,530,535	82,460,897
Amounts receivable on creation of shares	12,515,457	9,002,333
Amounts payable on cancellation of shares	(14,211,161)	(32,035,213)
Dilution levies	68,390	81,541
Changes in net assets attributable to shareholders from investment activities (see above)	749,901	(11,979,023)
Closing net assets attributable to shareholders	46,653,122	47,530,535

BALANCE SHEET

As at	Notes	30.09.2023		30.09.2022	
		£	£	£	£
ASSETS					
Investment assets			41,729,902		42,939,861
Current assets					
Debtors	7	117,250		1,066,706	
Cash and bank balances	8	5,616,749		6,182,941	
Total current assets			<u>5,733,999</u>	<u>6,182,941</u>	<u>7,249,647</u>
Total assets			47,463,901		50,189,508
LIABILITIES					
Current liabilities					
Creditors	9	(118,060)		(2,171,228)	
Distribution payable on income shares		(692,719)		(487,745)	
Total current liabilities			<u>(810,779)</u>	<u>(487,745)</u>	<u>(2,658,973)</u>
Net assets attributable to shareholders			46,653,122		47,530,535

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

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

2 Net capital gains/(losses)

	2023	2022
	£	£
The net capital gains/(losses) comprise:		
Non-derivative securities gains/(losses)	752,974	(11,978,096)
Foreign Currency (losses)	(2,752)	(1,135)
Transaction charges (custodian)	(321)	(550)
Total net capital gains/(losses)	749,901	(11,979,781)

3 Revenue

	2023	2022
	£	£
Non-taxable dividends	1,302,456	1,503,079
Interest from non-derivative securities	-	596
Bank interest	235,597	16,549
Total revenue	1,538,053	1,520,224

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	373,961	516,865
Performance fee	-	-
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	18,583	25,742
Safe custody fee	1,833	2,778
	20,416	28,520
Other expenses:		
Audit fee	10,233	8,792
FCA fee	34	49
Other expenses	8,798	7,132
	19,065	15,973
Total expenses	413,442	561,358

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 Taxation

	2023	2022
	£	£
(a) Analysis of charge in the year		
Overseas withholding tax	9,439	17,684
Total tax charge for the year (note 5b)	9,439	17,684
(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 UK corporation tax	1,124,611	953,401
Corporation tax at 20.00% (2022: 20.00%)	224,922	190,680
<u>Effects of:</u>		
Revenue not subject to taxation	(260,491)	(300,616)
Current year expenses not utilised	35,569	109,936
Overseas withholding tax	9,439	17,684
Total tax charge for the year (note 5a)	9,439	17,684

(c) Provision for deferred taxation

At 30 September 2023 there is a potential deferred tax asset of £800,786 (30 September 2022: £765,217) in relation to surplus management expenses. It is unlikely the Sub-fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised.

6 Finance costs

	2023	2022
	£	£
Interim dividend distribution	372,535	295,930
Final dividend distribution	692,719	487,745
	1,065,254	783,675
Add: Revenue deducted on cancellation of shares	102,210	176,242
Deduct: Revenue received on issue of shares	(52,292)	(24,958)
Net distribution for the year	1,115,172	934,959
Interest payable and similar charges	-	5,465
Total finance costs	1,115,172	940,424
Reconciliation of distributions		
Net revenue after taxation	1,115,172	935,717
Balance brought forward	-	(758)
Net distribution for the year	1,115,172	934,959

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 Debtors	30.09.2023	30.09.2022
	£	£
Amounts receivable on creation of shares	105	52,224
Amounts receivable on unsettled trades	-	874,672
Accrued revenue:		
Non-taxable dividends receivable	117,091	139,749
Prepayments	54	61
Total debtors	117,250	1,066,706

8 Cash and bank balances	30.09.2023	30.09.2022
	£	£
Cash and bank balances	5,616,749	6,182,941

9 Creditors	30.09.2023	30.09.2022
	£	£
Amounts payable on cancellation of shares	74,530	2,124,428
Payable to the AFM, associates of the AFM and agents of either of them:		
Annual management charge	29,720	32,006
Other accrued expenses	13,810	14,794
Total creditors	118,060	2,171,228

10 Shares held

A (Net Income)

Opening Shares at 01.10.2022	24,710,965
Shares issued during the year	6,602,365
Shares cancelled during the year	(7,538,561)
Shares converted during the year	-
Closing Shares as at 30.09.2023	23,774,769

B (Net Income)

Opening Shares at 01.10.2022	2,202,091
Shares issued during the year	22,581
Shares cancelled during the year	(187,545)
Shares converted during the year	-
Closing Shares as at 30.09.2023	2,037,127

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 Risk management

In pursuing its investment objective as stated on page 9, the Company holds a number of financial instruments. The Company'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 Company'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 30 September 2023 would have increased/decreased by £4,172,990 (30 September 2022: £4,293,986).

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 equities that are registered overseas 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.

A portion of the net assets of the Sub-fund is denominated in currencies other than Sterling with the effect that the balance sheet and total return can be affected by currency movements.

Net currency assets and liabilities consist of:

	Net monetary assets and liabilities		Non-monetary assets		Total net assets	
	£	£	£	£	£	£
	30.09.2023	30.09.2022	30.09.2023	30.09.2022	30.09.2023	30.09.2022
Sterling	4,877,362	4,575,958	39,515,684	42,939,861	44,393,046	47,515,819
Swiss franc	-	-	2,214,218	-	2,214,218	-
US Dollars	45,858	-	-	-	45,858	-
Euro	-	14,716	-	-	-	14,716
Total	4,923,220	4,590,674	41,729,902	42,939,861	46,653,122	47,530,535

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 Risk management (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 Sub-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:

	30.09.2023	30.09.2022
	£	£
Financial assets floating rate	5,616,749	6,182,941
Financial assets interest bearing instruments	-	-
Financial assets non-interest bearing instruments	41,847,152	44,006,567
Financial liabilities non-interest bearing instruments	(810,779)	(2,658,973)
Financial liabilities floating rate	-	-
	46,653,122	47,530,535

At 30 September 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 £14,042 (30 September 2022: £15,457).

Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 30 September 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 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 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 Risk management (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 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	30.09.2023		30.09.2022	
	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	41,730	-	42,940	-
Total	41,730	-	42,940	-

12 Contingent assets and liabilities

At 30 September 2023, the Company had no contingent liabilities or commitments (30 September 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 September 2023. Since that date, the Sub-fund's quoted price has moved as follows for each share class:

Share Class	Price (GBP) at 29 September 2023	Price (GBP) at 05 January 2024
A (Net Income)	180.8602	175.4957
B (Net Income)	191.4034	186.1005

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14 Direct transaction costs

	2023		2022	
	£	%	£	%
Analysis of total purchase costs				
Purchases in the year before transaction costs	7,062,019		36,605,805	
Commissions	2,404	0.03%	6,960	0.02%
Taxes and levies	16,222	0.23%	66,456	0.18%
Total purchase costs	18,626	0.26%	73,416	0.20%
Total purchases including transaction costs	7,080,645		36,679,221	
Analysis of total sale costs				
Sales in the year before transaction costs	9,046,521		60,521,227	
Commissions	(2,895)	(0.03%)	(16,326)	(0.03%)
Taxes and levies	(45)	(0.00%)	(102)	(0.00%)
Total sale costs	(2,940)	(0.03%)	(16,428)	(0.03%)
Total sales net of transaction costs	9,043,581		60,504,799	

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 net asset value	2022	% of average net asset value
	£		£	
Commissions	5,299	0.01%	23,286	0.04%
Taxes and levies	16,267	0.03%	66,558	0.09%
	21,566	0.04%	89,844	0.13%

15 Portfolio Dealing Spread

The average portfolio dealing spread at 30 September 2023 is 1.17% (30 September 2022: 1.36%)

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 distributions in pence per share

Group 1 – Shares purchased prior to 01 October 2022

Group 2 – Shares purchased on or after 01 October 2022 and on or before 31 March 2023.

A (Net Income)	Net revenue 31.05.2023	Equalisation	Distribution 31.05.2023	Distribution 31.05.2022
Group 1	1.2721p	-	1.2721p	0.7447p
Group 2	0.6148p	0.6573p	1.2721p	0.7447p

B (Net Income)	Net revenue 31.05.2023	Equalisation	Distribution 31.05.2023	Distribution 31.05.2022
Group 1	2.0966p	-	2.0966p	1.5842p
Group 2	0.0169p	2.0797p	2.0966p	1.5842p

Final distributions in pence per share

Group 1 – Shares purchased prior to 01 April 2023

Group 2 – Shares purchased on or after 01 April 2023 and on or before 30 September 2023.

A (Net Income)	Net revenue 30.11.2023	Equalisation	Distribution 30.11.2023	Distribution 30.11.2022
Group 1	2.6122p	-	2.6122p	1.7419p
Group 2	1.4368p	1.1754p	2.6122p	1.7419p

B (Net Income)	Net revenue 30.11.2023	Equalisation	Distribution 30.11.2023	Distribution 30.11.2022
Group 1	3.5188p	-	3.5188p	2.6018p
Group 2	3.5049p	0.0139p	3.5188p	2.6018p

Information for corporate shareholders

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

- (i). 84.68% of the total dividend allocation together with the tax credit is received as franked investment income.
- (ii). 15.32% 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

Name of Sub-fund	VT Sorbus Ethics Fund
Size of Sub-fund	£8,594,899
Launch date	01 July 2019
Sub-fund objective and policy	<p>The investment objective of the VT Sorbus Ethics Fund is to provide a total return through a combination of capital growth and income over the long term (5 years +).</p> <p>The Sub-fund will aim to meet its objectives by investing predominantly (at least 80%) in companies which pass the following two filters:</p> <p>(1) No investment will have material revenue exposure (more than 10%) to: the manufacture or supply of weapons; extraction of oil, gas and consumable fuels; metals and minerals; the sale or manufacture of tobacco; casinos and gambling or pornography;</p> <p>(2) No investments will be selected unless the Investment Manager considers there to be potential, in the Investment Manager's opinion, for that investment to provide an attractive rate of return (with those which are not considered to offer this being excluded from the investment universe).</p> <p>When making investment decisions, the Investment Manager will also consider whether, based on the Investment Manager's assessments of a company's own commitments (i.e. in its policies and procedures, such as CSR statements) as confirmed by the Investment Manager's own research and ongoing monitoring through assessment of third party sources such as media statements and journals be considered, through its actions and business to: (i) promote positive change in the spirit of at least two of the United Nations Sustainable Development Goals (SDG); and (ii) otherwise demonstrate positive attributes such as good governance and commitment to diversity.</p> <p>The Sub-fund may also invest (up to 20%) in other equities, bonds (investment grade and sub-investment grade) and collective investment schemes (including those managed or operated by the AFM) which do not satisfy the commitment noted in the paragraph above. There will also be exposure, indirectly, to various other asset classes including property and alternative assets such as commodities. The Sub-fund may also invest in money market instruments, deposits, cash and near cash.</p> <p>The Investment Manager undertakes ongoing monitoring, using sources such as reports and accounts, online media, social media and journals to monitor investments on an ongoing basis and if an investment would no longer pass through any of the filters it would be expected to be sold.</p> <p>The Sub-fund will not have any particular industry or economic sector focus and as such weightings in these may vary as required.</p>
Derivatives:	<p>The Sub-fund may hold derivatives only for efficient portfolio management purposes. It is not intended that the use of derivatives for efficient portfolio management purposes will increase the risk profile of the Sub-fund. The Sub-fund may invest in other collective investment schemes which may themselves use derivatives for investment purposes.</p>

SUB-FUND OVERVIEW (Continued)

Performance Comparator: 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.

However, the performance of the Sub-fund can be compared to that of the IA Flexible Investment sector (the "Index").

The performance of the Sub-fund can be compared against that of the Index. This benchmark has been selected as it is considered that the Index most closely reflects the risk/return objectives of the Sub-fund at the current time. For the avoidance of doubt, the Investment Manager is not bound or influenced by the Index when making its decisions and can make investments that are not included in the Index.

Authorised Fund Manager (AFM) Valu-Trac Investment Management Limited

Ex-distribution dates 30 September and 31 March

Distribution dates 30 November and 31 May

Individual Savings Account (ISA) The Sub-fund is a qualifying investment for inclusion in an ISA.

Minimum Investment*

Lump Sum Subscription Class A = £1,000

Top-Up Class A = N/A

Holding Class A = £1,000

Redemption: N/A (provided minimum holding is maintained)

Switching N/A (provided minimum holding is maintained)

Initial and redemption charges Nil

*The AFM may waive the minimum levels (and initial charge and redemption charge) at its discretion.

Annual management charges

The annual management charge is comprised of a fixed element which is retained by the AFM for its own account and a variable element which is paid by the AFM to the Investment Manager.

The AFM charges (which include the management fee) are £21,000** plus: Class A = 1.00%.

The above percentages being percentages of the net asset value of the Sub-fund attributable to the relevant class.

***The fixed element of the fee shall rise annually in line with the rate of inflation (calculated in accordance with the Consumer Prices Index) on 1 April each year (from April 2020). In the event of negative inflation, the fixed element of the fee will remain unchanged.

INVESTMENT MANAGER'S REVIEW

Over the last year SORBUS ETHICS has delivered a total return (including dividends) of 5.03%. For comparison the IA Flexible sector has returned 4.76%.

This represents a rebound from the equity market falls experienced in 2022. Since launch on 1st October 2020 SORBUS ETHICS has returned 1.5% on a total return basis¹.

One area of the portfolio we have been actively reviewing and making adjustments to over the past few months is the equity exposure within the fund. In September we initiated changes to transition the fund from having a bias towards UK equity to having a greater US equity exposure, as part of a long term adjustment to the fund's strategy.

Whilst we continue to think that our direct equity investments represent high quality businesses that will generate long term value for shareholders it is clear that the UK equity market is facing structural problems. It has consistently failed to produce and attract growth businesses in the way that the US has and as a result we have shifted more of the fund's equity exposure to the US.

However, we should caveat our investment strategy in regards to our US investments. Seven companies (Apple, Amazon, Alphabet (Google), Microsoft, Meta (Facebook), Nvidia, and Tesla) have increasingly dominated the performance of the US equity indices and these seven now collectively account for around 30% of the S&P 500 index. This is a high concentration by historic standards and never before have such concentrations been maintained. In the 1960's and 70's there was a phenomenon in the US called the "Nifty Fifty". These fifty companies were considered to have such compelling market positions that no consideration needed be made over their valuation - you could buy the shares at any price, the logic went. Over the following decades shareholders in these companies lost the majority of their capital as the harsh reality of competition eroded many of these businesses. A benchmark being increasingly dominated by a high concentration in a relatively small number of companies is a warning sign.

In order to diminish the risk of these companies underperforming we have invested into S&P 500 equal weighted trackers so that we have an equal exposure to every company in the benchmark, rather than having a disproportionate exposure to the (currently) most valuable companies.

Going into next year the backdrop for investors remains challenging and the risks of a global recession are high. Our analysis suggests that this has not been adequately understood by investors. The bottom of a bear market is characterised by stock prices remaining flat or even rising on the back of bad news. This is an indicator that negativity and bad news is already factored into share prices. We are not at this point yet. Poor trading news (which is increasing in frequency) is denting share prices which shows that markets are not correctly pricing the prevailing economic condition. As such now is the time to be focused on protecting investor capital over chasing returns and taking on risk.

We remain defensively positioned.

Sorbus Partners LLP
Investment Manager to the Fund
31 October 2023

¹ - The fund launched on 1 July 2019 but was repurposed on 1st October 2020.

PERFORMANCE RECORD

Financial Highlights

A (Income)	Year ended 30 September 2023	Year ended 30 September 2022	Year ended 30 September 2021
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	116.2163	133.9649	119.5551
Return before operating charges	7.9803	(15.7346)	16.7929
Operating charges (note 1)	(2.1326)	(2.0140)	(2.3831)
Return after operating charges *	5.8477	(17.7486)	14.4098
Distributions on income shares	-	-	-
Closing net asset value per share	122.0640	116.2163	133.9649
*after direct transactions costs of:	0.0715	0.1126	0.3396
Performance			
Return after charges	5.03%	(13.25%)	12.05%
Other information			
Closing net asset value	£8,600,016	£8,334,293	£10,005,807
Closing number of shares	7,045,496	7,171,365	7,468,979
Operating charges (note 2)	1.79%	1.61%	1.88%
Direct transaction costs	0.06%	0.09%	0.27%
Prices			
Highest share price	127.6515	138.2302	138.0248
Lowest share price	114.1933	116.2163	116.7695

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 together with the ongoing charges included within the underlying holdings held within the Sub-fund.

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 (30 September 2022: ranked 5). The Sub-fund is ranked 5 because monthly historical performance data indicates that it has experienced relatively high rises and falls in market prices historically.

PORTFOLIO STATEMENT

As at 30 September 2023

Holding	Value £	% of net assets
Collective Investment Schemes (30.09.2022: 3.45%)		
232,358 Janus Henderson UK Absolute Return	435,439	5.07%
	435,439	5.07%
Equities (30.09.2022: 38.45%)		
7,325 ASOS PLC	28,150	0.33%
2,555 Associated British Foods PLC	52,761	0.61%
470 AstraZeneca PLC	52,696	0.61%
4,855 Auto Trader Group PLC	30,159	0.35%
1,370 Burberry Group PLC	26,270	0.31%
1,585 Diageo PLC	48,509	0.56%
1,820 Experian PLC	49,195	0.57%
2,215 Fanuc Corp	47,049	0.55%
2,255 Fevertree Drinks PLC	27,240	0.32%
3,435 GSK plc	51,463	0.60%
15,785 HALEON PLC	53,819	0.63%
1,360 Halma PLC	26,472	0.31%
6,790 Hargreaves Lansdown PLC	54,103	0.63%
8,625 HSBC Holdings PLC	56,019	0.65%
3,915 Informa PLC	29,597	0.34%
121,684 Lloyds Banking Group PLC	54,289	0.63%
610 London Stock Exchange Group PLC	50,593	0.59%
3,580 Ocado Group PLC	21,673	0.25%
3,330 Pearson PLC	29,131	0.34%
875 Reckitt Benckiser Group PLC	50,908	0.59%
1,855 Relx PLC	51,866	0.60%
5,205 Rightmove PLC	29,252	0.34%
2,880 Sage Group PLC	28,604	0.33%
7,250 Schroders PLC	29,856	0.35%
4,745 Smith & Nephew PLC	48,446	0.56%
1,770 Smiths Group PLC	28,922	0.34%
295 Spirax-Sarco Engineering PLC	28,338	0.33%
1,255 Unilever PLC	51,260	0.60%
3,007 Vestas Wind Systems A/S	53,007	0.62%
	1,189,647	13.84%
Exchange Traded Funds (30.09.2022: 27.04%)		
1,845 Amundi MSCI Europe SRI UCITS ETF	113,080	1.32%
68,180 Amundi S&P 500 Equal Weight ESG Leaders UCITS ETF	577,077	6.71%
9,210 iShares Agribusiness UCITS ETF	345,559	4.02%
11,015 Invesco MSCI USA ESG Universal Screened UCITS ETF	574,432	6.68%
25,565 Lyxor Net Zero 2050 S&P 500 Climate PAB (DR) UCITS ETF	577,513	6.72%
39,450 UBS ETF - MSCI Emerging Markets Socially Responsible UCITS ETF	379,904	4.42%
15,190 UBS ETF - MSCI Japan Socially Responsible UCITS ETF	266,736	3.10%
11,225 Xtrackers MSCI Emerging Markets ESG UCITS ETF	378,619	4.41%
17,075 Xtrackers MSCI Japan ESG UCITS ETF	264,287	3.07%
18,715 Xtrackers S&P 500 Equal Weight ESG UCITS ETF	576,730	6.71%
	4,053,937	47.16%
Exchange Traded Commodities (30.09.2022: 0.00%)		
46,445 The Royal Mint Physical Gold ETC Securities	702,945	8.18%
	702,945	8.18%

VT SORBUS ETHICS FUND

For the year ended 30 September 2023

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PORTFOLIO STATEMENT (Continued)

Holding	Value £	% of net assets
Real Estate Investment Trusts (30.09.2022: 0.99%)		
	-	0.00%
Bonds (30.09.2022: 17.85%)		
373,200 UK GILT 1.00% 22/04/2024	366,555	4.26%
523,100 UK GILT 0.125% 31/01/2024	514,905	5.99%
612,500 UK T Bill 0.00% 15/01/2024	602,940	7.02%
	1,484,400	17.27%
Portfolio of investments (30.09.2022: 87.78%)	7,866,368	91.52%
Net other assets (30.09.2022: 12.34%)	728,531	8.48%
	8,594,899	100.00%

Note: The 30 September 2022 comparators percentages are based on Mid pricing and does not add up to 100%. The Mid to Bid adjustment for the year ended 30 September 2022 was (0.12%).

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total purchases for the year (note 14)	7,226,679
UK T Bill 0.00% 17/07/2023	1,324,240
UK T Bill 0.00% 15/01/2024	828,339
The Royal Mint Physical Gold ETC Securities	735,342
iShares MSCI USA SRI UCITS ETF	659,412
Lyxor Net Zero 2050 S&P 500 Climate PAB (DR) UCITS ETF	588,033
Xtrackers S&P 500 Equal Weight ESG UCITS ETF	587,414
Amundi S&P 500 Equal Weight ESG Leaders UCITS ETF	587,143
Invesco MSCI USA ESG Universal Screened UCITS ETF	585,520
UK GILT 0.125% 31/01/2024	520,948
iShares Agribusiness UCITS ETF	347,667
Other various purchases	462,621

	£
Total sales for the year (note 14)	7,110,598
UK T Bill 0.00% 17/07/2023	1,347,570
UK GILT 0.125% 31/01/2023	1,120,600
iShares MSCI USA SRI UCITS ETF	723,182
Amundi MSCI Europe SRI UCITS ETF	356,392
iShares Global Clean Energy UCITS ETF	240,333
UK T Bill 0.00% 15/01/2024	234,526
UBS ETF - MSCI Japan Socially Responsible UCITS ETF	199,516
Relx PLC	137,991
HSBC Holdings PLC	132,933
GSK plc	128,893
Other various sales	2,488,662

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

STATEMENT OF TOTAL RETURN

For the year ended 30 September

	Notes	2023	2022
		£	£
Income			
Net capital gains/(losses)	2	380,251	(1,298,172)
Revenue	3	187,160	121,120
Expenses	4	(140,831)	(140,651)
Interest payable and similar charges	6	-	(957)
Net revenue/(expenses) before taxation		46,329	(20,488)
Taxation	5	(175)	(219)
Net revenue/(expenses) after taxation		46,154	(20,707)
Total return before distributions		426,405	(1,318,879)
Finance costs: distributions	6	-	-
Changes in net assets attributable to shareholders from investment activities		426,405	(1,318,879)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 30 September

	2023	2022
	£	£
Opening net assets attributable to shareholders	8,324,507	10,000,914
Amounts receivable on creation of shares	52,630	72,920
Amounts payable on cancellation of shares	(208,643)	(430,989)
Changes in net assets attributable to shareholders from investment activities (see above)	426,405	(1,318,879)
Closing net assets attributable to shareholders	8,594,899	8,324,507

BALANCE SHEET

As at	Notes	30.09.2023		30.09.2022	
		£	£	£	£
ASSETS					
Investment assets			7,866,368		7,298,018
Current assets					
Debtors	7	7,546		177,414	
Cash and bank balances	8	876,601		1,257,396	
Total current assets			884,147		1,434,810
Total assets			8,750,515		8,732,828
LIABILITIES					
Current liabilities					
Creditors	9	(19,582)		(288,772)	
Bank overdraft	8	(136,034)		(119,549)	
Total current liabilities			(155,616)		(408,321)
Net assets attributable to shareholders			8,594,899		8,324,507

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

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

2 Net capital gains/(losses)	2023	2022
	£	£
The net capital gains/(losses) comprise:		
Non-derivative securities gains/(losses)	381,983	(1,297,952)
Foreign Currency (losses)	(1,056)	(41)
Transaction charges (custodian)	(676)	(179)
Total net capital gains/(losses)	380,251	(1,298,172)

3 Revenue	2023	2022
	£	£
Non-taxable dividends	117,911	113,966
Interest from non-derivative securities	48,179	2,551
Property income distributions (PIDs)	-	1,721
Bank interest	21,070	2,882
Total revenue	187,160	121,120

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	111,028	116,551

Payable to the depositary, associates of the depositary, and agents of either of them:

Depositary fee	17,951	18,004
Safe custody fee	927	461
	18,878	18,465

Other expenses:

Audit fee	8,024	5,100
FCA fee	(159)	243
Other expenses	3,060	292
	10,925	5,635

Total expenses	140,831	140,651
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 Taxation	2023	2022
	£	£
(a) Analysis of charge in the year		
Overseas withholding tax	175	219
Total tax charge for the year (note 5b)	175	219
(b) Factors affecting current tax charge for the year		
The tax assessed for the year is lower/higher 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/(expenses) before UK corporation tax	46,329	(20,488)
Corporation tax at 20.00% (2022: 20.00%)	9,266	(4,098)
Effects of:		
Revenue not subject to taxation	(23,582)	(22,793)
Current year expenses not utilised	14,316	26,891
Overseas withholding tax	175	219
Total tax charge for the year (note 5a)	175	219
(c) Provision for deferred taxation		
At 30 September 2023 there is a potential deferred tax asset of £98,794 (30 September 2022: £84,478) in relation to surplus management expenses. It is unlikely the Sub-fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised		
6 Finance costs	2023	2022
	£	£
Interim dividend distribution	-	-
Final dividend distribution	-	-
	-	-
Add: Revenue deducted on cancellation of shares	-	-
Deduct: Revenue received on issue of shares	-	-
	-	-
Net distribution for the year	-	-
Interest payable and similar charges	-	957
Total finance costs	-	957
Reconciliation of distributions		
Net revenue/(expenses) after taxation	46,154	(20,707)
Deficit transferred to capital	-	20,707
Balance carried forward	(46,154)	-
Net distribution for the year	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 Debtors	30.09.2023	30.09.2022
	£	£
Amounts receivable on unsettled trades	-	162,558
Accrued revenue:		
Non-taxable dividends receivable	4,145	11,078
Interest from non-derivative securities receivable	2,108	1,987
Investment manager rebate receivable	1,243	1,243
Dilution levies	-	541
Prepayments	50	7
Total debtors	7,546	177,414

8 Cash and bank balances	30.09.2023	30.09.2022
	£	£
Cash and bank balances	876,601	1,257,396
Bank overdraft	(136,034)	(119,549)

9 Creditors	30.09.2023	30.09.2022
	£	£
Amounts payable on cancellation of shares	-	270,541
Payable to the AFM, associates of the AFM and agents of either of them:		
Annual management charge	8,899	9,207
Other accrued expenses	10,683	9,024
Total creditors	19,582	288,772

10 Shares held

A (Income)

Opening Shares at 01.10.2022

Shares issued during the year	7,171,365
Shares cancelled during the year	42,469
Shares converted during the year	(168,338)
	-
Closing Shares as at 30.09.2023	7,045,496

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 Risk management

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 30 September 2023 would have increased/decreased by £786,637 (30 September 2022: £729,802).

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 and equities that are registered overseas and funds 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.

A portion of the net assets of the Sub-fund is denominated in currencies other than Sterling with the effect that the balance sheet and total return can be affected by currency movements.

Net currency assets and liabilities consist of:

	Net monetary assets and liabilities		Non-monetary assets		Total net assets	
	£	£	£	£	£	£
	30.09.2023	30.09.2022	30.09.2023	30.09.2022	30.09.2023	30.09.2022
Sterling	728,531	1,024,323	6,612,505	7,162,761	7,341,036	8,187,084
Japanese yen	-	-	47,049	71,834	47,049	71,834
Euro	-	-	577,077	-	577,077	-
Danish krone	-	-	53,007	63,423	53,007	63,423
US Dollars	-	2,166	576,730	-	576,730	2,166
Total	728,531	1,026,489	7,866,368	7,298,018	8,594,899	8,324,507

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 30 September 2023 would have increased/decreased by £125,386 (31.03.2022: £20,926).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 Risk management (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 Sub-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:

	30.09.2023	30.09.2022
	£	£
Financial assets floating rate	876,601	1,257,396
Financial assets interest bearing instruments	1,484,400	1,485,585
Financial assets non-interest bearing instruments	6,389,514	5,989,847
Financial liabilities non-interest bearing instruments	(19,582)	(288,772)
Financial liabilities floating rate	(136,034)	(119,549)
	8,594,899	8,324,507

At 30 September 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 £5,562 (30 September 2022: £6,559).

Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 30 September 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 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 brokers' financial ratings are reviewed. Credit risk on cash balances is mitigated by ensuring that cash is held with financial institutions that are at least investment grade credit related. On debt securities and bonds, credit risk is mitigated by ensuring that credit ratings are monitored regularly and in line with the investment objective and profile of the Sub-fund.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 Risk management (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 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	30.09.2023		30.09.2022	
	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	7,431	-	7,011	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1	435	-	287	-
Total	7,866	-	7,298	-

12 Contingent assets and liabilities

At 30 September 2023, the Sub-fund had no contingent liabilities or commitments (30 September 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 September 2023. Since that date, the Sub-fund's quoted price has moved as follows for each share class:

Share Class	Price (GBp) at 29 September 2023	Price (GBp) at 05 January 2024
A (Income)	122.0640	125.1886

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14 Direct transaction costs

	2023		2022	
	£	%	£	%
Analysis of total purchase costs				
Purchases in the year before transaction costs	7,223,789		3,546,709	
Commissions	2,007	0.03%	872	0.02%
Taxes and levies	883	0.01%	7,541	0.21%
Total purchase costs	2,890	0.04%	8,413	0.23%
Total purchases including transaction costs	7,226,679		3,555,122	
Analysis of total sale costs				
Sales in the year before transaction costs	7,112,889		4,104,856	
Commissions	(2,246)	(0.03%)	(471)	(0.01%)
Taxes and levies	(45)	(0.00%)	(9)	(0.00%)
Total sale costs	(2,291)	(0.03%)	(480)	(0.01%)
Total sales net of transaction costs	7,110,598		4,104,376	

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 net asset value	2022	% of average net asset value
	£		£	
Commissions	4,253	0.05%	1,343	0.01%
Taxes and levies	928	0.01%	7,550	0.08%
	5,181	0.06%	8,893	0.09%

15 Portfolio Dealing Spread

The average portfolio dealing spread at 30 September 2023 is 0.13% (2022: 0.24%)

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. Amounts due from the AFM and its associates at the balance sheet date are disclosed in note 7.

17 Distribution Tables

The Sub-fund did not distribute in any of the ex-dates in the year ended 30 September 2023 (YE 30 September 2022 nil distributions).

SUB-FUND OVERVIEW

Name of Sub-fund	VT Shaheen Global
Size of Sub-fund	£11,775,340
Launch date	16 February 2021
Sub-fund objective and policy	<p>The investment objective of the VT Shaheen Global is to provide a total return through a combination of capital growth and income over the long term (5 years +). Capital is in fact at risk and there is no guarantee that a positive return will be achieved over a 5 year, or any, period.</p> <p>The Sub-fund will aim to meet its objectives by primarily (70% +) investing directly, or indirectly via collective investment schemes (including those managed or operated by the AFM and Investment Manager, including other sub-funds of the Company) and ETFs, in a diversified portfolio of equities and bonds. The allocation between direct and indirect exposure to such asset classes will vary depending on the manager's assessment as to the appropriate asset mix based on market conditions and at times the level of indirect exposure may be high. There will also be exposure, indirectly to various other asset classes including property and alternative assets such as commodities as permitted by the rules. Exposure to equities may be up to 100%.</p> <p>The Sub-fund may also invest directly in money market instruments, deposits, cash and near cash.</p> <p>The Sub-fund will not have any particular industry or economic sector focus and as such weightings in these may vary as required.</p>
Derivatives	<p>The Sub-fund may hold derivatives only for efficient portfolio management purposes. It is not intended that the use of derivatives for efficient portfolio management purposes will increase the risk profile of the Sub-fund. The Sub-fund may invest in other collective investment schemes which may themselves use derivatives for investment purposes.</p>
Performance Comparator:	<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, the performance of the Sub-fund can be compared to that of the IA Flexible Sector (the "Index").</p> <p>The performance of the Sub-fund can be compared against that of the Index. This benchmark has been selected as it is considered that the Index most closely reflects the risk/return objectives of the Sub-fund at the current time. For the avoidance of doubt, the Investment Manager is not bound or influenced by the Index when making its decisions and can make investments that are not included in the Index.</p>
Authorised Fund Manager (AFM)	Valu-Trac Investment Management Limited
Ex-distribution dates	30 September and 31 March
Distribution dates	30 November and 31 May
Individual Savings Account (ISA)	The Sub-fund is a qualifying investment for inclusion in an ISA.

SUB-FUND OVERVIEW (Continued)

Minimum Investment*

Lump Sum Subscription	Class A = £500,000
Top-Up	Class A = £100,000
Holding	Class A = £500,000
Redemption:	N/A (provided minimum holding is maintained)
Switching	N/A (provided minimum holding is maintained)
Initial and redemption charges	5%

*The AFM may waive the minimum levels (and initial charge and redemption charge) at its discretion

Note: Class A Shares are only available to certain clients of the Investment Manager or at the AFM's discretion)

Annual management charges

The annual management charge is comprised of a fixed element which is retained by the AFM for its own account and a variable element which is paid by the AFM to the Investment Manager.

The AFM charges (which include the management fee) are £21,500** plus: Class A = 0.00%.

The above percentages being percentages of the net asset value of the Sub-fund attributable to the relevant class.

***The fixed element of the fee shall rise annually in line with the rate of inflation (calculated in accordance with the Consumer Prices Index) on 1 April each year (from April 2021). In the event of negative inflation, the fixed element of the fee will remain unchanged.

INVESTMENT MANAGER'S REVIEW

Over the last year Shaheen Global has delivered a total return (including dividends) of 0.6%. For comparison the IA Flexible sector has returned 4.76%.

This is a mediocre performance. However, given economic and market risks we considered that the focus of the fund needed to be on protecting investor capital over chasing returns and taking on risk; something we discussed in both the 2022 annual accounts and the 2023 interim accounts.

We are still concerned about prevailing economic and market risks, however, in keeping with the investment objectives of the fund we have been taking active steps to reposition Shaheen Global to have a greater focus on generating capital growth.

To this end, in August we decreased the debt and alternatives (gold and absolute return investments) exposures and increased the equity exposure within the fund. Overall this led to around a 23.5% increase in the funds equity exposure.

However, we should caveat our investment strategy in regards to our US investments. Seven companies (Apple, Amazon, Alphabet (Google), Microsoft, Meta (Facebook), Nvidia, and Tesla) have increasingly dominated the performance of the US equity indices and these seven now collectively account for around 30% of the S&P 500 index. This is a high concentration by historic standards and never before have such concentrations been maintained. In the 1960's and 70's there was a phenomenon in the US called the "Nifty Fifty". These fifty companies were considered to have such compelling market positions that no consideration needed be made over their valuation - you could buy the shares at any price, the logic went. Over the following decades shareholders in these companies lost the majority of their capital as the harsh reality of competition eroded many of these businesses. A benchmark being increasingly dominated by a high concentration in a relatively small number of companies is a warning sign.

In order to diminish the risk of these companies underperforming we have invested into S&P 500 equal weighted trackers so that we have an equal exposure to every company in the benchmark, rather than having a disproportionate exposure to the (currently) most valuable companies.

Going into next year the backdrop for investors remains challenging and the risks of a global recession are high. Our analysis suggests that this has not been adequately understood by investors. The bottom of a bear market is characterised by stock prices remaining flat or even rising on the back of bad news. This is an indicator that negativity and bad news is already factored into share prices. We are not at this point yet. Poor trading news (which is increasing in frequency) is denting share prices which shows that markets are not correctly pricing the prevailing economic condition. Shaheen has the capability to invest up to 100% into equities. At present we retain 26% of the portfolio in cash or short duration UK gilts. These reserves ensure we have flexibility to respond to market conditions as they change. Now is the time to be focused on protecting investor capital over chasing returns and taking on risk.

Sorbus Partners LLP
Investment Manager to the Fund
31 October 2023

PERFORMANCE RECORD

Financial Highlights

A (Income)	Period from 16		
	Year ended 30 September 2023	Year ended 30 September 2022	February 2021 to 30 September 2021 [^]
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	94.0667	99.2505	100.0000
Return before operating charges	1.18670	(3.8457)	0.38529
Operating charges (note 1)	(0.6012)	(0.6573)	(0.4935)
Return after operating charges *	0.5855	(4.5030)	(0.1082)
Distributions on income shares	(0.8428)	(0.6808)	(0.6413)
Closing net asset value per share	93.8094	94.0667	99.2505
 *after direct transactions costs of:	 0.0752	 0.0290	 0.1395
Performance			
Return after charges	0.62%	(4.54%)	(0.11%)
Other information			
Closing net asset value	£11,784,562	£10,463,083	£11,033,678
Closing number of shares	12,562,239	11,123,043	11,117,000
Operating charges (note 2)	0.64%	0.68%	0.80%
Direct transaction costs	0.08%	0.03%	0.14%
Prices			
Highest share price	96.1418	103.0356	101.8425
Lowest share price	91.9465	91.2985	94.1102

[^]Share class launched 16 February 2021

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 together with the ongoing charges included within the underlying holdings held within the Sub-fund.

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 (30 September 2022: ranked 5). The Sub-fund is ranked 5 because simulated monthly historical performance data indicates that relatively high rises and falls in market prices would have occurred historically.

PORTFOLIO STATEMENT

As at 30 September 2023

Holding	Value £	% of net assets
Collective Investment Schemes (30.09.2022: 13.00%)		
317,034 Janus Henderson UK Absolute Return	594,122	5.04%
168,847 Jupiter Asian Income	259,400	2.20%
	853,522	7.24%
Exchange Traded Commodities (30.09.2022: 7.40%)		
3,320 ETFS Physical Gold	475,158	4.04%
16,095 iShares Physical Gold ETC	478,022	4.06%
	953,180	8.10%
Exchange Traded Funds (30.09.2022: 30.82%)		
33,175 AMUNDI MSCI JAPAN UCITS ETF	415,019	3.52%
20,450 Invesco S&P 500 Equal Weight UCITS ETF	782,315	6.64%
12,660 iShares Agribusiness UCITS ETF	475,003	4.03%
73,835 iShares Core MSCI EM IMI UCITS ETF	252,758	2.15%
2,270 SPDR S&P 500 UCITS ETF	798,404	6.78%
11,940 Vanguard S&P 500 UCITS ETF	796,667	6.77%
7,310 Vanguard FTSE Developed Europe ex UK UCITS ETF	221,822	1.88%
5,895 Vanguard FTSE Emerging Markets UCITS ETF	254,340	2.16%
15,850 Vanguard FTSE Japan UCITS ETF	413,804	3.51%
6,435 Xtrackers MSCI Emerging Markets UCITS ETF	256,821	2.18%
12,600 Xtrackers S&P 500 Equal Weight UCITS ETF	785,523	6.67%
	5,452,476	46.29%
Equities (30.09.2022: 7.32%)		
10,390 ASOS PLC	39,929	0.34%
3,475 Associated British Foods PLC	71,759	0.61%
640 AstraZeneca PLC	71,757	0.61%
6,750 Auto Trader Group PLC	41,931	0.36%
1,830 Burberry Group PLC	35,090	0.30%
2,100 Diageo PLC	64,271	0.55%
2,540 Experian PLC	68,656	0.58%
3,160 Fevertree Drinks PLC	38,173	0.32%
4,915 GlaxoSmithKline PLC	73,637	0.63%
21,100 HALEON PLC	71,940	0.61%
1,910 Halma PLC	37,178	0.32%
9,020 Hargreaves Lansdown PLC	71,871	0.61%
11,710 HSBC Holdings PLC	76,056	0.65%
5,515 Informa PLC	41,693	0.35%
163,300 Lloyds Banking Group PLC	72,856	0.62%
845 London Stock Exchange Group PLC	70,084	0.60%
5,230 Ocado Group PLC	31,662	0.27%
4,765 Pearson PLC	41,684	0.35%
1,200 Reckitt Benckiser Group PLC	69,816	0.59%
2,720 Relx PLC	76,051	0.65%
7,315 Rightmove PLC	41,110	0.35%
4,155 Sage Group PLC	41,267	0.35%
9,777 Schroders PLC	40,262	0.34%
6,450 Smith & Nephew PLC	65,855	0.56%
2,485 Smiths Group PLC	40,605	0.34%
410 Spirax-Sarco Engineering PLC	39,385	0.33%
1,705 Unilever PLC	69,641	0.59%
	1,504,219	12.78%

VT SHAHEEN GLOBAL

For the year ended 30 September 2023

PORTFOLIO STATEMENT (Continued)

As at 30 September 2023

Holding	Value £	% of net assets
Bonds (30.09.2022: 29.78%)		
387,800 UK T Bill 0.00% 16/10/2023	386,842	3.29%
514,100 UK GILT 0.125% 31/01/2024	505,936	4.30%
1,149,000 UK T Bill 0.00% 15/01/2024	1,131,065	9.61%
	<u>2,023,843</u>	<u>17.20%</u>
Portfolio of investments (30.09.2022: 88.32%)	10,787,240	91.61%
Net other assets (30.09.2022: 11.76%)	988,100	8.39%
	<u>11,775,340</u>	<u>100.00%</u>

Note: The 30 September 2022 comparators percentages are based on Mid pricing and does not add up to 100%. The Mid to Bid adjustment for the year ended 30 September 2022 was (0.08%).

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total purchases for the year (note 14)	11,953,064
UK T Bill 0.00% 17/07/2023	1,594,450
US T Bill 0.00% 22/08/2023	1,386,131
UK T Bill 0.00% 15/01/2024	1,122,708
LF Ruffer Absolute Return	1,000,000
Xtrackers S&P 500 Equal Weight UCITS ETF	798,828
Invesco S&P 500 Equal Weight UCITS ETF	796,664
UK T Bill 0.0% 11/04/2023	520,542
UK T Bill 0% 16/10/2023	518,546
UK GILT 0.125% 31/01/2024	500,877
iShares Agribusiness UCITS ETF	473,201
Other various purchases	3,241,117

	£
Total sales for the year (note 14)	10,396,624
UK T Bill 0.00% 17/07/2023	1,622,200
UK GILT 0.125% 31/01/2023	1,592,200
United States Treasury 0.250 15/04/2023	1,392,012
US T Bill 0.00% 22/08/2023	1,376,474
LF Ruffer Absolute Return	944,674
UK T Bill 0.00% 11/04/2023	530,400
iShares MSCI USA Quality Dividend UCITS ETF	345,164
ETFS Physical Gold	337,493
iShares Physical Gold ETC	305,209
Lindsell Train Global Equity	205,192
Other various sales	1,745,606

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

STATEMENT OF TOTAL RETURN

For the year ended 30 September

	Notes	2023	2022
		£	£
Income			
Net capital (losses)	2	(120,964)	(603,889)
Revenue	3	266,385	151,351
Expenses	4	(53,368)	(49,467)
Interest payable and similar charges	6	-	(1,408)
Net revenue before taxation		213,017	100,476
Taxation	5	(5,447)	-
Net revenue after taxation		207,570	100,476
Total return before distributions		86,606	(503,413)
Finance costs: distributions	6	(105,008)	(75,613)
Changes in net assets attributable to shareholders from investment activities		(18,402)	(579,026)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 30 September

	2023	2022
	£	£
Opening net assets attributable to shareholders	10,454,609	11,028,813
Amounts receivable on creation of shares	1,337,834	45,002
Amounts payable on cancellation of shares	-	(40,180)
Dilution levies	1,299	-
Changes in net assets attributable to shareholders from investment activities (see above)	(18,402)	(579,026)
Closing net assets attributable to shareholders	11,775,340	10,454,609

BALANCE SHEET

As at		30.09.2023		30.09.2022	
	Notes	£	£	£	£
ASSETS					
Investment assets			10,787,240		9,226,651
Current assets					
Debtors	7	11,066		925,710	
Cash and bank balances	8	1,040,102		1,896,133	
Total current assets			1,051,168		2,821,843
Total assets			11,838,408		12,048,494
LIABILITIES					
Current liabilities					
Creditors	9	(17,823)		(1,545,235)	
Distribution payable on income shares		(45,245)		(48,650)	
Total current liabilities			(63,068)		(1,593,885)
Net assets attributable to shareholders			11,775,340		10,454,609

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

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

2 Net capital (losses)

	2023	2022
	£	£
The net capital (losses) comprise:		
Non-derivative securities (losses)	(134,417)	(603,049)
Foreign currency gains/(losses)	13,690	(414)
Transaction charges (custodian)	(237)	(426)
Total net capital (losses)	<u>(120,964)</u>	<u>(603,889)</u>

3 Revenue

	2023	2022
	£	£
Non-taxable dividends	103,544	147,595
Interest from non-derivative securities	132,223	565
Bank interest	30,618	3,191
Total revenue	<u>266,385</u>	<u>151,351</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>24,394</u>	<u>22,286</u>
	24,394	22,286
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	17,951	18,000
Safe custody fee	943	843
	<u>18,894</u>	<u>18,843</u>
Other expenses:		
Audit fee	6,594	7,139
FCA fee	168	49
Other expenses	<u>3,318</u>	<u>1,150</u>
	10,080	8,338
Total expenses	<u>53,368</u>	<u>49,467</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 Taxation

	2023	2022
	£	£

(a) Analysis of charge in the year

UK corporation tax	5,447	-
Total tax charge for the year (note 5b)	5,447	-

(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 UK corporation tax	213,017	100,476
Corporation tax at 20.00% (2022: 20.00%)	42,603	20,095
<u>Effects of:</u>		
Revenue not subject to taxation	(20,708)	(29,519)
Excess management expenses (utilised)/not utilised	(16,448)	9,424
Total tax charge for the year (note 5a)	5,447	-

(c) Provision for deferred taxation

At 30 September 2023 there is a potential deferred tax asset of £nil in relation to surplus management expenses (30 September 2022: £16,448).

6 Finance costs

	2023	2022
	£	£

Interim dividend distribution	60,631	26,958
Final dividend distribution	45,245	48,650
	105,876	75,608

Add: Revenue deducted on cancellation of shares	-	5
Deduct: Revenue received on issue of shares	(868)	-

Net distribution for the year

Interest payable and similar charges	-	1,408
Total finance costs	105,008	77,021

Reconciliation of distributions

Net revenue after taxation	207,570	100,476
Equalisation from collectives allocated to revenue	11,434	-
Balance brought forward	24,863	-
Balance carried forward	(138,859)	(24,863)
Net distribution for the year	105,008	75,613

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 Debtors	30.09.2023	30.09.2022
	£	£
Amounts receivable on unsettled trades	7,022	915,148
Accrued revenue:		
Non-taxable dividends receivable	3,887	8,386
Interest from non-derivative securities receivable	110	2,169
Prepayments	47	7
Total debtors	11,066	925,710

8 Cash and bank balances	30.09.2023	30.09.2022
	£	£
Cash and bank balances	1,040,102	1,896,133

9 Creditors	30.09.2023	30.09.2022
	£	£
Amounts payable on unsettled trades	-	1,532,747
Payable to the AFM, associates of the AFM and agents of either of them:		
Annual management charge	2,026	1,779
UK corporation tax	5,447	-
Other accrued expenses	10,350	10,709
Total creditors	17,823	1,545,235

10 Shares held

A (Income)

Opening Shares at 01.10.2022	11,123,043
Shares issued during the year	1,439,196
Shares cancelled during the year	-
Shares converted during the year	-
Closing Shares as at 30.09.2023	12,562,239

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 Risk management

In pursuing its investment objective as stated on page 42, 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 30 September 2023 would have increased/decreased by £1,078,724 (30 September 2022: £922,665).

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 funds 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.

A portion of the net assets of the Sub-fund is denominated in currencies other than Sterling with the effect that the balance sheet and total return can be affected by currency movements.

Net currency assets and liabilities consist of:

	Net monetary assets and liabilities		Non-monetary assets		Total net assets	
	£	£	£	£	£	£
	30.09.2023	30.09.2022	30.09.2023	30.09.2022	30.09.2023	30.09.2022
Sterling	987,918	1,224,299	9,748,959	7,497,175	10,736,877	8,721,474
Euros	182	18	-	-	182	18
US Dollars	-	3,641	1,038,281	1,729,476	1,038,281	1,733,117
Total	988,100	1,227,958	10,787,240	9,226,651	11,775,340	10,454,609

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 30 September 2023 would have increased/decreased by £103,846 (30 September 2022: £173,314).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 Risk management (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 Sub-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:

	30.09.2023	30.09.2022
	£	£
Financial assets floating rate	1,040,102	1,896,133
Financial assets interest bearing instruments	2,023,843	3,108,557
Financial assets non-interest bearing instruments	8,774,463	7,043,804
Financial liabilities non-interest bearing instruments	(63,068)	(1,593,885)
Financial liabilities floating rate	-	-
	11,775,340	10,454,609

At 30 September 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 £7,660 (30 September 2022: £12,511).

Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 30 September 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 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 brokers' financial ratings are reviewed.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 Risk management (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 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	30.09.2023		30.09.2022	
	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	9,933	-	7,868	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1	854	-	1,359	-
Total	10,787	-	9,227	-

12 Contingent assets and liabilities

At 30 September 2023, the Sub-fund had no contingent liabilities or commitments (30 September 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 September 2023. Since that date, the Sub-fund's quoted price has moved as follows for each share class:

Share Class	Price (GBp) at 29 September 2023	Price (GBp) at 05 January 2024
A (Income)	93.8094	96.4637

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14 Direct transaction costs

	2023		2022	
	£	%	£	%
Analysis of total purchase costs				
Purchases in the year before transaction costs	11,945,301		5,955,407	
Commissions	2,207	0.02%	1,046	0.02%
Taxes and levies	5,556	0.05%	43	0.00%
Total purchase costs	7,763	0.07%	1,089	0.02%
Total purchases including transaction costs	11,953,064		5,956,496	
Analysis of total sale costs				
Sales in the year before transaction costs	10,397,710		4,985,187	
Commissions	(1,081)	(0.01%)	(1,705)	(0.03%)
Taxes and levies	(5)	(0.00%)	(6)	(0.00%)
Total sale costs	(1,086)	(0.01%)	(1,711)	(0.03%)
Total sales net of transaction costs	10,396,624		4,983,476	

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 net asset value	2022	% of average net asset value
	£		£	
Commissions	3,288	0.03%	2,751	0.03%
Taxes and levies	5,561	0.05%	49	0.00%
	8,849	0.08%	2,800	0.03%

15 Portfolio Dealing Spread

The average portfolio dealing spread at 30 September 2023 is 0.07% (2022: 0.16%).

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 distributions in pence per share

Group 1: Shares purchased prior to 01 October 2022

Group 2 : Shares purchased 01 October 2022 and on or before 31 March 2023

A (Income)	Net revenue 31.05.2023	Equalisation	Distribution 31.05.2023	Distribution 31.05.2022
Group 1	0.4826p	-	0.4826p	0.2434p
Group 2	0.4223p	0.0603p	0.4826p	0.2434p

Final distributions in pence per share

Group 1 – Shares purchased prior to 01 April 2023

Group 2 – Shares purchased on or after 01 April 2023 and on or before 30 September 2023.

A (Income)	Net revenue 30.11.2023	Equalisation	Distribution 30.11.2023	Distribution 30.11.2022
Group 1	0.3602p	-	0.3602p	0.4374p
Group 2	0.3602p	-	0.3602p	0.4374p

Information for corporate shareholders

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

- (i). 38.87% of the total dividend allocation together with the tax credit is received as franked investment income.
- (ii). 61.13% 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

Name of Sub-fund	VT Blackwood Prime
Size of Sub-fund	£57,574,605
Launch date	26 April 2021
Sub-fund objective and policy	<p>The investment objective of the VT Blackwood Prime is to provide a total return through a combination of capital growth and income over the long term (5 years +). Capital is in fact at risk and there is no guarantee that a positive return will be achieved over a 5 year, or any, period.</p> <p>The Sub-fund will seek to achieve its objective by investing directly and indirectly (via collective investment schemes) in a diversified portfolio consisting mainly of equities. It is expected that the exposure to equities will be approximately 40-85%.</p> <p>The Sub-fund may also invest in other OEICS, Unit Trusts, other collective investment vehicles (including REITS and funds managed and/or operated by the AFM and/or Investment Manager (and including other sub-funds of the Company)) providing exposure to assets including fixed income, money market instruments, cash, infrastructure/property and alternatives such as commodities as permitted by the rules.</p> <p>The Sub-fund may also invest directly in fixed income, money market instruments, deposits, cash and near cash.</p> <p>The Sub-fund will not have any particular industry or economic sector focus and as such weightings in these may vary as required.</p>
Derivatives	<p>The Sub-fund may hold derivatives only for efficient portfolio management purposes. It is not intended that the use of derivatives for efficient portfolio management purposes will increase the risk profile of the Sub-fund. The Sub-fund may invest in other collective investment schemes which may themselves use derivatives for investment purposes.</p>
Performance Comparator:	<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, the performance of the Sub-fund can be compared to that of the IA Mixed Investment 40-85% shares sector (the "Index").</p> <p>The performance of the Sub-fund can be compared against that of the Index. This benchmark has been selected as it is considered that the Index most closely reflects the risk/return objectives of the Sub-fund at the current time. For the avoidance of doubt, the Investment Manager is not bound or influenced by the Index when making its decisions and can make investments that are not included in the Index.</p>
Authorised Fund Manager (AFM)	Valu-Trac Investment Management Limited
Ex-distribution dates	30 September and 31 March
Distribution dates	30 November and 31 May
Individual Savings Account (ISA)	The Sub-fund is a qualifying investment for inclusion in an ISA.

SUB-FUND OVERVIEW (Continued)

Minimum Investment*

Lump Sum Subscription	Class A & Class B = £1,000
Top-Up	Class A & Class B = N/A
Holding	Class A & Class B = £1,000
Redemption:	N/A (provided minimum holding is maintained)
Switching	N/A (provided minimum holding is maintained)
Initial and redemption charges	Nil

*The AFM may waive the minimum levels (and initial charge and redemption charge) at its discretion.

Note: Class A shares are only available to certain 'founders' who invest in the early stages of the Sub-fund and otherwise at the AFM's discretion.

Annual management charges

The annual management charge is comprised of a fixed element which is retained by the AFM for its own account and a variable element which is paid by the AFM to the Investment Manager.

The AFM charges (which include the management fee) are £21,500** plus: Class A = 0.25%.
Class B = 0.40%

The above percentages being percentages of the net asset value of the Sub-fund attributable to the relevant class.

*** The fixed element of the fee shall rise annually in line with the rate of inflation (calculated in accordance with the Consumer Prices Index) on 1 April each year (from April 2021)). In the event of negative inflation, the fixed element of the fee will remain unchanged.

INVESTMENT MANAGER'S REVIEW

Over the last year Blackwood Prime has delivered a total return (including dividends) of 7.5% (A Income), which compares to 5.3% on the IA Mixed Investment 40-85% Shares.

Since its launch on 27th April 2021, Blackwood Prime has, outside of a period of volatility in 2022, traded range bound (that is they have been trading within a relatively narrow band) close to its launch value of 100p.

This is disappointing for us as investment managers, as we always want to be making money for our investors. However, markets have not been conducive to such returns with global equity markets being likewise range bound over the period.

In September we initiated changes to transition the fund from having a bias towards UK equity to having a greater US equity exposure, as part of a long term adjustment to the fund's strategy.

Whilst we continue to think that our direct equity investments represent high quality businesses that will generate long term value for shareholders it is clear that the UK equity market is facing structural problems. It has consistently failed to produce and attract growth businesses in the way that the US has and as a result we have shifted more of the fund's equity exposure to the US.

However, we should caveat our investment strategy in regards to our US investments. Seven companies (Apple, Amazon, Alphabet (Google), Microsoft, Meta (Facebook), Nvidia, and Tesla) have increasingly dominated the performance of the US equity indices and these seven now collectively account for around 30% of the S&P 500 index. This is a high concentration by historic standards and never before have such concentrations been maintained. In the 1960's and 70's there was a phenomenon in the US called the "Nifty Fifty". These fifty companies were considered to have such compelling market positions that no consideration needed be made over their valuation - you could buy the shares at any price, the logic went. Over the following decades shareholders in these companies lost the majority of their capital as the harsh reality of competition eroded many of these businesses. A benchmark being increasingly dominated by a high concentration in a relatively small number of companies is a warning sign.

In order to diminish the risk of these companies underperforming we have invested into S&P 500 equal weighted trackers so that we have an equal exposure to every company in the benchmark, rather than having a disproportionate exposure to the (currently) most valuable companies.

Going into next year the backdrop for investors remains challenging and the risks of a global recession are high. Our analysis suggests that this has not been adequately understood by investors. The bottom of a bear market is characterised by stock prices remaining flat or even rising on the back of bad news. This is an indicator that negativity and bad news is already factored into share prices. We are not at this point yet. Poor trading news (which is increasing in frequency) is denting share prices which shows that markets are not correctly pricing the prevailing economic condition. As such now is the time to be focused on protecting investor capital over chasing returns and taking on risk.

We remain defensive in our investment selection.

Sorbus Partners LLP
Investment Manager to the Fund
31 October 2023

PERFORMANCE RECORD

Financial Highlights

	Year ended 30 September 2023	Year ended 30 September 2022	Period from 26 April 2021 to 30 September 2021^
A (Income)			
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	91.8732	99.9002	100.0000
Return before operating charges	7.52354	(5.9808)	0.9011
Operating charges (note 1)	(0.6239)	(0.6424)	(0.3052)
Return after operating charges *	6.8997	(6.6232)	0.5959
Distributions on income shares	(1.5884)	(1.4038)	(0.6957)
Closing net asset value per share	97.1845	91.8732	99.9002
 *after direct transactions costs of:	 0.0756	 0.0479	 0.1699
 Performance			
Return after charges	7.51%	(6.63%)	0.60%
 Other information			
Closing net asset value	£36,741,037	£35,958,777	£42,061,727
Closing number of shares	37,805,446	39,139,567	42,103,759
Operating charges (note 2)	0.66%	0.67%	0.71%
Direct transaction costs	0.08%	0.05%	0.17%
 Prices			
Highest share price	100.6471	103.4991	102.8926
Lowest share price	90.2453	91.8732	97.8767

^Share class launched 26 April 2021

	Year ended 30 September 2023	Year ended 30 September 2022	Period from 21 July 2021 to 30 September 2021^
B (Income)			
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	91.2991	99.2703	100.0000
Return before operating charges	7.47309	(5.9405)	(0.0785)
Operating charges (note 1)	(0.7609)	(0.7813)	(0.1667)
Return after operating charges *	6.7122	(6.7218)	(0.2452)
Distributions on income shares	(1.4371)	(1.2494)	(0.4845)
Closing net asset value per share	96.5742	91.2991	99.2703
 *after direct transactions costs of:	 0.0751	 0.0476	 0.1694
 Performance			
Return after charges	7.35%	(6.77%)	(0.25%)
 Other information			
Closing net asset value	£20,855,041	£7,536,549	£847,081
Closing number of shares	21,594,839	8,254,787	853,308
Operating charges (note 2)	0.81%	0.82%	0.86%
Direct transaction costs	0.08%	0.05%	0.17%
 Prices			
Highest share price	99.9654	102.8281	102.0418
Lowest share price	89.6738	91.2991	98.2691

^Share class launched 21 July 2021

PERFORMANCE RECORD (Continued)

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 together with the ongoing charges included within the underlying holdings held within the Sub-fund.

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 (30 September 2022: ranked 5). The Sub-fund is ranked 5 because simulated monthly historical performance data indicates that high rises and falls in market prices would have occurred historically.

PORTFOLIO STATEMENT

As at 30 September 2023

Holding		Value £	% of net assets
Collective Investment Schemes (30.09.2022: 23.79%)			
74,097	Fidelity Asia	1,081,822	1.88%
622,362	Janus Henderson UK Absolute Return	1,166,306	2.03%
2,724,914	VT Sorbus Vector Fund 1^	4,928,284	8.56%
721,777	Jupiter Asian Income	1,108,866	1.93%
		8,285,278	14.40%
Exchange Traded Commodities (30.09.2022: 5.28%)			
15,080	ETFS Physical Gold	2,158,250	3.74%
14,688	Invesco Physical Gold ETC	2,163,804	3.75%
72,589	iShares Physical Gold ETC	2,155,893	3.74%
142,446	The Royal Mint Physical Gold ETC Securities	2,155,920	3.74%
		8,633,867	14.97%
Equities (30.09.2022: 15.92%)			
15,930	ASOS PLC	61,219	0.11%
5,910	Associated British Foods PLC	122,042	0.21%
1,120	AstraZeneca PLC	125,574	0.22%
10,470	Auto Trader Group PLC	65,040	0.11%
2,960	Burberry Group PLC	56,758	0.10%
3,700	Diageo PLC	113,239	0.20%
4,255	Experian PLC	115,013	0.20%
4,915	Fevertree Drinks PLC	59,373	0.10%
8,030	GSK plc	120,305	0.21%
2,930	Halma PLC	57,032	0.10%
15,700	Hargreaves Lansdown PLC	125,098	0.22%
19,930	HSBC Holdings PLC	129,445	0.22%
8,440	Informa PLC	63,806	0.11%
284,060	Lloyds Banking Group PLC	126,733	0.22%
1,405	London Stock Exchange Group PLC	116,531	0.20%
7,800	Ocado Group PLC	47,221	0.08%
7,140	Pearson PLC	62,461	0.11%
2,020	Reckitt Benckiser Group PLC	117,524	0.20%
4,345	Relx PLC	121,486	0.21%
11,340	Rightmove PLC	63,731	0.11%
6,190	Sage Group PLC	61,479	0.11%
15,618	Schroders PLC	64,315	0.11%
11,045	Smith & Nephew PLC	112,769	0.20%
3,800	Smiths Group PLC	62,092	0.11%
635	Spirax-Sarco Engineering PLC	60,998	0.11%
2,910	Unilever PLC	118,859	0.21%
36,470	HALEON PLC	124,344	0.22%
		2,474,487	4.31%

PORTFOLIO STATEMENT (Continued)

Exchange Traded Funds (30.09.2022: 54.38%)		
185,975	AMUNDI MSCI JAPAN UCITS ETF	2,326,547 4.04%
72,840	HSBC S&P 500 UCITS ETF	2,589,025 4.50%
90,230	Invesco S&P 500 Equal Weight UCITS ETF	3,451,749 6.00%
61,630	iShares Agribusiness UCITS ETF	2,312,358 4.02%
850,380	iShares S&P 500 Equal Weight UCITS ETF	3,460,196 6.01%
72,150	iShares Core MSCI EM IMI UCITS ETF	1,743,505 3.03%
7,335	SPDR S&P 500 UCITS ETF	2,579,866 4.48%
45,485	UBS (Irl) ETF plc S&P 500 UCITS ETF	2,585,822 4.49%
20,468	Vanguard FTSE 100 UCITS ETF	682,608 1.19%
68,725	Vanguard FTSE Developed Europe ex UK UCITS ETF	2,085,460 3.62%
39,985	Vanguard FTSE Emerging Markets UCITS ETF	1,725,153 3.00%
88,860	Vanguard FTSE Japan UCITS ETF	2,319,912 4.03%
38,650	Vanguard S&P 500 UCITS ETF	2,578,825 4.48%
25,798	HSBC FTSE 100 UCITS ETF	1,965,034 3.41%
43,640	Xtrackers MSCI Emerging Markets UCITS ETF	1,741,672 3.03%
55,500	Xtrackers S&P 500 Equal Weight UCITS ETF	3,460,980 6.00%
		37,608,712 65.33%
	Portfolio of investments (30.09.2022: 99.37%)	57,002,344 99.01%
	Net other assets (30.09.2022: 0.68%)	572,261 0.99%
		57,574,605 100.00%

^related security due to the AFM of the company also being the AFM of this holding

Note: The 30 September 2022 comparators percentages are based on Mid pricing and does not add up to 100%. The Mid to Bid adjustment for the year ended 30 September 2022 was (0.05%).

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total purchases for the year (note 14)	45,702,009
Xtrackers S&P 500 Equal Weight UCITS	3,529,841
iShares S&P 500 Equal Weight UCITS	3,508,295
Invesco S&P 500 Equal Weight UCITS ETF	3,501,320
SPDR S&P 500 UCITS ETF	3,003,680
iShares Core S&P 500 UCITS ETF	2,714,558
HSBC S&P 500 UCITS ETF	2,630,547
UBS (Irl) ETF plc S&P 500 UCITS ETF	2,628,527
iShares Core FTSE 100 UCITS ETF	2,340,648
iShares Agribusiness UCITS ETF	2,327,387
AMUNDI MSCI JAPAN UCITS ETF	2,317,461
Other various purchases	17,199,745
	£
Total sales for the year (note 14)	34,625,231
HSBC FTSE 100 UCITS ETF	3,880,412
iShares Core S&P 500 UCITS ETF	3,058,210
VT Sorbus Vector Fund 1	3,022,208
iShares Core FTSE 100 UCITS ETF	2,340,908
SPDR S&P 500 UCITS ETF	2,302,460
Lindsell Train Japanese Equity	2,289,525
Vanguard FTSE 100 UCITS ETF	2,197,899
iShares UK Property UCITS ETF	2,092,329
iShares MSCI USA Quality Dividend UCITS ETF	1,565,039
iShares Core MSCI EM IMI UCITS ETF	1,028,690
Other various sales	10,847,551

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

STATEMENT OF TOTAL RETURN

For the year ended 30 September

	Notes	2023	2022
		£	£
Income			
Net capital gains/(losses)	2	2,581,731	(4,000,317)
Revenue	3	1,095,730	941,387
Expenses	4	(223,121)	(172,834)
Interest payable and similar charges	6	-	(847)
Net revenue before taxation		872,609	767,706
Taxation	5	-	-
Net revenue after taxation		872,609	767,706
Total return before distributions		3,454,340	(3,232,611)
Finance costs: distributions	6	(843,335)	(653,535)
Changes in net assets attributable to shareholders from investment activities		2,611,005	(3,886,146)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 30 September

	2023	2022
	£	£
Opening net assets attributable to shareholders	43,475,163	42,896,147
Amounts receivable on creation of shares	19,440,156	11,654,821
Amounts payable on cancellation of shares	(7,954,761)	(7,189,659)
Dilution levies	3,042	-
Changes in net assets attributable to shareholders from investment activities (see above)	2,611,005	(3,886,146)
Closing net assets attributable to shareholders	57,574,605	43,475,163

BALANCE SHEET

As at		30.09.2023		30.09.2022	
	Notes	£	£	£	£
ASSETS					
Investment assets			57,002,344		43,180,608
Current assets					
Debtors	7	558,694		192,702	
Cash and bank balances	8	561,820		2,277,429	
Total current assets			<u>1,120,514</u>	<u>2,470,131</u>	
Total assets			58,122,858		45,650,739
LIABILITIES					
Current liabilities					
Creditors	9	(117,794)		(1,752,656)	
Distribution payable on income shares		(430,459)		(422,920)	
Total current liabilities			<u>(548,253)</u>	<u>(2,175,576)</u>	
Net assets attributable to shareholders			<u>57,574,605</u>		<u>43,475,163</u>

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

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

2 Net capital gains/(losses)

	2023	2022
	£	£
The net capital gains/(losses) comprise:		
Non-derivative securities gains/(losses)	2,579,430	(3,998,390)
Foreign currency gains/(losses)	3,142	(1,113)
Transaction charges (custodian)	(841)	(814)
Total net capital gains/(losses)	<u>2,581,731</u>	<u>(4,000,317)</u>

3 Revenue

	2023	2022
	£	£
Non-taxable dividends	1,061,559	939,777
Bank interest	34,171	1,610
Total revenue	<u>1,095,730</u>	<u>941,387</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>180,257</u>	<u>143,036</u>
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	17,427	17,879
Safe custody fee	8,547	1,053
	<u>25,974</u>	<u>18,932</u>
Other expenses:		
Audit fee	7,914	5,100
FCA fee	58	52
Other expenses	8,918	5,714
	<u>16,890</u>	<u>10,866</u>
Total expenses	<u>223,121</u>	<u>172,834</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 Taxation

	2023	2022
	£	£
(a) Analysis of charge in the year		
UK corporation tax	-	-
Total tax charge for the year (note 5b)	-	-
(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 UK corporation tax	872,609	767,706
Corporation tax at 20.00% (2022: 20.00%)	174,522	153,541
Effects of:		
Revenue not subject to taxation	(212,312)	(187,956)
Current year expenses not utilised	37,790	34,415
Total tax charge for the year (note 5a)	-	-

(c) Provision for deferred taxation

At 30 September 2023 there is a potential deferred tax asset of £88,008 in relation to surplus management expenses (30 September 2022: £50,218). It is unlikely the Sub-fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised.

6 Finance costs

	2023	2022
	£	£
Interim dividend distribution	454,160	232,426
Final dividend distribution	430,459	422,920
	884,619	655,346
Add: Revenue deducted on cancellation of shares	18,320	24,849
Deduct: Revenue received on issue of shares	(59,604)	(26,660)
Net distribution for the year	843,335	653,535
Interest payable and similar charges	-	847
Total finance costs	843,335	654,382
Reconciliation of distributions		
Net revenue after taxation	872,609	767,706
Equalisation from collectives allocated to revenue	12,368	-
Balance brought forward	114,171	-
Balance carried forward	(155,813)	(114,171)
Net distribution for the year	843,335	653,535

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 Debtors	30.09.2023	30.09.2022
	£	£
Amounts receivable on creation of shares	475,837	108,807
Accrued revenue:		
Non-taxable dividends receivable	82,634	83,847
Prepayments	223	48
Total debtors	558,694	192,702

8 Cash and bank balances	30.09.2023	30.09.2022
	£	£
Cash and bank balances	561,820	2,277,429

9 Creditors	30.09.2023	30.09.2022
	£	£
Amounts payable on cancellation of shares	12,706	1,714,503
Payable to the AFM, associates of the AFM and agents of either of them:		
Annual management charge	88,772	27,537
Other accrued expenses	16,316	10,616
Total creditors	117,794	1,752,656

10 Shares held	
A (Income)	
Opening Shares at 01.10.2022	39,139,567
Shares issued during the year	4,878,553
Shares cancelled during the year	(6,212,674)
Shares converted during the year	-
Closing Shares as at 30.09.2023	37,805,446
B (Income)	
Opening Shares at 01.10.2022	8,254,787
Shares issued during the year	15,276,664
Shares cancelled during the year	(1,936,612)
Shares converted during the year	-
Closing Shares as at 30.09.2023	21,594,839

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 Risk management

In pursuing its investment objective as stated on page 59, 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 30 September 2023 would have increased/decreased by £5,700,234 (30 September 2022: £4,318,061).

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 funds 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.

A portion of the net assets of the Sub-fund is denominated in currencies other than Sterling with the effect that the balance sheet and total return can be affected by currency movements.

Net currency assets and liabilities consist of:

	Net monetary assets and liabilities		Non-monetary assets		Total net assets	
	£	£	£	£	£	£
	30.09.2023	30.09.2022	30.09.2023	30.09.2022	30.09.2023	30.09.2022
Sterling	571,603	259,535	54,838,541	40,904,322	55,410,144	41,163,857
US Dollars	-	34,947	2,163,803	2,276,286	2,163,803	2,311,233
Euro	658	73	-	-	658	73
Total	572,261	294,555	57,002,344	43,180,608	57,574,605	43,475,163

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 30 September 2023 would have increased/decreased by £216,446 (30 September 2022: £231,131).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 Risk management (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 Sub-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:

	30.09.2023	30.09.2022
	£	£
Financial assets floating rate	561,820	2,277,429
Financial assets interest bearing instruments	-	-
Financial assets non-interest bearing instruments	57,561,038	43,373,310
Financial liabilities non-interest bearing instruments	(117,794)	(1,752,656)
Financial liabilities floating rate	(430,459)	(422,920)
	57,574,605	43,475,163

At 30 September 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 £328 (30 September 2022: £4,636).

Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 30 September 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 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 Company 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 brokers' financial ratings are reviewed. Credit risk on cash balances is mitigated by ensuring that cash is held with financial institutions that are at least investment grade credit related.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 Risk management (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 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	30.09.2023		30.09.2022	
	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	48,717	-	32,829	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1	8,285	-	10,352	-
Total	57,002	-	43,181	-

12 Contingent assets and liabilities

At 30 September 2023, the Sub-fund had no contingent liabilities or commitments (30 September 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 September 2023. Since that date, the Sub-fund's quoted price has moved as follows for each share class:

Share Class	Price (GBp) at 29 September 2023	Price (GBp) at 05 January 2024
A (Income)	97.1845	100.0907
B (Income)	96.5742	99.4223

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14 Direct transaction costs

	2023		2022	
Analysis of total purchase costs	£	%	£	%
Purchases in the year before transaction costs	45,673,641		17,804,823	
Commissions	22,038	0.05%	6,915	0.04%
Taxes and levies	6,330	0.01%	10,019	0.06%
Total purchase costs	28,368	0.06%	16,934	0.10%
Total purchases including transaction costs	45,702,009		17,821,757	
Analysis of total sale costs				
Sales in the year before transaction costs	34,639,704		13,374,308	
Commissions	(14,423)	(0.04%)	(4,970)	(0.04%)
Taxes and levies	(50)	(0.00%)	(26)	(0.00%)
Total sale costs	(14,473)	(0.04%)	(4,996)	(0.04%)
Total sales net of transaction costs	34,625,231		13,369,312	

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 net asset value	2022	% of average net asset value
	£		£	
Commissions	36,461	0.07%	11,885	0.03%
Taxes and levies	6,380	0.01%	10,045	0.02%
	42,841	0.08%	21,930	0.05%

15 Portfolio Dealing Spread

The average portfolio dealing spread at 30 September 2023 is 0.08% (2022: 0.10%).

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.

As noted in the portfolio summary, the Sub-fund held shares in related holdings. The purchases and sales of related holdings can be found in the summary of material portfolio changes. The income received from related holdings during the year was £116,361 (2022: £59,853).

DISTRIBUTION TABLES

Interim distributions in pence per share

Group 1 – Shares purchased prior to 01 October 2022

Group 2 – Shares purchased on or after 01 October 2022 and on or before 31 March 2023.

A (Income)	Net revenue 31.05.2023	Equalisation	Distribution 31.05.2023	Distribution 31.05.2022
Group 1	0.8355p	-	0.8355p	0.4980p
Group 2	0.3703p	0.4652p	0.8355p	0.4980p

B (Income)	Net revenue 31.05.2023	Equalisation	Distribution 31.05.2023	Distribution 31.05.2022
Group 1	0.7618p	-	0.7618p	0.4207p
Group 2	0.4881p	0.2737p	0.7618p	0.4207p

Final distributions in pence per share

Group 1 – Shares purchased prior to 01 April 2023

Group 2 – Shares purchased on or after 01 April 2023 and on or before 30 September 2023.

A (Income)	Net revenue 30.11.2023	Equalisation	Distribution 30.11.2023	Distribution 30.11.2022
Group 1	0.7529p	-	0.7529p	0.9058p
Group 2	0.5297p	0.2232p	0.7529p	0.9058p

B (Income)	Net revenue 30.11.2023	Equalisation	Distribution 30.11.2023	Distribution 30.11.2022
Group 1	0.6753p	-	0.6753p	0.8287p
Group 2	0.4452p	0.2301p	0.6753p	0.8287p

Information for corporate shareholders

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

- (i). 96.88% of the total dividend allocation together with the tax credit is received as franked investment income.
- (ii). 3.12% 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

Name of Sub-fund	VT Blackwood Keystone
Size of Sub-fund	£48,885,163
Launch date	26 April 2021
Sub-fund objective and policy	<p>The investment objective of the VT Blackwood Keystone is to provide a total return through a combination of capital growth and income over the long term (5 years +). Capital is in fact at risk and there is no guarantee that a positive return will be achieved over a 5 year, or any, period.</p> <p>The Sub-fund seeks to meet its objectives primarily (at least 70%) by investing directly and/or indirectly (via collective investment schemes) in bonds (investment grade and sub-investment grade).</p> <p>The Sub-fund may also invest in collective investment vehicles (including funds managed and/or operated by the AFM and/or Investment Manager (and including other sub-funds of the Company)) providing exposure to assets including equities, money market instruments, fixed and floating rate debt investments, asset backed securities, as well as cash, infrastructure/property and alternatives such as commodities as permitted by the rules.</p> <p>The Sub-fund may also invest directly in equities, money market instruments, deposits, cash and near cash.</p> <p>Save as noted above the Sub-fund will not have any particular industry or economic sector focus and as such weightings in these may vary as required.</p>
Derivatives	<p>The Sub-fund may hold derivatives only for efficient portfolio management purposes. It is not intended that the use of derivatives for efficient portfolio management purposes will increase the risk profile of the Sub-fund. The Sub-fund may invest in other collective investment schemes which may themselves use derivatives for investment purposes.</p>
Performance Comparator:	<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, the performance of the Sub-fund can be compared to that of the IA Global Bonds Sector (the "Index").</p> <p>The performance of the Sub-fund can be compared against that of the Index. This benchmark has been selected as it is considered that the Index most closely reflects the risk/return objectives of the Sub-fund at the current time. For the avoidance of doubt, the Investment Manager is not bound or influenced by the Index when making its decisions and can make investments that are not included in the Index.</p>
Authorised Fund Manager (AFM)	Valu-Trac Investment Management Limited
Ex-distribution dates	30 September and 31 March
Distribution dates	30 November and 31 May
Individual Savings Account (ISA)	The Sub-fund is a qualifying investment for inclusion in an ISA.

SUB-FUND OVERVIEW (Continued)

Minimum Investment*

Lump Sum Subscription	Class A & Class B = £1,000
Top-Up	Class A & Class B = N/A
Holding	Class A & Class B = £1,000
Redemption:	N/A (provided minimum holding is maintained)
Switching	N/A (provided minimum holding is maintained)
Initial and redemption charges	Nil

*The AFM may waive the minimum levels (and initial charge and redemption charge) at its discretion.

Note: Class A shares are only available to certain 'founders' who invest in the early stages of the Sub-fund and otherwise at the AFM's discretion.

Annual management charges

The annual management charge is comprised of a fixed element which is retained by the AFM for its own account and a variable element which is paid by the AFM to the Investment Manager.

The AFM charges (which include the management fee) are £21,500** plus: Class A = 0.25%
Class B = 0.40%

The above percentages being percentages of the net asset value of the Sub-fund attributable to the relevant class.

*** The fixed element of the fee shall rise annually in line with the rate of inflation (calculated in accordance with the Consumer Prices Index) on 1 April each year (from April 2021)). In the event of negative inflation, the fixed element of the fee will remain unchanged.

INVESTMENT MANAGER'S REVIEW

Over the last year Blackwood Keystone has generated a total return (including dividends) of 2.3% (A Income). For context this compares to a return of (4.5%) on the IA Global Government bond index and 1.0% on the IA Global Mixed bond index.

Since launch (27th April 2021) Blackwood Keystone has gained 0.8% on a total return basis (A Income). This appears to be an utterly underwhelming performance. In fact, it is quite remarkable.

Blackwood Keystone is designed to predominantly invest in debt instruments (sovereign debt (gilts), fixed income, inflation linked debt, corporate debt, mortgage backed securities, asset back securities etc.). This has been a terrible market for investors from the day interest rates started to rise.

The Bank of England base rate stood at 0.1% when Keystone was launched, it now stands at 5.25%.

During this period US and European central bank base rates have risen from record lows to their highest rates since the 2008 financial crisis. The last time interest rates were noticeably higher than the current level was 30 years ago. This is beyond the experience span of almost all fixed income investors, for many they are truly off the edge of the map, and here be monsters.

Fixed income portfolios (and many "low" risk portfolios as a consequence) have suffered some devastating losses. To give a single example from one of the assets that are considered to be ultra-safe; the 1.25% May 2050 US Treasury Bill is typical. It was launched in May 2020 at a price of \$0.98. At our year end (30th September 2023) it was trading at \$0.47, a 52% loss. Most debt focused funds have experienced considerable capital losses over this period. The IA Global Mixed Bond Index has lost (2.5%) over the same period and the IA Global Government bond index has lost (11.1%).

Our strategy over the last two years has been narrow and focused. We have invested almost exclusively in short duration (usually no more than six to eight months) US and UK sovereign debt and floating rate investments (floating rate means that the interest payments the holder receives rise (and fall) in line with central bank interest rates). We have eschewed anything that is longer duration or anything that has any credit exposure whatsoever. This is an unusual strategy but has been vindicated by the outcome

There will be a time and opportunity for investing into longer duration assets and for introducing credit risk within the fund. However, we do not consider now to be that time. Warren Buffet famously said "The first rule of an investment is don't lose [money]. And the second rule of an investment is don't forget the first rule. And that's all the rules there are." Who are we to disagree?

It is probable that interest rates will remain higher for longer as inflation is entrenched, increasing risks of recession. We will retain our strategic focus within the fund until this backdrop changes. Our focus remains on protecting investor capital over chasing returns and taking on risk.

Sorbus Partners LLP
Investment Manager to the Fund
31 October 2023

PERFORMANCE RECORD

Financial Highlights

A (Income)	Year ended 30 September 2023	Year ended 30 September 2022	Period from 26 April 2021 to 30 September 2021^
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	98.3619	101.0845	100.0000
Return before operating charges	2.8074	(1.9262)	1.4175
Operating charges (note 1)	(0.5411)	(0.6083)	(0.3330)
Return after operating charges *	2.2663	(2.5345)	1.0845
Distributions on income shares	(2.2251)	(0.1881)	-
Closing net asset value per share	98.4031	98.3619	101.0845
*after direct transactions costs of:	-	-	-
Performance			
Return after charges	2.30%	(2.51%)	1.08%
Other information			
Closing net asset value	£29,910,512	£28,497,117	£25,574,402
Closing number of shares	30,395,909	28,971,706	25,300,030
Operating charges (note 2)	0.55%	0.61%	0.77%
Direct transaction costs	-	-	-
Prices			
Highest share price	100.4033	102.1949	101.2232
Lowest share price	97.2937	98.3619	99.7635

^Share class launched 26 April 2021

B (Income)	Year ended 30 September 2023	Year ended 30 September 2022	Period from 21 July 2021 to 30 September 2021^
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	97.3104	100.0059	100.0000
Return before operating charges	2.7778	(1.9011)	0.1849
Operating charges (note 1)	(0.6813)	(0.7498)	(0.1790)
Return after operating charges *	2.0965	(2.6509)	0.0059
Distributions on income shares	(2.0561)	(0.0446)	-
Closing net asset value per share	97.3508	97.3104	100.0059
*after direct transactions costs of:	-	-	-
Performance			
Return after charges	2.15%	(2.65%)	0.01%
Other information			
Closing net asset value	£18,999,824	£6,861,057	£536,028
Closing number of shares	19,516,863	7,050,690	535,997
Operating charges (note 2)	0.70%	0.76%	0.92%
Direct transaction costs	-	-	-
Prices			
Highest share price	99.2566	101.0768	100.1571
Lowest share price	96.2244	97.3104	99.4074

^Share class launched 21 July 2021

PERFORMANCE RECORD (Continued)

1. The operating charges per unit 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 together with the ongoing charges included within the underlying holdings held within the Sub-fund.

Risk Profile

Based on past data, the Sub-fund is ranked a 3 on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document (30 September 2022: ranked 3). The Sub-fund is ranked 3 because simulated monthly historical performance data indicates that low to medium rises and falls in market prices would have occurred historically.

PORTFOLIO STATEMENT

As at 30 September 2023

Holding		Value £	% of net assets
Collective Investment Schemes (30.09.2022: 24.45%)			
2,669,469	Insight High Grade ABS Fund	3,630,478	7.43%
50,948	MI TwentyFour - Monument Bond	7,669,506	15.69%
		11,299,984	23.12%
Bonds (30.09.2022: 73.92%)			
1,888,700	US T Bill 0.125% 15/10/2023	1,536,455	3.14%
1,914,100	US T Bill 0.125% 15/01/2024	1,536,880	3.14%
1,941,800	US T Bill 1.25% 31/08/2024	1,523,441	3.12%
1,959,300	US T Bill 1.75% 31/12/2024	1,528,185	3.13%
2,045,000	US T Bill 0.25% 30/06/2025	1,532,444	3.13%
1,863,200	US T Bill 2.125% 31/03/2024	1,494,231	3.06%
3,969,900	UK GILT 0.125% 31/01/2024	3,906,858	7.99%
2,995,300	UK GILT 0.625% 07/06/2025	2,801,414	5.73%
3,108,700	UK GILT 0.125% 30/01/2026	2,813,311	5.75%
5,729,900	UK T Bill 0.00% 16/10/2023	5,715,747	11.69%
7,545,700	UK T Bill 0.00% 15/01/2024	7,427,912	15.19%
5,633,400	UK T Bill 0.00% 05/02/2024	5,527,830	11.32%
		37,344,708	76.39%
	Portfolio of investments (30.09.2022: 98.37%)	48,644,692	99.51%
	Net other assets (30.09.2022: 1.80%)	240,471	0.49%
		48,885,163	100.00%

Note: The 30 September 2022 comparators percentages are based on Mid pricing and does not add up to 100%. The Mid to Bid adjustment for the year ended 30 September 2022 was (0.17%).

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total purchases for the year (note 14)	45,575,534
UK T Bill 0.00% 17/07/2023	8,215,215
UK T Bill 0.00% 15/01/2024	7,340,965
UK T Bill 0.00% 16/10/2023	5,607,750
UK T Bill 0.00% 05/02/2024	5,485,894
UK T Bill 0.00% 07/08/2023	5,307,486
Insight High Grade ABS Fund	3,452,288
UK GILT 0.125% 31/01/2024	1,592,638
US T Bill 2.125% 31/03/2024	1,518,643
MI TwentyFour - Monument Bond	1,218,843
UK GILT 0.125% 30/01/2026	644,128
Other various purchases	5,191,684
	£
Total sales for the year (note 14)	32,803,383
UK GILT 0.125% 31/01/2023	9,473,500
UK T Bill 0.00% 17/07/2023	8,352,800
UK T Bill 0.00% 07/08/2023	5,411,200
Carmignac Portfolio Global Bond Income	2,751,769
US T Bill 0.125% 15/09/2023	1,457,169
UK 0.75% Index-linked GILT 22/03/2034	1,007,116
UK 1.25% Index-linked GILT 22/11/2027	999,747
UK 0.125% Index-linked GILT 22/03/2029	999,669
UK 0.125% Index-linked GILT 10/08/2028	999,283
UK 0.125% Index-Linked GILT 22/03/2026	953,230
Other various sales	397,900

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

STATEMENT OF TOTAL RETURN

For the year ended 30 September

	Notes	2023	2022
		£	£
Income			
Net capital gains/(losses)	2	263,512	(1,040,223)
Revenue	3	1,107,684	313,193
Expenses	4	(193,259)	(133,182)
Interest payable and similar charges	6	(63)	(311)
Net revenue before taxation		914,362	179,700
Taxation	5	-	(18,985)
Net revenue after taxation		914,362	160,715
Total return before distributions		1,177,874	(879,508)
Finance costs: distributions	6	(1,035,350)	(47,774)
Changes in net assets attributable to shareholders from investment activities		142,524	(927,282)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 30 September

	2023	2022
	£	£
Opening net assets attributable to shareholders	35,279,283	26,090,881
Amounts receivable on creation of shares	17,750,745	11,909,895
Amounts payable on cancellation of shares	(4,287,389)	(1,794,211)
Changes in net assets attributable to shareholders from investment activities (see above)	142,524	(927,282)
Closing net assets attributable to shareholders	48,885,163	35,279,283

BALANCE SHEET

As at		30.09.2023		30.09.2022	
	Notes	£	£	£	£
ASSETS					
Investment assets			48,644,692		34,645,885
Current assets					
Debtors	7	323,052		175,594	
Cash and bank balances	8	1,161,269		663,946	
Total current assets			<u>1,484,321</u>		<u>839,540</u>
Total assets			50,129,013		35,485,425
LIABILITIES					
Current liabilities					
Creditors	9	(107,496)		(123,900)	
Distribution payable on income shares		(881,610)		(45,948)	
Bank overdraft	8	(254,744)		(36,294)	
Total current liabilities			<u>(1,243,850)</u>		<u>(206,142)</u>
Net assets attributable to shareholders			48,885,163		35,279,283

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

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

2 Net capital gains/(losses)

	2023	2022
	£	£
The net capital gains/(losses) comprise:		
Non-derivative securities gains/(losses)	255,227	(1,038,510)
Foreign currency gains/(losses)	8,744	(1,093)
Transaction charges (custodian)	(459)	(620)
Total net capital gains/(losses)	263,512	(1,040,223)

3 Revenue

	2023	2022
	£	£
Interest from non-derivative securities	1,067,317	312,198
Bank interest	40,367	995
Total revenue	1,107,684	313,193

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	155,336	102,880
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	18,383	18,000
Safe custody fee	2,693	1,887
	21,076	19,887
Other expenses:		
Audit fee	7,914	5,100
FCA fee	34	48
Other expenses	8,899	5,267
	16,847	10,415
Total expenses	193,259	133,182

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 Taxation

	2023	2022
	£	£
(a) Analysis of charge in the year		
UK corporation tax	-	18,985
Total tax charge for the year (note 5b)	-	18,985
(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 UK corporation tax	914,362	179,700
Corporation tax at 20.00% (2022: 20.00%)	182,872	35,940
Effects of:		
Interest distribution	(213,463)	(11,266)
Excess management expenses not utilised/(utilised)	30,591	(5,689)
Total tax charge for the year (note 5a)	-	18,985

(c) Provision for deferred taxation

At 30 September 2023 there is a potential deferred tax asset of £30,591 in relation to surplus management expenses (30 September 2022: £nil). It is unlikely the Sub-fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised.

6 Finance costs

	2023	2022
	£	£
Interim interest distribution	185,708	10,382
Final interest distribution	881,610	45,948
	1,067,318	56,330
Add: Revenue deducted on cancellation of shares	14,465	1,638
Deduct: Revenue received on issue of shares	(46,433)	(10,194)
Net distribution for the year	1,035,350	47,774
Interest payable and similar charges	63	311
Total finance costs	1,035,413	48,085
Reconciliation of distributions		
Net revenue after taxation	914,362	160,715
Equalisation from collectives allocated to revenue	53,358	-
Balance brought forward	112,941	-
Balance carried forward	(45,311)	(112,941)
Net distribution for the year	1,035,350	47,774

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 Debtors	30.09.2023	30.09.2022
	£	£
Amounts receivable on creation of shares	271,936	155,611
Amounts receivable for unsettled trades	15,786	-
Accrued revenue:		
Interest from non-derivative securities receivable	35,083	19,935
Prepayments	247	48
Total debtors	323,052	175,594

8 Cash and bank balances	30.09.2023	30.09.2022
	£	£
Cash and bank balances	1,161,269	663,946
Bank overdraft	(254,744)	(36,294)

9 Creditors	30.09.2023	30.09.2022
	£	£
Amounts payable on cancellation of shares	15,661	72,340
Payable to the AFM, associates of the AFM and agents of either of them:		
Annual management charge	78,885	21,542
UK corporation tax	-	18,985
Other accrued expenses	12,950	11,033
Total creditors	107,496	123,900

10 Shares held

A (Income)

Opening Shares at 01.10.2022	28,971,706
Shares issued during the year	4,781,721
Shares cancelled during the year	(3,357,518)
Shares converted during the year	-
Closing Shares as at 30.09.2023	30,395,909

B (Income)

Opening Shares at 01.10.2022	7,050,690
Shares issued during the year	13,491,937
Shares cancelled during the year	(1,025,764)
Shares converted during the year	-
Closing Shares as at 30.09.2023	19,516,863

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 Risk management

In pursuing its investment objective as stated on page 77, 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 30 September 2023 would have increased/decreased by £4,864,469 (30 September 2022: £3,464,589).

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 and gilts that are registered overseas and funds 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.

A portion of the net assets of the Sub-fund is denominated in currencies other than Sterling with the effect that the balance sheet and total return can be affected by currency movements.

Net currency assets and liabilities consist of:

	Net monetary assets and liabilities		Non-monetary assets		Total net assets	
	£	£	£	£	£	£
	30.09.2023	30.09.2022	30.09.2023	30.09.2022	30.09.2023	30.09.2022
Sterling	197,113	624,797	39,493,057	27,798,665	39,690,170	28,423,462
US Dollars	43,358	8,601	9,151,635	6,847,220	9,194,993	6,855,821
Total	240,471	633,398	48,644,692	34,645,885	48,885,163	35,279,283

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 30 September 2023 would have increased/decreased by £919,499 (30 September 2022: £685,582).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 Risk management (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 Sub-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:

	30.09.2023	30.09.2022
	£	£
Financial assets floating rate	1,161,269	663,946
Financial assets interest bearing instruments	48,644,692	34,645,885
Financial assets non-interest bearing instruments	323,052	175,594
Financial liabilities non-interest bearing instruments	(989,106)	(169,848)
Financial liabilities floating rate	(254,744)	(36,294)
	48,885,163	35,279,283

At 30 September 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 £95,628 (30 September 2022: £66,766).

Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 30 September 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 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 brokers' financial ratings are reviewed. Credit risk on cash balances is mitigated by ensuring that cash is held with financial institutions that are at least investment grade credit related. On debt securities and bond funds, credit risk is mitigated by ensuring that credit ratings are monitored regularly and in line with the investment objective and profile of the Sub-fund.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 Risk management (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 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	30.09.2023		30.09.2022	
	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	37,345	-	26,019	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1	11,300	-	8,627	-
Total	48,645	-	34,646	-

12 Contingent assets and liabilities

At 30 September 2023, the Sub-fund had no contingent liabilities or commitments (30 September 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 September 2023. Since that date, the Sub-fund's quoted price has moved as follows for each share class:

Share Class	Price (GBp) at 29 September 2023	Price (GBp) at 05 January 2024
A (Income)	98.4031	99.4285
B (Income)	97.3508	98.3258

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14 Direct transaction costs

	2023		2022	
	£	%	£	%
Analysis of total purchase costs				
Purchases in the year before transaction costs	45,574,301		14,793,150	
Commissions	1,233	0.00%	153	0.00%
Total purchase costs	1,233	0.00%	153	0.00%
Total purchases including transaction costs	45,575,534		14,793,303	
Analysis of total sale costs				
Sales in the year before transaction costs	32,803,383		4,772,753	
Commissions	-	0.00%	-	0.00%
Total sale costs	-	0.00%	-	0.00%
Total sales net of transaction costs	32,803,383		4,772,753	

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 net asset value	2022	% of average net asset value
	£		£	
Commissions	1,233	0.00%	153	0.00%
	1,233	0.00%	153	0.00%

15 Portfolio Dealing Spread

The average portfolio dealing spread at 30 September 2023 is 0.10% (2022: 0.34%).

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 distributions in pence per share

Group 1 – Shares purchased prior to 01 October 2022

Group 2 – Shares purchased on or after 01 October 2022 and on or before 31 March 2023.

A (Income)	Net revenue 31.05.2023	Equalisation	Distribution 31.05.2023	Distribution 31.05.2022
Group 1	0.4225p	-	0.4225p	0.0404p
Group 2	0.1820p	0.2405p	0.4225p	0.0404p

B (Income)	Net revenue 31.05.2023	Equalisation	Distribution 31.05.2023	Distribution 31.05.2022
Group 1	0.3464p	-	0.3464p	-
Group 2	0.1448p	0.2016p	0.3464p	-

Final distributions in pence per share

Group 1 – Shares purchased prior to 01 April 2023

Group 2 – Shares purchased on or after 01 April 2023 and on or before 30 September 2023.

A (Income)	Net revenue 30.11.2023	Equalisation	Distribution 30.11.2023	Distribution 30.11.2022
Group 1	1.8026p	-	1.8026p	0.1477p
Group 2	1.3961p	0.4065p	1.8026p	0.1477p

B (Income)	Net revenue 30.11.2023	Equalisation	Distribution 30.11.2023	Distribution 30.11.2022
Group 1	1.7097p	-	1.7097p	0.0446p
Group 2	1.3594p	0.3503p	1.7097p	0.0446p

INFORMATION FOR INVESTORS

Taxation

VT Shaheen Global will pay corporation on its profits for the year ended 30 September 2023, the other four Sub-funds will pay no corporation on their profits for the year ended 30 September 2023. Capital gains within the Company will not be taxed.

Individual shareholders

Income tax: Tax-free annual dividend allowance standing at £1,000 (2023/24). UK resident shareholders are subject to higher rates of tax on dividend income in excess of the annual allowance. UK resident shareholders are subject to tax on dividend income in excess of the annual allowance.

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. 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 dividend 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 to the below email addresses or by sending an application form to the Registrar. Application forms are available from the Registrar. E-mail: sorbus@valu-trac.com.

The price of shares will be determined by reference to a valuation of the Company's net assets at 12 noon 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.

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. A contract note will be issued by close of business on the next business day after the dealing date to confirm the transaction.

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 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 to the risk profile of a fund or the AFM itself. This includes executives, senior risk and compliance staff and certain senior managers.

28 May 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 <https://www.valu-trac.com/Pillar%203%202021-09.pdf>. 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

Authorised Fund Manager & Registrar	<p>Valu-Trac Investment Management Limited Orton Fochabers Moray IV32 7QE</p> <p>Telephone: 01343 880344 Fax: 01343 880267 Email: sorbus@valu-trac.com</p> <p>Authorised and regulated by the Financial Conduct Authority Registered in England No 2428648</p>
Investment Manager	<p>Sorbus Partners LLP 41 Eastgate Street Stafford ST16 2LY</p> <p>Authorised and regulated by the Financial Conduct Authority</p>
Depositary	<p>NatWest Trustee and Depositary Services Limited House A Floor 0, 175 Glasgow Road Gogarburn Edinburgh EH12 1HQ</p> <p>Authorised and regulated by the Financial Conduct Authority</p>
Auditor	<p>Johnston Carmichael LLP Chartered Accountants Commerce House South Street Elgin IV30 1JE</p>