

**VT CHELSEA MANAGED ICVC**  
**(Sub-funds VT Chelsea Managed Monthly Income, VT Chelsea Managed Cautious Growth, VT Chelsea Managed Balanced Growth and VT Chelsea Managed Aggressive Growth)**

**Interim Report and Financial Statements (Unaudited)  
for the six months ended 31 December 2023**

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## COMPANY OVERVIEW

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### **Type of Company:**

VT Chelsea Managed ICVC ("the Company") is an authorised open-ended investment company with variable capital ("ICVC") further to a Financial Conduct Authority ("FCA") authorisation order dated 05 May 2017. The Company is incorporated under registration number IC001085. It is a UCITS scheme complying with the investment and borrowing powers rules in the Collective Investment Schemes Sourcebook ("COLL") issued by the FCA.

The Company has been set up as an umbrella company. The Company has currently four Sub-funds available for investment, VT Chelsea Managed Monthly Income, VT Chelsea Managed Cautious Growth, VT Chelsea Managed Balanced Growth and VT Chelsea Managed Aggressive Growth. Each Sub-fund would be a UCITS scheme if it had a separate authorisation order.

The shareholders are not liable for the debts of the Company.

## STATEMENT OF THE AUTHORISED FUND MANAGER'S (AFM's) RESPONSIBILITIES

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The rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook require the Authorised Fund Manager to prepare financial statements for each accounting period which give a true and fair view of the financial position of the Company at the end of the financial period and its net revenue and net capital (losses)/gains for the period. 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, United Kingdom Generally Accepted Accounting Practice (UK GAAP) 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

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

David E. Smith CA

Valu-Trac Investment Management Limited  
Authorised Fund Manager

Date

## SUB-FUND OVERVIEW

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<b>Name of Sub-fund</b>	VT Chelsea Managed Monthly Income
<b>Size of Sub-fund</b>	£55,344,982
<b>Launch date</b>	05 June 2017
<b>Investment objective and policy</b>	<p>The investment objective of the VT Chelsea Managed Monthly Income fund is to generate income with the potential for some capital growth over the long term (5 years).</p> <p>The Sub-fund will aim to achieve its objective by investing primarily (70% +) in collective investment schemes (including those managed or operated by the AFM) which are expected to provide exposure to a variety of asset classes, such as equities, bonds, money market instruments, cash and near cash. There may also be indirect exposure to commodities (and from time to time other alternative asset classes such as infrastructure) through other collective investment schemes (including exchange traded funds).</p> <p>The Sub-fund may also invest directly in other transferable securities and the above asset classes.</p> <p>There will be no particular emphasis on any industrial, geographical or economic sector.</p>
<b>Benchmark</b>	<p>The Sub-fund is not managed to or constrained by a benchmark, and nor does the AFM use a benchmark in order to assess performance.</p> <p>However, many funds sold in the UK are grouped into sectors by the Investment Association (the "IA") (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.</p> <p>In order to assess the Sub-fund's performance, investors may find it useful to compare the Sub-fund against performance of the IA Mixed Investment 20-60% Shares Sector, which serves as a method of comparing the Sub-fund's performance with other funds which have broadly similar characteristics.</p>
<b>Derivatives</b>	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.
<b>Authorised Fund Manager (AFM)</b>	Valu-Trac Investment Management Limited
<b>Ex-distribution dates</b>	30 June (final) and last day of each month (interim)
<b>Distribution dates</b>	31 August (final) and last day of each month (interim)
<b>Individual Savings Account (ISA)</b>	The Sub-fund is a qualifying investment for inclusion in an ISA

## SUB-FUND OVERVIEW (Continued)

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### Minimum investment\*

Lump sum subscription:	Class A GBP Net Accumulation/Income = £1,000
Top-up:	Class A GBP Net Accumulation/Income = £500
Holding:	Class A GBP Net Accumulation/Income = £1,000
Redemption:	Class A GBP Net Accumulation/Income = N/A (provided minimum holding is maintained)
Switching:	Class A GBP Net Accumulation/Income = N/A (provided minimum holding is maintained)

**Initial, redemption and switching 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 fixed element, which is equal to £25,000\*\* per annum, is taken from Class A shares pro-rata to their net asset value. The variable element in respect of the Class A shares is equal to 0.3% per annum of the net asset value of the Class A shares.

\*\*The fixed element of this fee shall be increased annually on 1 May (from 1 May 2018) in line with the rate of inflation (calculated in accordance with the Consumer Price Index).

At its discretion and subject to the regulations and any other applicable laws, rules, regulations or guidance, the AFM can rebate some or all of its annual management charge to the Sub-fund for the benefit of shareholders.

## INVESTMENT ADVISER'S REVIEW

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During the period from the 30th June 2023 to 31st December 2023 the fund returned 9.80% (Class A GBP Net Accumulation) in comparison with the IA Mixed Investment 20-60% Shares sector which returned +5.53%. The fund is still 2/134 in the IA Mixed Investment 20-60% Shares sector since it launched in 2017 and is the best performing income fund in the sector.\*

After a tough couple of years the fund delivered good performance over the past six months. The fund outperformed its reference benchmark by over 4%. Most of the performance came in the final two months of the year. Lower inflation and central bank commentary suggesting interest rates have peaked and may fall in 2024 sparked a rally in many of our holdings. The fund has been increasing its weight in investment trusts, most of which are trading on wide discounts and have high dividend yields. Whilst others have been running from the space at any price the fund has been buying up quality names at distressed prices levels. We believe this will be very beneficial to the fund over the long term.

The change in interest rate expectations was particularly good news for the funds real estate investment trusts. Target Healthcare and Supermarket Income REIT both rallied over 20% in the period and were two of our strongest performers.\*\* They continue to offer reliable income. The fund has taken some profit in Target Healthcare to reinvest into other trusts we felt offered greater relative value.

The funds holding in music royalty business Round Hill Music was taken over at a very large premium delivering a great result. This has proven to be a very successful investment. This cash has now come back into the fund and has been recycled into other investment trusts trading on huge discounts. The fund bought a new position is SDCL Energy Efficiency Income. This is a large and very well diversified trust which owns a number of projects across the developed world. The trust focuses on energy efficiency an often overlooked part of the energy transition process. Despite having very long term contracts for most of its projects which should deliver cash flow for many years to come the previously popular trust has collapsed. The fund was able to pick up the shares at around a 10% dividend yield. It also bought back into GCP Infrastructure a trust we know well from the past but had previously sold out of. This debt trust provides debt finance to infrastructure projects which are backed by government support. Historically the shares always trade on a large premium. Because of distress in the market the fund was able to pick them up on over a 10% yield and a very large discount.

Doric Nimrod Air Two was once again our strongest position in the period returning 30%. The trust owns and leases 7 A380 aircraft to Emirates. As we had expected Emirates bought two of the aircraft when their leases ended for \$35m each. This triggered a further rally in the shares. This cash has also now been returned to shareholders. The trust continues with its 5 remaining aircraft whose leases end towards the end of 2024 and it is now a smaller position in the fund.

The fund sold its position in Jupiter Strategic bond after a period of poor performance. It trimmed some of Artemis Target Return Bond and Artemis Global High Yield to reinvest into areas of better value. Towards the end of the year the fund made a large investment in Chrysalis. The fund had the opportunity to buy the shares at a big discount to share price as a distressed seller was forced to offload the shares. Whilst the trust does not yield we did not want the income fund to miss out on this opportunity. We believe the trust to be very undervalued. The shares are up 20% in a very short period of time since our purchase.\*\*\*

The funds equity funds generally performed well. Man GLG Income had a strong performance returning 10% in the period. From the fixed income funds Man GLG Sterling Corporate Bond continued its exceptional performance with a return of 16% far in excess of the rest of its peers.\*\*

After a tough period we are pleased to finally have a better period of performance. We continue to believe that many of the funds trust holdings are severely undervalued. Many continue to pay high and growing dividends. We hope that we will start to see interest rate cuts in 2024 and that the performance of the past six months can persist. The fund continues to generate a lot of income and we are pleased that the fund will increase its monthly payment to 0.38p per unit from the end of January 2024.

The fund has delivered 43.94% total return since its launch in June 2017 versus 16.18% for the average fund in the IA Mixed Investment 20-60% Shares sector.\*

Chelsea Portfolio Management Services Limited  
Investment Adviser to the Fund  
20 February 2024

\* FE Funds Info VT Chelsea Monthly Income Funds vs IA Mixed Investment 20-60% Shares total return in sterling 30/06/2023-31/12/2023 and 05/06/2017-30/12/2023

\*\*FE Funds Info performance total return in sterling 30/06/2023-30/12/2023

\*\*\*Based off price of 77.7p on 31/12/2023 FE Funds Info versus purchase price of 65p

## PERFORMANCE RECORD

### Financial Highlights

#### Class A GBP Net Accumulation

	Period ended 31 December 2023	Year ended 30 June 2023	Year ended 30 June 2022
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	131.0933	133.7469	129.7689
Return before operating charges	13.3564	(1.1175)	5.7831
Operating charges (note 1)	(0.5088)	(1.5361)	(1.8051)
Return after operating charges *	12.8476	(2.6536)	3.9780
Closing net asset value per share	143.9409	131.0933	133.7469
Retained distributions on accumulated shares	2.2200	6.7760	5.8462
*after direct transactions costs of:	0.0550	0.1059	0.0395
Performance			
Return after charges	9.80%	(1.98%)	3.07%
Other information			
Closing net asset value	£11,617,628	£9,789,663	£8,769,040
Closing number of shares	8,071,109	7,467,708	6,556,446
Operating charges (note 2)	0.74%	1.16%	1.37%
Direct transaction costs	0.04%	0.08%	0.03%
Prices			
Highest share price	143.9409	140.2883	139.3300
Lowest share price	128.3045	126.4768	129.7689

#### Class A GBP Net Income

	Period ended 31 December 2023	Year ended 30 June 2023	Year ended 30 June 2022
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	99.7355	107.1004	108.4966
Return before operating charges	10.0056	(0.8383)	4.8642
Operating charges (note 1)	(0.3827)	(1.1996)	(1.4768)
Return after operating charges *	9.6229	(2.0379)	3.3874
Distribution on income shares	(2.2200)	(5.3270)	(4.7836)
Closing net asset value per share	107.1384	99.7355	107.1004
*after direct transactions costs of:	0.0414	0.0827	0.0323
Performance			
Return after charges	9.65%	(1.90%)	3.12%
Other information			
Closing net asset value	£43,854,894	£38,972,553	£36,804,731
Closing number of shares	40,932,927	39,075,908	34,364,714
Operating charges (note 2)	0.74%	1.16%	1.37%
Direct transaction costs	0.04%	0.08%	0.03%
Prices			
Highest share price	107.4952	111.9703	113.6820
Lowest share price	97.2572	99.7355	105.9014

## PERFORMANCE RECORD (Continued)

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

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

### **Risk Profile**

Based on past data, the Sub-fund is ranked a '5' on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document (30 June 2023: ranked 4). The Sub-fund is ranked '5' because its volatility has been measured as relatively high.

## PORTFOLIO SUMMARY

As at 31 December 2023

Holdings	Value £	% of net assets
<b>Collective Investment Schemes (30.06.2023: 46.60%)</b>		
1,754,885 Artemis Corporate Bond	1,627,129	2.95%
1,395,502 Artemis Target Return Bond	1,387,129	2.51%
365,647 Artemis Funds (Lux) - Global High Yield Bond	360,857	0.65%
364,736 BlackRock Continental European Income	613,705	1.11%
1,601,984 FTF ClearBridge Global Infrastructure income	2,015,296	3.64%
953,631 M&G Emerging Markets Bond	1,061,868	1.92%
640,666 M&G Global Dividend	1,939,168	3.50%
1,728,140 Man GLG UK Income	2,172,272	3.92%
10,057 Man GLG High Yield Opportunities	1,100,962	1.99%
1,892,692 Man GLG Sterling Corporate Bond	1,803,547	3.26%
708,687 Montanaro UK Income	1,381,232	2.50%
361,200 Montanaro European Income	785,610	1.42%
13,613 Nomura Funds Ireland-Global Dynamic Bond	1,344,540	2.43%
1,955,906 Schroder Asian Income	1,449,522	2.62%
494,856 Evenlode Income	1,265,643	2.29%
1,154,820 TB Evenlode Global Income	1,699,433	3.07%
1,347,346 TB Guinness Global Equity	1,833,469	3.31%
	<b>23,841,382</b>	<b>43.09%</b>
<b>Exchange Traded Funds (30.06.2023: 10.75%)</b>		
59,420 Invesco US Treasury Bond 7-10 Year UCITS ETF	1,693,951	3.06%
259,210 iShares \$ Treasury Bond 1-3 Year UCITS ETF	1,216,602	2.20%
273,074 iShares \$ TIPS UCITS ETF	1,336,561	2.41%
67,000 iShares \$ Treasury Bond 20+ Year UCITS ETF	226,494	0.41%
	<b>4,473,608</b>	<b>8.08%</b>
<b>Investment Trusts (30.06.2023: 24.64%)</b>		
1,509,321 Bluefield Solar Income Fund Ltd	1,771,943	3.20%
1,299,034 Doric Nimrod Air Two Ltd	1,506,879	2.72%
1,430,302 Doric Nimrod Air Three Ltd	772,363	1.40%
2,059,683 GCP Asset Backed Income Fund Ltd	1,347,033	2.43%
2,756,192 GCP Infrastructure Investments Ltd	1,970,677	3.56%
1,567,580 Greencoat UK Wind PLC	2,365,478	4.27%
2,294,870 Hipgnosis Songs Fund Ltd	1,643,127	2.97%
2,377,000 Chrysalis Investments Ltd	1,844,552	3.33%
464,820 Montanaro UK Smaller Companies Investment Trust PLC	476,441	0.86%
11,800 Polar Capital Technology Trust PLC	304,440	0.55%
1,061,889 Renewables Infrastructure Group Ltd	1,204,182	2.18%
2,051,300 SDCL Energy Efficiency Income Trust PLC	1,341,550	2.42%
2,253,745 Sequoia Economic Infrastructure Income Fund Ltd	1,924,698	3.48%
	<b>18,473,363</b>	<b>33.37%</b>
<b>Real Estate Investment Trusts (30.06.2023: 10.32%)</b>		
4,607,523 Assura PLC	2,231,884	4.03%
537,146 Impact Healthcare REIT PLC	481,283	0.87%
2,339,424 Supermarket Income REIT PLC	2,044,657	3.69%
1,619,434 Target Healthcare REIT Ltd	1,373,280	2.48%
247,300 Urban Logistics Reit PLC	316,049	0.57%
	<b>6,447,153</b>	<b>11.64%</b>
<b>Portfolio of investments (30.06.2023: 92.31%)</b>	<b>53,235,506</b>	<b>96.18%</b>
<b>Net other assets (30.06.2023: 7.69%)</b>	<b>2,109,476</b>	<b>3.82%</b>
	<b>55,344,982</b>	<b>100.00%</b>

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

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	£
<b>Total purchases for the period</b>	<b>10,477,626</b>
GCP Infrastructure Investments Ltd	1,889,394
SDCL Energy Efficiency Income Trust PLC	1,259,707
Chrysalis Investments Ltd	1,036,030
Renewables Infrastructure Group Ltd	864,938
Hipgnosis Songs Fund Ltd	519,181
GCP Asset Backed Income Fund Ltd	501,644
Artemis Corporate Bond	496,000
Doric Nimrod Air Three Ltd	377,825
Greencoat UK Wind PLC	374,807
Bluefield Solar Income Fund Ltd	371,144
Other various purchases	2,786,956
	£
<b>Total sales for the period</b>	<b>5,744,701</b>
Round Hill Music Royalty Fund Limited	1,708,837
Jupiter Strategic Bond	797,511
Doric Nimrod Air Two Ltd	748,576
Target Healthcare REIT Ltd	620,128
iShares \$ Treasury Bond 1-3 Year UCITS ETF	518,084
Artemis Funds (Lux) - Global High Yield Bond	369,000
Artemis Target Return Bond	246,000
iShares \$ TIPS UCITS ETF	241,144
Sequoia Economic Infrastructure Income Fund Ltd	126,420
M&G Global Dividend	123,000
Other various sales	246,001

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

## STATEMENT OF TOTAL RETURN

### For the period ended 31 December

	2023		2022	
	£	£	£	£
Income				
Net capital Gains/(losses)		3,648,410		(1,577,858)
Revenue	1,488,071		1,242,269	
Expenses	(115,476)		(109,289)	
Interest payable and similar charges	-		(22)	
Net revenue before taxation	1,372,595		1,132,958	
Taxation	(76,987)		(43,783)	
Net revenue after taxation		1,295,608		1,089,175
Total return before distributions		4,944,018		(488,683)
Finance costs: distributions		(1,037,621)		(937,592)
<b>Changes in net assets attributable to shareholders from investment activities</b>		<b>3,906,397</b>		<b>(1,426,275)</b>

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

### For the period ended 31 December

	2023	2022
	£	£
<b>Opening net assets attributable to shareholders</b>	48,599,628	45,439,634
Amounts receivable on creation of shares	5,303,268	7,383,284
Amounts payable on cancellation of shares	(2,637,630)	(3,341,982)
Accumulation dividends retained	173,319	159,689
Changes in net assets attributable to shareholders from investment activities (see above)	3,906,397	(1,426,275)
<b>Closing net assets attributable to shareholders</b>	<b>55,344,982</b>	<b>48,214,350</b>

The Investment Association SORP requires that comparatives are shown for the above report. As comparatives should be for the comparable interim period the net asset value at the end of the period will not agree to the net asset value at the start of the period. The Sub-funds net asset value as at 30 June 2023 was £48,599,628.

## BALANCE SHEET

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As at	31.12.2023		30.06.2023	
	£	£	£	£
<b>Assets</b>				
Investment assets		53,235,506		44,862,796
<b>Current assets</b>				
Debtors	957,693		1,040,656	
Cash and bank balances	<u>2,005,876</u>		<u>4,000,675</u>	
<b>Total current assets</b>		<u>2,963,569</u>		<u>5,041,331</u>
<b>Total assets</b>		56,199,075		49,904,127
<b>Current Liabilities</b>				
Creditors	(854,093)		(519,124)	
Distribution payable on income shares	<u>-</u>		<u>(785,375)</u>	
<b>Total current liabilities</b>		<u>(854,093)</u>		<u>(1,304,499)</u>
<b>Net assets attributable to shareholders</b>		<u>55,344,982</u>		<u>48,599,628</u>

### Accounting policies

The accounting policies applied are consistent with those of the financial statements for the year ended 30 June 2023 and are described in those financial statements.

The financial statements have been prepared in accordance with the Statement of Recommended Practice ('SORP') for Authorised Funds issued by the Investment Association in May 2014 and the amendments to the SORP issued by the IA in June 2017.

## DISTRIBUTION TABLES

### 1st Interim distribution in pence per share

Group 1: Shares purchased prior to 01 July 2023

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

<b>Class A GBP Net Accumulation</b>	<b>Net Revenue 29.09.2023</b>	<b>Equalisation</b>	<b>Distribution 29.09.2023</b>	<b>Distribution 30.09.2022</b>
Group 1	0.3700p	-	0.3700p	0.3600p
Group 2	0.1459p	0.2241p	0.3700p	0.3600p

  

<b>Class A GBP Net Income</b>	<b>Net Revenue 29.09.2023</b>	<b>Equalisation</b>	<b>Distribution 29.09.2023</b>	<b>Distribution 30.09.2022</b>
Group 1	0.3700p	-	0.3700p	0.3600p
Group 2	0.0001p	0.3699p	0.3700p	0.3600p

### 2nd Interim distribution in pence per share

Group 1: Shares purchased prior to 01 August 2023

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

<b>Class A GBP Net Accumulation</b>	<b>Net Revenue 31.10.2023</b>	<b>Equalisation</b>	<b>Distribution 31.10.2023</b>	<b>Distribution 31.10.2022</b>
Group 1	0.3700p	-	0.3700p	0.3600p
Group 2	-	0.3700p	0.3700p	0.3600p

  

<b>Class A GBP Net Income</b>	<b>Net Revenue 31.10.2023</b>	<b>Equalisation</b>	<b>Distribution 31.10.2023</b>	<b>Distribution 31.10.2022</b>
Group 1	0.3700p	-	0.3700p	0.3600p
Group 2	-	0.3700p	0.3700p	0.3600p

### 3rd Interim distribution in pence per share

Group 1: Shares purchased prior to 01 September 2023

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

<b>Class A GBP Net Accumulation</b>	<b>Net Revenue 30.11.2023</b>	<b>Equalisation</b>	<b>Distribution 30.11.2023</b>	<b>Distribution 30.11.2022</b>
Group 1	0.3700p	-	0.3700p	0.3700p
Group 2	-	0.3700p	0.3700p	0.3700p

  

<b>Class A GBP Net Income</b>	<b>Net Revenue 30.11.2023</b>	<b>Equalisation</b>	<b>Distribution 30.11.2023</b>	<b>Distribution 30.11.2022</b>
Group 1	0.3700p	-	0.3700p	0.3700p
Group 2	-	0.3700p	0.3700p	0.3700p

**DISTRIBUTION TABLES (Continued)****4th Interim distribution in pence per share**

Group 1: Shares purchased prior to 01 October 2023

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

<b>Class A GBP Net Accumulation</b>	<b>Net Revenue 29.12.2023</b>	<b>Equalisation</b>	<b>Distribution 29.12.2023</b>	<b>Distribution 30.12.2022</b>
Group 1	0.3700p	-	0.3700p	0.3700p
Group 2	-	0.3700p	0.3700p	0.3700p

  

<b>Class A GBP Net Income</b>	<b>Net Revenue 29.12.2023</b>	<b>Equalisation</b>	<b>Distribution 29.12.2023</b>	<b>Distribution 30.12.2022</b>
Group 1	0.3700p	-	0.3700p	0.3700p
Group 2	-	0.3700p	0.3700p	0.3700p

**5th Interim distribution in pence per share**

Group 1: Shares purchased prior to 01 November 2023

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

<b>Class A GBP Net Accumulation</b>	<b>Net Revenue 31.01.2024</b>	<b>Equalisation</b>	<b>Distribution 31.01.2024</b>	<b>Distribution 31.01.2023</b>
Group 1	0.3700p	-	0.3700p	0.3700p
Group 2	-	0.3700p	0.3700p	0.3700p

  

<b>Class A GBP Net Income</b>	<b>Net Revenue 31.01.2024</b>	<b>Equalisation</b>	<b>Distribution 31.01.2024</b>	<b>Distribution 31.01.2023</b>
Group 1	0.3700p	-	0.3700p	0.3700p
Group 2	-	0.3700p	0.3700p	0.3700p

**6th Interim distribution in pence per share**

Group 1: Shares purchased prior to 01 December 2023

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

<b>Class A GBP Net Accumulation</b>	<b>Net Revenue 29.02.2024</b>	<b>Equalisation</b>	<b>Distribution 29.02.2024</b>	<b>Distribution 28.02.2023</b>
Group 1	0.3700p	-	0.3700p	0.3700p
Group 2	-	0.3700p	0.3700p	0.3700p

  

<b>Class A GBP Net Income</b>	<b>Net Revenue 29.02.2024</b>	<b>Equalisation</b>	<b>Distribution 29.02.2024</b>	<b>Distribution 28.02.2023</b>
Group 1	0.3700p	-	0.3700p	0.3700p
Group 2	-	0.3700p	0.3700p	0.3700p

## SUB-FUND OVERVIEW

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<b>Name of Sub-fund</b>	VT Chelsea Managed Cautious Growth
<b>Size of Sub-fund</b>	£15,011,584
<b>Launch date</b>	05 June 2017
<b>Investment objective and policy</b>	<p>The investment objective of the VT Chelsea Managed Cautious Growth fund is to generate capital growth over the long term (5 years).</p> <p>The Sub-fund is expected to follow a relatively cautious strategy with investment primarily (70% +) through collective investment schemes (including those managed or operated by the AFM) so as to provide a high level of exposure to asset classes which the AFM considers to be lower risk including cash, fixed income and assets following absolute return strategies.</p> <p>The Sub-fund may also invest directly in other transferable securities, equities, bonds, money market instruments, cash and near cash with commodity exposure being achieved through other collective investment schemes (including exchange traded funds).</p> <p>There will be no particular emphasis on any industrial, geographical or economic sector.</p>
<b>Benchmark</b>	<p>The Sub-fund is not managed to or constrained by a benchmark, and nor does the AFM use a benchmark in order to assess performance.</p> <p>However, many funds sold in the UK are grouped into sectors by the Investment Association (the "IA") (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.</p> <p>In order to assess the Sub-fund's performance, investors may find it useful to compare the Sub-fund against performance of the IA Mixed Investment 20-60% Shares Sector, which serves as a method of comparing the Sub-fund's performance with other funds which have broadly similar characteristics.</p>
<b>Derivatives</b>	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.
<b>Authorised Fund Manager (AFM)</b>	Valu-Trac Investment Management Limited
<b>Ex-distribution dates</b>	30 June and 31 December
<b>Distribution dates</b>	31 August and last day of February
<b>Individual Savings Account (ISA)</b>	The Sub-fund is a qualifying investment for inclusion in an ISA
<b>Minimum investment*</b>	
Lump sum subscription:	Class A GBP Net Accumulation/Income = £1,000
Top-up:	Class A GBP Net Accumulation/Income = £500
Holding:	Class A GBP Net Accumulation/Income = £1,000
Redemption:	Class A GBP Net Accumulation/Income = N/A (provided minimum holding is maintained)
Switching:	Class A GBP Net Accumulation/Income = N/A (provided minimum holding is maintained)
<b>Initial, redemption and switching charges*:</b>	Nil

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

## SUB-FUND OVERVIEW (Continued)

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### **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 fixed element, which is equal to £25,000\*\* per annum, is taken from Class A shares pro-rata to their net asset value. The variable element in respect of the Class A shares is equal to 0.3% per annum of the net asset value of the Class A shares.

\*\*The fixed element of this fee shall be increased annually on 1 May (from 1 May 2018) in line with the rate of inflation (calculated in accordance with the Consumer Price Index).

At its discretion and subject to the regulations and any other applicable laws, rules, regulations or guidance, the AFM can rebate some or all of its annual management charge to the Sub-fund for the benefit of shareholders.

## INVESTMENT ADVISER'S REVIEW

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During the period from the 30th June 2023 to 31st December 2023 the fund returned 8.58% (Class A GBP Net Accumulation) in comparison with the IA Mixed Investment 20-60% Shares sector which returned +5.53%.\*

After a tough couple of years the fund delivered good performance over the past six months. The fund significantly outperformed its reference benchmark by over 3%. Most of the performance came in the final two months of the year. Lower inflation and central bank commentary suggesting interest rates have peaked and may fall in 2024 sparked a rally in many of our holdings. The fund has been increasing its weight in investment trusts, most of which are trading on very wide discounts and have very high dividend yields. Whilst others have been running from the space at any price the fund has been buying up quality names at distressed prices levels. We believe this will be very beneficial to the fund over the long term.

The change in interest rate expectations was particularly good news for the funds real estate investment trusts. Target Healthcare and Supermarket Income REIT both rallied over 20% in the period and were two of our strongest performers. They continue to offer very reliable income. The fund has taken some profit in Target Healthcare to reinvest into other trusts we felt offered greater relative value.

The funds holding in music royalty business Round Hill Music was taken over at a very large premium delivering a great result. This has proven to be a very successful investment. This cash has now come back into the fund and has been recycled into other investment trusts trading on huge discounts. The fund bought a new position is SDCL Energy Efficiency Income. This is a large and very well diversified trust which owns a number of projects across the developed world. The trust focuses on energy efficiency an often overlooked part of the energy transition process. Despite having very long term contracts for most of its projects which should deliver cash flow for many years to come the previously popular trust has collapsed. The funds was able to pick up the shares at around a 10% dividend yield. It also bought back into GCP Infrastructure a trust we know well from the past but had previously sold out of. This debt trust provides debt finance to infrastructure projects which are backed by government support. Historically the shares always trade on a large premium. Because of distress in the market the fund was able to pick them up on over a 10% yield and a very large discount.

Doric Nimrod Air Two was once again our strongest position in the period returning 30%. The trust owns and leases 7 A380 aircraft to Emirates. As we had expected Emirates bought two of the aircraft when their leases ended for \$35m each. This triggered a further rally in the shares. This cash has also now been returned to the fund. The trust continues with its 5 remaining aircraft whose leases end towards the end of 2024 and it is now a smaller position in the fund.

The fund sold its position in Fidelity Global Dividend and replaced it with Royal London Global Equity Income. We were very impressed with the Royal London team following a meeting with them. Towards the end of the year the fund increased its investment in Chrysalis. We had the opportunity to buy the shares at a big discount to share price as a distressed seller was forced to offload the shares. Whilst the trust does not yield we did not want the income fund to miss out on this opportunity. We believe the trust to be very undervalued. The shares are up 20% in a very short period of time since our purchase. We continue to believe the prospects for some of the trusts underlying holdings such as Klarna and Starling bank are not fully appreciated by the market.

The funds equity funds generally performed well. Polar Capital Technology Trust had very strong period of performance, rising 18%, as the market continued to be excited by the prospects of AI. From the fixed income funds Man GLG Sterling Corporate Bond continued its exceptional performance with a return of 16% far in excess of the rest of its peers.

After a tough period we are pleased to finally have a better period of performance. We continue to believe that many of the funds trust holdings are severely undervalued. We hope that we will start to see interest rate cuts in 2024 and that the performance of the past six months can persist.

The fund has delivered 27.82% total return since its launch in June 2017 versus 16.18% for the average fund in the IA Mixed Investment 20-60% Shares sector.\*

Chelsea Portfolio Management Services Limited  
Investment Adviser to the Fund  
20 February 2024

\* FE Funds Info VT Chelsea Monthly Income Funds vs IA Mixed Investment 20-60% Shares total return in sterling 30/06/2023-31/12/2023 and 05/06/2017-30/12/2023

\*\*FE Funds Info performance total return in sterling 30/06/2023-30/12/2023

\*\*\*Based off price of 77.7p on 31/12/2023 FE Funds Info versus purchase price of 65p

## PERFORMANCE RECORD

### Financial Highlights

#### Class A GBP Net Accumulation

	Period ended 31 December 2023	Year ended 30 June 2023	Year ended 30 June 2022
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	117.7209	120.6776	124.5306
Return before operating charges	10.6556	(1.5025)	(2.0507)
Operating charges (note 1)	(0.5525)	(1.4542)	(1.8023)
Return after operating charges *	10.1031	(2.9567)	(3.8530)
Closing net asset value per share	127.8240	117.7209	120.6776
Retained distributions on accumulated shares	1.7124	3.0899	2.0417
*after direct transactions costs of:	0.0246	0.0834	0.0368
Performance			
Return after charges	8.58%	(2.45%)	(3.09%)
Other information			
Closing net asset value	£14,255,573	£13,054,157	£13,488,658
Closing number of shares	11,152,502	11,089,073	11,177,429
Operating charges (note 2)	0.90%	1.22%	1.47%
Direct transaction costs	0.02%	0.07%	0.03%
Prices			
Highest share price	127.8240	125.9075	129.9220
Lowest share price	115.6657	113.7794	120.1414

#### Class A GBP Net Income

	Period ended 31 December 2023	Year ended 30 June 2023	Year ended 30 June 2022
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	107.9867	113.6657	119.2536
Return before operating charges	9.7706	(1.4351)	(1.9298)
Operating charges (note 1)	(0.5033)	(1.3521)	(1.7120)
Return after operating charges *	9.2673	(2.7872)	(3.6418)
Distribution in income shares	(1.5703)	(2.8918)	(1.9461)
Closing net asset value per share	115.6837	107.9867	113.6657
*after direct transactions costs of:	0.0224	0.0776	0.0349
Performance			
Return after charges	8.58%	(2.45%)	(3.05%)
Other information			
Closing net asset value	£775,401	£726,545	£647,687
Closing number of shares	670,277	672,809	569,817
Operating charges (note 2)	0.90%	1.22%	1.47%
Direct transaction costs	0.02%	0.07%	0.03%
Prices			
Highest share price	117.2457	118.5917	124.0237
Lowest share price	106.1015	107.1685	113.6657

## PERFORMANCE RECORD (Continued)

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

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

### **Risk Profile**

Based on past data, the Sub-fund is ranked a '4' on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document (30 June 2023: ranked 4). The Sub-fund is ranked '4' because its volatility has been measured as average.

## PORTFOLIO SUMMARY

As at 31 December 2023

Holdings	Value £	% of net assets
<b>Collective Investment Schemes (30.06.2023: 45.82%)</b>		
358,122 Artemis Corporate Bond	332,051	2.21%
370,248 Artemis Target Return Bond	368,027	2.45%
195,160 Allianz Strategic Bond	179,723	1.20%
74,850 Fidelity Index US	295,178	1.97%
140,169 Fidelity Asia Pacific Opportunities	400,323	2.67%
62,344 Fundsmith Equity	366,799	2.44%
278,138 Jupiter UK Special Situations	602,807	4.02%
275,650 FTF Martin Currie European Unconstrained	469,984	3.13%
134,870 Liontrust Special Situations Fund	651,015	4.34%
566,576 Man GLG UK Absolute Value	858,362	5.72%
425,577 Man GLG Sterling Corporate Bond	405,532	2.70%
3,102 Nomura Funds Ireland-Global Dynamic Bond	306,419	2.04%
471,442 Royal London Global Equity Income	526,129	3.50%
310,006 TB Evenlode Global Equity	452,454	3.01%
238,072 WS Guinness Global Equity Income	347,918	2.32%
	<b>6,562,721</b>	<b>43.72%</b>
<b>Exchange Traded Commodities (30.06.2023: 4.13%)</b>		
3,004 Invesco Physical Markets PLC	470,096	3.13%
	<b>470,096</b>	<b>3.13%</b>
<b>Exchange Traded Funds (30.06.2023: 13.11%)</b>		
13,400 Invesco US Treasury Bond 7-10 Year UCITS ETF	382,009	2.54%
6,357 Invesco US Treasury Bond 7-10 Year UCITS ETF Hedged	220,207	1.47%
4,785 Invesco UK Gilts UCITS ETF	149,866	1.00%
1,673 iShares UK Gilts 0-5 Year UCITS ETF	215,666	1.44%
92,200 iShares \$ Treasury Bond 1-3 Year UCITS ETF	432,741	2.88%
101,470 iShares \$ TIPS UCITS ETF	496,645	3.31%
18,760 iShares \$ Treasury Bond 20+ Year UCITS ETF	63,418	0.42%
	<b>1,960,552</b>	<b>13.06%</b>
<b>Investment Trusts (30.06.2023: 20.30%)</b>		
367,479 Bluefield Solar Income Fund Ltd	431,420	2.87%
148,215 Doric Nimrod Air Two Ltd	171,929	1.15%
483,800 GCP Infrastructure Investments Ltd	345,917	2.30%
393,677 Greencoat UK Wind PLC	594,059	3.96%
473,980 Hipgnosis Songs Fund Ltd	339,370	2.26%
684,338 Chrysalis Investments Ltd	531,046	3.54%
19,327 Polar Capital Technology Trust PLC	498,638	3.32%
210,582 Renewables Infrastructure Group Ltd	238,800	1.59%
341,600 SDCL Energy Efficiency Income Trust PLC	223,406	1.49%
325,025 Sequoia Economic Infrastructure Income Fund Ltd	277,571	1.85%
	<b>3,652,156</b>	<b>24.33%</b>
<b>Real Estate Investment Trusts (30.06.2023: 9.00%)</b>		
986,943 Assura PLC	478,076	3.19%
205,770 Life Science REIT plc	127,577	0.85%
469,507 Supermarket Income REIT PLC	410,349	2.73%
389,427 Target Healthcare REIT Ltd	330,234	2.20%
	<b>1,346,236</b>	<b>8.97%</b>
<b>Portfolio of investments (30.06.2023: 92.36%)</b>	<b>13,991,761</b>	<b>93.21%</b>
<b>Net other assets (30.06.2023: 7.64%)</b>	<b>1,019,823</b>	<b>6.79%</b>
	<b>15,011,584</b>	<b>100.00%</b>

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

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	£
<b>Total purchases for the period</b>	<b>1,913,294</b>
Royal London Global Equity Income	520,000
GCP Infrastructure Investments Ltd	313,174
SDCL Energy Efficiency Income Trust PLC	209,990
Invesco US Treasury Bond 7-10 Year UCITS ETF Hedged	206,468
Chrysalis Investments Ltd	142,046
Renewables Infrastructure Group Ltd	135,899
Hipgnosis Songs Fund Ltd	112,462
Supermarket Income REIT PLC	69,014
iShares UK Gilts 0-5 Year UCITS ETF	68,689
Jupiter UK Special Situations	36,000
Other various purchases	99,552
<b>Total sales for the period</b>	<b>1,631,512</b>
Fidelity Global Dividend	598,193
Round Hill Music Royalty Fund Limited	390,416
Target Healthcare REIT Ltd	137,321
Invesco Physical Markets PLC	137,036
iShares \$ Treasury Bond 1-3 Year UCITS ETF	125,821
Doric Nimrod Air Two Ltd	106,186
Liontrust Special Situations Fund	69,000
iShares \$ TIPS UCITS ETF	67,539

The above transactions represent the top ten purchases and all the sales during the period.

## STATEMENT OF TOTAL RETURN

For the period ended 31 December

	2023		2022	
	£	£	£	£
Income				
Net capital Gains/(Losses)		995,399		(543,345)
Revenue	257,070		195,645	
Expenses	(42,512)		(40,655)	
Interest payable and similar charges	-		-	
Net revenue before taxation	214,558		154,990	
Taxation	(12,142)		-	
Net revenue after taxation		202,416		154,990
Total return before distributions		1,197,815		(388,355)
Finance costs: distributions		(199,892)		(163,336)
<b>Changes in net assets attributable to shareholders from investment activities</b>		<b>997,923</b>		<b>(551,691)</b>

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the period ended 31 December

	2023	2022
	£	£
<b>Opening net assets attributable to shareholders</b>	13,745,759	14,121,210
Amounts receivable on creation of shares	615,147	721,320
Amounts payable on cancellation of shares	(538,218)	(463,272)
Accumulation dividends retained	190,973	156,650
Changes in net assets attributable to shareholders from investment activities (see above)	997,923	(551,691)
<b>Closing net assets attributable to shareholders</b>	<b>15,011,584</b>	<b>13,984,217</b>

The Investment Association SORP requires that comparatives are shown for the above report. As comparatives should be for the comparable interim period the net asset value at the end of the period will not agree to the net asset value at the start of the period. The Sub-funds net asset value as at 30 June 2023 was £13,745,759.

## BALANCE SHEET

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As at	31.12.2023		30.06.2023	
	£	£	£	£
<b>Assets</b>				
Investment assets		13,991,761		12,696,214
<b>Current assets</b>				
Debtors	343,723		288,356	
Cash and bank balances	<u>920,266</u>		<u>879,203</u>	
<b>Total current assets</b>		<u>1,263,989</u>		<u>1,167,559</u>
<b>Total assets</b>		15,255,750		13,863,773
<b>Current liabilities</b>				
Creditors	(244,166)		(107,286)	
Distribution payable on income shares	<u>-</u>		<u>(10,728)</u>	
<b>Total current liabilities</b>		<u>(244,166)</u>		<u>(118,014)</u>
<b>Net assets attributable to shareholders</b>		<u>15,011,584</u>		<u>13,745,759</u>

### Accounting policies

The accounting policies applied are consistent with those of the financial statements for the year ended 30 June 2023 and are described in those financial statements.

The financial statements have been prepared in accordance with the Statement of Recommended Practice ('SORP') for Authorised Funds issued by the Investment Association in May 2014 and the amendments to the SORP issued by the IA in June 2017.

## DISTRIBUTION TABLES

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### Interim distribution in pence per share

Group 1: Shares purchased prior to 01 July 2023

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

<b>Class A GBP Net Accumulation</b>	<b>Net Revenue 29.02.2024</b>	<b>Equalisation</b>	<b>Distribution 29.02.2024</b>	<b>Distribution 28.02.2023</b>
Group 1	1.7124p	-	1.7124p	1.3772p
Group 2	0.8430p	0.8694p	1.7124p	1.3772p

<b>Class A GBP Net Income</b>	<b>Net Revenue 29.02.2024</b>	<b>Equalisation</b>	<b>Distribution 29.02.2024</b>	<b>Distribution 28.02.2023</b>
Group 1	1.5703p	-	1.5703p	1.2973p
Group 2	0.6420p	0.9283p	1.5703p	1.2973p

## SUB-FUND OVERVIEW

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<b>Name of Sub-fund</b>	VT Chelsea Managed Balanced Growth
<b>Size of Sub-fund</b>	£44,609,608
<b>Launch date</b>	05 June 2017
<b>Investment objective and policy</b>	<p>The investment objective of the VT Chelsea Managed Balanced Growth fund is to generate capital growth over the long term (5 years).</p> <p>The Sub-fund is expected to follow a balanced strategy with investment primarily (70% +) through collective investment schemes (including those managed or operated by the AFM) so as to provide a balance between exposure to asset classes which the AFM considers to be lower risk (including cash, fixed income and assets following absolute return strategies) and those which it considers to be higher risk assets classes (typically equities).</p> <p>The Sub-fund may also invest directly in other transferable securities, equities, bonds, money market instruments, cash and near cash with commodity exposure being achieved through other collective investment schemes (including exchange traded funds).</p> <p>There will be no particular emphasis on any industrial, geographical or economic sector.</p>
<b>Benchmark</b>	<p>The Sub-fund is not managed to or constrained by a benchmark, and nor does the AFM use a benchmark in order to assess performance.</p> <p>However, many funds sold in the UK are grouped into sectors by the Investment Association (the "IA") (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.</p> <p>In order to assess the Sub-fund's performance, investors may find it useful to compare the Sub-fund against performance of the IA Mixed Investment 40-85% Shares Sector, which serves as a method of comparing the Sub-fund's performance with other funds which have broadly similar characteristics.</p>
<b>Derivatives</b>	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.
<b>Authorised Fund Manager (AFM)</b>	Valu-Trac Investment Management Limited
<b>Ex-distribution dates</b>	30 June and 31 December
<b>Distribution dates</b>	31 August and last day of February
<b>Individual Savings Account (ISA)</b>	The Sub-fund is a qualifying investment for inclusion in an ISA
<b>Minimum investment*</b>	
Lump sum subscription:	Class A GBP Net Accumulation = £1,000
Top-up:	Class A GBP Net Accumulation = £500
Holding:	Class A GBP Net Accumulation = £1,000
Redemption:	Class A GBP Net Accumulation = N/A (provided minimum holding is maintained)
Switching:	Class A GBP Net Accumulation = N/A (provided minimum holding is maintained)
<b>Initial, redemption and switching charges*:</b>	Nil

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

## SUB-FUND OVERVIEW (Continued)

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### **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 fixed element, which is equal to £25,000\*\* per annum, is taken from Class A shares pro-rata to their net asset value. The variable element in respect of the Class A shares is equal to 0.3% per annum of the net asset value of the Class A shares.

\*\*The fixed element of this fee shall be increased annually on 1 May (from 1 May 2018) in line with the rate of inflation (calculated in accordance with the Consumer Price Index).

At its discretion and subject to the regulations and any other applicable laws, rules, regulations or guidance, the AFM can rebate some or all of its annual management charge to the Sub-fund for the benefit of shareholders.

## INVESTMENT ADVISER'S REVIEW

---

During the period from the 30th June 2023 to 31st December 2023 the fund returned +9.61% in comparison with the IA Mixed Investment 40-85% Shares sector which returned +5.57%.

After a tough couple of years the fund delivered good performance over the past six months. The fund significantly outperformed its reference benchmark by over 4%. Most of the performance came in the final two months of the year. Lower inflation and central bank commentary suggesting interest rates have peaked and may fall in 2024 sparked a rally in many of our holdings. The fund has been increasing its weight in investment trusts, most of which are trading on very wide discounts and have very high dividend yields. Whilst others have been running from the space at any price the fund has been buying up quality names at distressed prices levels. We believe this will be very beneficial to the fund over the long term.

The change in interest rate expectations was particularly good news for the funds real estate investment trusts. Target Healthcare and Supermarket Income REIT both rallied over 20% in the period and were two of our strongest performers. They continue to offer very reliable income. The fund has taken some profit in Target Healthcare to reinvest into other trusts we felt offered greater relative value.

The funds holding in music royalty business Round Hill Music was taken over at a very large premium delivering a great result. This has proven to be a very successful investment. This cash has now come back into the fund and has been recycled into other investment trusts trading on huge discounts. The fund bought a new position is SDCL Energy Efficiency Income. This is a large and very well diversified trust which owns a number of projects across the developed world. The trust focuses on energy efficiency an often overlooked part of the energy transition process. Despite having very long term contracts for most of its projects which should deliver cash flow for many years to come the previously popular trust has collapsed. The fund was able to pick up the shares at around a 10% dividend yield. It also bought back into GCP Infrastructure a trust we know well from the past but had previously sold out of. This debt trust provides debt finance to infrastructure projects which are backed by government support. Historically the shares always trade on a large premium. Because of distress in the market the fund was able to pick them up on over a 10% yield and a very large discount.

Doric Nimrod Air Two was once again our strongest position in the period returning 30%. The trust owns and leases 7 A380 aircraft to Emirates. As we had expected Emirates bought two of the aircraft when their leases ended for \$35m each. This triggered a further rally in the shares. This cash has also now been returned to the fund. The trust continues with its 5 remaining aircraft whose leases end towards the end of 2024 and it is now a smaller position in the fund.

The fund sold the last of our position in Janus Henderson Strategic bond after disappointing performance. It also sold our position in short duration 1-3 year treasuries and instead we moved further out on the curve adding in more 7-10 year treasuries. The longer duration position should perform better if bonds rally. The fund has increased its weight to smaller companies with further additions to Smithson and Chelverton UK Equity growth. Smaller companies have heavily underperformed and we think there is good value in the space.

Towards the end of the year we increased the funds investment in Chrysalis. The fund had the opportunity to buy the shares at a big discount to share price as a distressed seller was forced to offload the shares. Whilst the trust does not yield we did not want the income fund to miss out on this opportunity. We believe the trust to be very undervalued. The shares are up 20% in a very short period of time since our purchase. We continue to believe the prospects for some of the trusts underlying holdings such as Klarna and Starling bank are not fully appreciated by the market.

The funds equity positions generally performed well. Polar Capital Technology Trust had very strong period of performance, rising 18%, as the market continued to be excited by the prospects of AI. Schiehallion rose 24% as the prospects for pre-IPO companies improved.\*\* From the fixed income funds Man GLG Sterling Corporate Bond continued its exceptional performance with a return of 16% far in excess of the rest of its peers.

After a tough period we are pleased to finally have a better period of performance. We continue to believe that many of the funds trust holdings are severely undervalued. We hope that we will start to see interest rate cuts in 2024 and that the performance of the past six months can persist.

The fund has delivered 41.38% total return since its launch in June 2017 versus 27.43% for the average fund in the IA Mixed Investment 20-60% Shares sector.\*

Chelsea Portfolio Management Services Limited  
Investment Adviser to the Fund  
20 February 2024

\* FE Funds Info VT Chelsea Monthly Income Funds vs IA Mixed Investment 40-85% Shares total return in sterling 30/06/2023-31/12/2023 and 05/06/2017-30/12/2023

\*\*FE Funds Info performance total return in sterling 30/06/2023-30/12/2023

\*\*\*Based off price of 77.7p on 31/12/2023 FE Funds Info versus purchase price of 65p

## PERFORMANCE RECORD

### Financial Highlights

#### Class A GBP Net Accumulation

	Period ended 31 December 2023	Year ended 30 June 2023	Year ended 30 June 2022
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	128.9819	130.5499	139.0564
Return before operating charges	12.8834	(0.0368)	(6.6732)
Operating charges (note 1)	(0.4866)	(1.5312)	(1.8333)
Return after operating charges *	12.3968	(1.5680)	(8.5065)
Closing net asset value per share	141.3787	128.9819	130.5499
Retained distributions on accumulated shares	1.8176	3.2205	2.0952
*after direct transactions costs of:	0.0270	0.1168	0.0539
Performance			
Return after charges	9.61%	(1.20%)	(6.12%)
Other information			
Closing net asset value	£44,694,261	£41,417,547	£39,474,372
Closing number of shares	31,613,161	32,111,136	30,237,008
Operating charges (note 2)	0.72%	1.18%	1.36%
Direct transaction costs	0.02%	0.09%	0.04%
Prices			
Highest share price	141.3787	138.8012	147.2273
Lowest share price	126.4429	123.7176	129.6935

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

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

#### Risk Profile

Based on past data, the Sub-fund is ranked a '5' on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document (30 June 2023: ranked 5). The Sub-fund is ranked '5' because its volatility has been measured as relatively high.

**PORTFOLIO SUMMARY**

As at 31 December 2023

Holdings	Value £	% of net assets
<b>Collective Investment Schemes (30.06.2023: 41.65%)</b>		
688,334 Artemis Corporate Bond	735,141	1.65%
30,746 Fidelity Global Special Situations	1,835,854	4.12%
629,234 Fidelity Index US	2,481,447	5.56%
324,346 Fidelity Asia Pacific Opportunities	926,332	2.08%
263,995 Fundsmith Equity	1,725,762	3.87%
4,753 RWC Global Emerging Markets	952,319	2.13%
306,884 JOHCM UK Dynamic	1,090,051	2.44%
293,715 Jupiter European Smaller Companies	393,608	0.88%
589,432 FTF Martin Currie European Unconstrained	1,004,982	2.25%
3,863 Man GLG High Yield Opportunities	422,927	0.95%
1,108,730 Man GLG UK Absolute Value	1,679,726	3.77%
845,502 Man GLG Sterling Corporate Bond	805,679	1.81%
287,643 MI Chelverton UK Equity Growth	862,696	1.93%
35,542 Polar Capital Global Insurance	380,399	0.85%
80,445 T Rowe Price OEIC Global Focused Growth Equity	1,782,652	4.00%
438,628 WS Guinness Global Equity Income	641,011	1.44%
	<b>17,720,586</b>	<b>39.73%</b>
<b>Exchange Traded Commodities (30.06.2023: 3.78%)</b>		
8,059 Invesco Physical Markets PLC	1,261,153	2.83%
	<b>1,261,153</b>	<b>2.83%</b>
<b>Exchange Traded Funds (30.06.2023: 10.28%)</b>		
37,570 Invesco US Treasury Bond 7-10 Year UCITS ETF	1,071,049	2.40%
10,689 Invesco UK Gilts UCITS ETF	334,779	0.75%
22,031 Invesco US Treasury Bond 7-10 Year UCITS ETF Hedged	763,154	1.71%
5,020 iShares UK Gilts 0-5 Year UCITS ETF	647,128	1.45%
261,157 iShares \$ TIPS UCITS ETF	1,278,233	2.87%
52,920 iShares \$ Treasury Bond 20+ Year UCITS ETF	178,896	0.40%
	<b>4,273,239</b>	<b>9.58%</b>
<b>Investment Trusts (30.06.2023: 30.73%)</b>		
139,155 Baillie Gifford Japan Trust PLC	983,826	2.21%
225,149 Baillie Gifford US Growth Trust PLC	405,268	0.91%
1,137,453 Bluefield Solar Income Fund Ltd	1,335,370	2.99%
805,358 Doric Nimrod Air Two Ltd	934,215	2.09%
764,679 Doric Nimrod Air Three Ltd	412,927	0.93%
1,561,550 GCP Infrastructure Investments Ltd	1,116,508	2.50%
1,144,488 Greencoat UK Wind PLC	1,727,032	3.87%
1,413,050 Hipgnosis Songs Fund Ltd	1,011,744	2.27%
62,398 European Opportunities Trust PLC	545,359	1.22%
2,578,362 Chrysalis Investments Ltd	2,000,809	4.49%
62,024 Polar Capital Technology Trust PLC	1,600,219	3.59%
725,000 Sequoia Economic Infrastructure Income Fund Ltd	619,150	1.39%
70,849 Smithson Investment Trust	994,011	2.23%
598,848 Schiehallion Fund Ltd	338,292	0.76%
1,191,300 SDCL Energy Efficiency Income Trust PLC	779,110	1.75%
224,114 TR Property Investment Trust PLC	766,470	1.72%
	<b>15,570,310</b>	<b>34.92%</b>
<b>Real Estate Investment Trusts (30.06.2023: 8.94%)</b>		
2,947,014 Assura PLC	1,427,535	3.20%
672,230 Life Science REIT plc	416,783	0.92%
1,406,039 Supermarket Income REIT PLC	1,228,878	2.75%
1,121,702 Target Healthcare REIT Ltd	951,203	2.13%
	<b>4,024,399</b>	<b>9.00%</b>
<b>Portfolio of investments (30.06.2023: 95.38%)</b>	<b>42,849,687</b>	<b>96.06%</b>
<b>Net other assets (30.06.2023: 4.62%)</b>	<b>1,759,921</b>	<b>3.94%</b>
	<b>44,609,608</b>	<b>100.00%</b>

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

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<b>Total purchases for the period</b>	<b>£</b> <b>4,567,724</b>
GCP Infrastructure Investments Ltd	1,045,063
SDCL Energy Efficiency Income Trust PLC	737,622
Invesco US Treasury Bond 7-10 Year UCITS ETF Hedged	717,038
Hipgnosis Songs Fund Ltd	334,829
Chrysalis Investments Ltd	317,202
Smithson Investment Trust	215,126
MI Chelverton UK Equity Growth	214,000
Supermarket Income REIT PLC	206,747
iShares UK Gilts 0-5 Year UCITS ETF	206,068
Assura PLC	194,078
Other various purchases	379,951
<b>Total sales for the period</b>	<b>£</b> <b>4,559,445</b>
Round Hill Music Royalty Fund Limited	1,313,092
iShares \$ Treasury Bond 1-3 Year UCITS ETF	782,037
Janus Henderson Strategic Bond	639,219
Target Healthcare REIT Ltd	514,237
Doric Nimrod Air Two Ltd	491,707
Invesco Physical Markets PLC	408,077
iShares \$ TIPS UCITS ETF	202,617
Sequoia Economic Infrastructure Income Fund Ltd	106,459
Man GLG High Yield Opportunities	102,000

The above transactions represent the top ten purchases and all the sales during the period.

## STATEMENT OF TOTAL RETURN

For the period ended 31 December

	2023		2022	
	£	£	£	£
Income				
Net capital Gains/(Losses)		3,354,622		(1,456,459)
Revenue	703,763		492,151	
Expenses	(95,667)		(89,113)	
Interest payable and similar charges	-		-	
Net revenue before taxation	608,096		403,038	
Taxation	(21,056)		-	
Net revenue after taxation		587,040		403,038
Total return before distributions		3,941,662		(1,053,421)
Finance costs: distributions		(579,122)		(408,248)
<b>Changes in net assets attributable to shareholders from investment activities</b>		<b>3,362,540</b>		<b>(1,461,669)</b>

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the period ended 31 December	2023	2022
	£	£
<b>Opening net assets attributable to shareholders</b>	41,323,428	39,418,719
Amounts receivable on creation of shares	2,324,936	2,360,345
Amounts payable on cancellation of shares	(2,975,893)	(2,020,464)
Accumulation dividends retained	574,597	409,204
Changes in net assets attributable to shareholders from investment activities (see above)	3,362,540	(1,461,669)
<b>Closing net assets attributable to shareholders</b>	<b>44,609,608</b>	<b>38,706,135</b>

The Investment Association SORP requires that comparatives are shown for the above report. As comparatives should be for the comparable interim period the net asset value at the end of the period will not agree to the net asset value at the start of the period. The Sub-funds net asset value as at 30 June 2023 was £41,323,428.

## BALANCE SHEET

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As at	31.12.2023		30.06.2023	
	£	£	£	£
<b>Assets</b>				
Investment assets		42,849,687		39,416,947
<b>Current assets</b>				
Debtors	1,096,127		606,465	
Cash and bank balances	<u>1,741,958</u>		<u>1,649,692</u>	
<b>Total current assets</b>		<u>2,838,085</u>		<u>2,256,157</u>
<b>Total assets</b>		45,687,772		41,673,104
<b>Current liabilities</b>				
Bank overdraft	-		(40,241)	
Creditors	<u>(1,078,164)</u>		<u>(309,435)</u>	
<b>Total current liabilities</b>		<u>(1,078,164)</u>		<u>(349,676)</u>
<b>Net assets attributable to shareholders</b>		<u>44,609,608</u>		<u>41,323,428</u>

### Accounting policies

The accounting policies applied are consistent with those of the financial statements for the year ended 30 June 2023 and are described in those financial statements.

The financial statements have been prepared in accordance with the Statement of Recommended Practice ('SORP') for Authorised Funds issued by the Investment Association in May 2014 and the amendments to the SORP issued by the IA in June 2017.

## DISTRIBUTION TABLES

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### Interim distribution in pence per share

Group 1: Shares purchased prior to 01 July 2023

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

<b>Class A GBP Net Accumulation</b>	<b>Net Revenue 29.02.2024</b>	<b>Equalisation</b>	<b>Distribution 29.02.2024</b>	<b>Distribution 28.02.2023</b>
Group 1	1.8176p	-	1.8176p	1.3417p
Group 2	0.8221p	0.9955p	1.8176p	1.3417p

## SUB-FUND OVERVIEW

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<b>Name of Sub-fund</b>	VT Chelsea Managed Aggressive Growth
<b>Size of Sub-fund</b>	£42,897,316
<b>Launch date</b>	05 June 2017
<b>Investment objective and policy</b>	<p>The investment object of the VT Chelsea Managed Aggressive Growth fund is to generate capital growth over the long term (5 years).</p> <p>The Sub-fund is expected to follow an aggressive strategy with investment primarily (70% +) through collective investment schemes (including those managed or operated by the AFM) so as to provide a high level of exposure (up to 100%) to higher risk assets such as equities and lower level of exposure to lower risk assets such as cash. There may also be indirect exposures to commodities (and from time to time other alternative asset classes such as infrastructure) through collective investment schemes (including exchange traded funds).</p> <p>The Sub-fund may also invest directly in other transferable securities, equities, bonds, money market instruments, cash and near cash.</p> <p>There will be no particular emphasis on any industrial, geographical or economic sector.</p>
<b>Benchmark</b>	<p>The Sub-fund is not managed to or constrained by a benchmark, and nor does the AFM use a benchmark in order to assess performance.</p> <p>However, many funds sold in the UK are grouped into sectors by the Investment Association (the "IA") (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.</p> <p>In order to assess the Sub-fund's performance, investors may find it useful to compare the Sub-fund against performance of the IA Global Sector, which serves as a method of comparing the Sub-fund's performance with other funds which have broadly similar characteristics.</p>
<b>Derivatives</b>	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.
<b>Authorised Fund Manager (AFM)</b>	Valu-Trac Investment Management Limited
<b>Accounting dates</b>	30 June and 31 December
<b>Distribution dates</b>	31 August and last day of February
<b>Individual Savings Account (ISA)</b>	The Sub-fund is a qualifying investment for inclusion in an ISA
<b>Minimum investment*</b>	
Lump sum subscription:	Class A GBP Net Accumulation = £1,000
Top-up:	Class A GBP Net Accumulation = £500
Holding:	Class A GBP Net Accumulation = £1,000
Redemption:	Class A GBP Net Accumulation = N/A (provided minimum holding is maintained)
Switching:	Class A GBP Net Accumulation = N/A (provided minimum holding is maintained)

## SUB-FUND OVERVIEW (Continued)

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**Initial, redemption and switching 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 fixed element, which is equal to £25,000\*\* per annum, is taken from Class A shares pro-rata to their net asset value. The variable element in respect of the Class A shares is equal to 0.3% per annum of the net asset value of the Class A shares.

\*\*The fixed element of this fee shall be increased annually on 1 May (from 1 May 2018) in line with the rate of inflation (calculated in accordance with the Consumer Price Index).

At its discretion and subject to the regulations and any other applicable laws, rules, regulations or guidance, the AFM can rebate some or all of its annual management charge to the Sub-fund for the benefit of shareholders.

## INVESTMENT ADVISER'S REVIEW

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During the period from the 30th June 2023 to 31st December 2023 the fund returned 7.81% in comparison with the IA Flexible sector which returned 5.18% and the IA Global Sector which returned 5.80%.\*

After a tough couple of years the fund delivered good performance over the past six months. The fund significantly outperformed its reference benchmark. Most of the performance came in the final two months of the year. Lower inflation and central bank commentary suggesting interest rates have peaked and may fall in 2024 sparked a rally in many of our holdings. The funds has been increasing its weight in investment trusts, most of which are trading on very wide discounts. Whilst others have been running from the space at any price the fund has been buying up quality names at distressed prices levels. We believe this will be very beneficial to the fund over the long term.

The change in interest rate expectations was particularly good news for the TR property investment trust which returned 31% in the period. Doric Nimrod Air Two had another very strong period returning 30%. The trust owns and leases 7 A380 aircraft to Emirates. As we had expected Emirates bought two of the aircraft when their leases ended for \$35m each. This triggered a further rally in the shares. This cash has also now been returned to the fund. The trust continues with its 5 remaining aircraft whose leases end towards the end of 2024 and it is now a smaller position in the fund.

The fund bought into GCP Infrastructure a trust we know well from the past. This debt trust provides debt finance to infrastructure projects which are backed by government support. Historically the shares always trade on a large premium. Because of distress in the market the fund was able to pick them up on over a 10% yield and a very large discount. Although generally more of an income trust we felt the opportunity was too good to ignore.

Towards the end of the year the fund topped up its position in Chrysalis. We had the opportunity to buy the shares at a big discount to share price as a distressed seller was forced to offload the shares. Whilst the trust does not yield we did not want the income fund to miss out on this opportunity. We believe the trust to be very undervalued. The shares are up 20% in a very short period of time since our purchase. We continue to believe the prospects for some of the trusts underlying holdings such as Klarna and Starling bank are not fully appreciated by the market.

The funds equity positions generally performed well. Polar Capital Technology Trust had very strong period of performance, rising 18%, as the market continued to be excited by the prospects of AI. Baillie Gifford US Growth trust rose 17% after a very difficult few years. Schiehallion rose 24% as the prospects for pre-IPO companies improved.\*\* Biotech had a very strong performance at the end of the year and the holding in Polar Capital Biotech ended the period up 14%. The fund continues to strongly outperform its benchmark. Devon European Opportunities also had a good period delivering 14% performance.\*\*

After a tough period we are pleased to finally have a better period of performance. We continue to believe that many of the funds trust holdings are severely undervalued. Many continue to pay high and growing dividends. We hope that we will start to see interest rate cuts in 2024 and that the performance of the past six months can persist.

The fund has delivered 49.46% total return since its launch in June 2017 versus 29.68% for the average fund in the IA Flexible sector and 64.42% in the IA Global sector. \*

Chelsea Portfolio Management Services Limited  
Investment Adviser to the Fund  
20 February 2024

\* FE Funds Info VT Chelsea Monthly Income Funds vs IA Flexible vs IA Global total return in sterling 30/06/2023-31/12/2023 and 05/06/2017-30/12/2023. The fund's reference benchmark is the IA Flexible Sector but has been the IA Global sector in the past

\*\*FE Funds Info performance total return in sterling 30/06/2023-30/12/2023

\*\*\*Based off price of 77.7p on 31/12/2023 FE Funds Info versus purchase price of 65p

## PERFORMANCE RECORD

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### Financial Highlights

#### Class A GBP Net Accumulation

	Period ended 31 December 2023	Year ended 30 June 2023	Year ended 30 June 2022
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	138.6326	133.6586	158.3433
Return before operating charges	11.4420	6.5941	(23.0349)
Operating charges (note 1)	(0.6122)	(1.6201)	(1.6498)
Return after operating charges *	10.8298	4.9740	(24.6847)
Closing net asset value per share	149.4624	138.6326	133.6586
Retained distributions on accumulated shares	0.8208	1.4372	0.6532
*after direct transactions costs of:	0.0144	0.0272	0.0730
Performance			
Return after charges	7.81%	3.72%	(15.59%)
Other information			
Closing net asset value	£43,012,115	£40,085,132	£36,906,550
Closing number of shares	28,777,882	28,914,656	27,612,546
Operating charges (note 2)	0.85%	1.19%	1.13%
Direct transaction costs	0.01%	0.02%	0.05%
Prices			
Highest share price	149.4624	146.8542	169.8720
Lowest share price	131.4566	130.5811	130.0662

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

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

#### Risk Profile

Based on past data, the Sub-fund is ranked a '6' on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document (30 June 2023: ranked 5). The Sub-fund is ranked '6' because its volatility has been measured as significant.

## PORTFOLIO SUMMARY

As at 31 December 2023

Holdings		Value £	% of net assets
<b>Collective Investment Schemes (30.06.2023: 60.81%)</b>			
1,985	Alquity SICAV-Alquity Indian Subcontinent	340,678	0.79%
367,832	BlackRock European Dynamic	993,972	2.32%
660,117	BlackRock Global Unconstrained Equity	1,111,301	2.59%
875,462	Fidelity Index US	3,452,473	8.05%
62,114	Granahan US Focused Growth	835,435	1.95%
241,841	HSBC American Index	2,551,878	5.95%
11,715	Fidelity Global Special Situations	699,494	1.63%
512,695	Fidelity Asia Pacific Opportunities	1,464,257	3.41%
227,277	Jupiter European Smaller Companies	304,574	0.71%
162,217	Marlborough European Multi-Cap	1,158,989	2.70%
167,837	Merian UK Dynamic Equity	715,790	1.67%
437,449	MI Chelverton UK Equity Growth	1,311,994	3.06%
36,777	M&G Japan	1,274,300	2.97%
954,114	Ninety One Global Environment	1,429,072	3.33%
53,462	Polar Capital Global Insurance	572,202	1.33%
54,455	Polar Capital Biotechnology	1,862,351	4.34%
290,923	Rathbone Global Opportunities	1,115,255	2.60%
5,418	RWC Global Emerging Markets	1,085,601	2.53%
80,450	Stewart Investors Indian Subcontinent Sustainability Fund	364,673	0.85%
1,399,370	Schroder Global Recovery	1,509,920	3.53%
697,495	TB Evenlode Global Equity	1,017,994	2.37%
559,286	WS Guinness Global Equity Income	817,340	1.91%
		<b>25,989,543</b>	<b>60.59%</b>
<b>Exchange Traded Commodities (30.06.2023: 1.73%)</b>			
3,573	Invesco Physical Markets PLC	559,139	1.31%
		<b>559,139</b>	<b>1.31%</b>
<b>Exchange Traded Funds (30.06.2023: 0.44%)</b>			
50,050	iShares \$ Treasury Bond 20+ Year UCITS ETF	169,194	0.40%
		<b>169,194</b>	<b>0.40%</b>
<b>Investment Trusts (30.06.2023: 30.71%)</b>			
184,063	Baillie Gifford Japan Trust PLC	1,301,325	3.03%
608,883	Baillie Gifford US Growth Trust PLC	1,095,989	2.55%
832,900	Bluefield Solar Income Fund Ltd	977,825	2.28%
824,929	Doric Nimrod Air Two Ltd	956,918	2.23%
711,434	Doric Nimrod Air Three Ltd	384,173	0.90%
459,700	GCP Infrastructure Investments Ltd	328,685	0.77%
124,254	European Opportunities Trust PLC	1,085,980	2.53%
1,607,800	Hipgnosis Songs Fund Ltd	1,151,185	2.68%
3,720,705	Chrysalis Investments Ltd	2,887,267	6.73%
73,519	Polar Capital Technology Trust PLC	1,896,790	4.42%
83,297	Smithson Investment Trust	1,168,657	2.72%
1,847,196	Schiehallion Fund Ltd	1,043,491	2.43%
240,639	TR Property Investment Trust PLC	822,985	1.92%
		<b>15,101,270</b>	<b>35.19%</b>
<b>Portfolio of investments (30.06.2023: 93.69%)</b>		<b>41,819,146</b>	<b>97.49%</b>
<b>Net other assets (30.06.2023: 6.31%)</b>		<b>1,078,170</b>	<b>2.51%</b>
		<b>42,897,316</b>	<b>100.00%</b>

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

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	£
<b>Total purchases for the period</b>	<b>3,187,854</b>
Hipgnosis Songs Fund Ltd	532,901
Fidelity China Special Situations PLC	409,570
M&G Japan	406,000
Chrysalis Investments Ltd	405,856
Bluefield Solar Income Fund Ltd	401,271
GCP Infrastructure Investments Ltd	295,535
MI Chelverton UK Equity Growth	203,000
Schroder Global Recovery	203,000
Schiehallion Fund Ltd	129,677
TR Property Investment Trust PLC	103,005
Other various Purchases	98,039
	£
<b>Total sales for the period</b>	<b>1,707,132</b>
Doric Nimrod Air Two Ltd	498,576
Fidelity China Special Situations PLC	394,602
Baillie Gifford Japan Trust PLC	215,532
Fidelity Global Special Situations	203,000
Invesco Physical Markets PLC	189,422
Alquity SICAV-Alquity Indian Subcontinent	103,000
Stewart Investors Indian Subcontinent Sustainability Fund	103,000

The above transactions represent the top ten purchases and all the sales during the period.

## STATEMENT OF TOTAL RETURN

For the period ended 31 December

	2023		2022	
	£	£	£	£
Income				
Net capital gains		2,858,459		119,036
Revenue	315,699		168,588	
Expenses	(93,035)		(85,848)	
Interest payable and similar charges	-		-	
Net revenue before taxation	222,664		82,740	
Taxation	-		-	
Net revenue after taxation		222,664		82,740
Total return before distributions		3,081,123		201,776
Finance costs: distributions		(238,640)		(84,983)
<b>Changes in net assets attributable to shareholders from investment activities</b>		<b>2,842,483</b>		<b>116,793</b>

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the period ended 31 December

	2023	2022
	£	£
<b>Opening net assets attributable to shareholders</b>	39,977,775	36,833,879
Amounts receivable on creation of shares	1,974,152	1,757,431
Amounts payable on cancellation of shares	(2,133,290)	(1,824,780)
Accumulation dividends retained	236,196	84,907
Changes in net assets attributable to shareholders from investment activities (see above)	2,842,483	116,793
<b>Closing net assets attributable to shareholders</b>	<b>42,897,316</b>	<b>36,968,230</b>

The Investment Association SORP requires that comparatives are shown for the above report. As comparatives should be for the comparable interim period the net asset value at the end of the period will not agree to the net asset value at the start of the period. The Sub-funds net asset value as at 30 June 2023 was £39,977,775.

## BALANCE SHEET

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As at	31.12.2023		30.06.2023	
	£	£	£	£
<b>Assets</b>				
Investment assets		41,819,146		37,449,773
<b>Current assets</b>				
Debtors	673,883		120,272	
Cash and bank balances	<u>723,537</u>		<u>2,774,726</u>	
<b>Total current assets</b>		<u>1,397,420</u>		<u>2,894,998</u>
<b>Total assets</b>		43,216,566		40,344,771
<b>Current liabilities</b>				
Creditors	(319,250)		(48,464)	
Bank overdraft	<u>-</u>		<u>(318,532)</u>	
<b>Total current liabilities</b>		<u>(319,250)</u>		<u>(366,996)</u>
<b>Net assets attributable to shareholders</b>		<u>42,897,316</u>		<u>39,977,775</u>

### Accounting policies

The accounting policies applied are consistent with those of the financial statements for the year ended 30 June 2023 and are described in those financial statements.

The financial statements have been prepared in accordance with the Statement of Recommended Practice ('SORP') for Authorised Funds issued by the Investment Association in May 2014 and the amendments to the SORP issued by the IA in June 2017.

## DISTRIBUTION TABLES

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### Interim distribution in pence per share

Group 1: Shares purchased prior to 01 July 2023

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

<b>Class A GBP Net Accumulation</b>	<b>Net Revenue 29.02.2024</b>	<b>Equalisation</b>	<b>Distribution 29.02.2024</b>	<b>Distribution 28.02.2023</b>
Group 1	0.8208p	-	0.8208p	0.3080p
Group 2	0.4665p	0.3543p	0.8208p	0.3080p

## INFORMATION FOR INVESTORS

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### **Taxation**

The Company will pay no corporation tax on its profits for the period ended 31 December 2023 and capital gains within the Company will not be taxed.

### **Individual shareholders**

**Income tax:** Tax-free annual dividend allowance now standing at £1,000 (2023/24). UK resident shareholders are now subject to new, 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. However, the first £6,000 (2023/2024) of gains each year are presently tax free for individuals. Gains in excess of that amount are charged at the rate of tax applicable to the individual tax payer.

### **Corporate shareholders**

Companies resident for tax purposes in the UK which hold shares should note that OEIC distributions are streamed into both franked and unfranked income. The unfranked income element will be treated as an annual payment which has been subject to income tax at a rate of 20% 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 8.30am to 5.30pm. Instructions may be given by email to the below email address or by sending an application form to the Registrar. Application forms are available from the Registrar. (E-mail:chelsea@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

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

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

A contract note giving details of the shares purchased and the price used will be issued by the Registrar by the end of the business day following the valuation point by reference to which the purchase price is determined.

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 AFM may at its discretion accept subscriptions lower than the minimum amount.

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

**CORPORATE DIRECTORY**

<b>Authorised Fund Manager &amp; Registrar</b>	Valu-Trac Investment Management Limited Orton Fochabers Moray IV32 7QE  Telephone: 01343 880344 Fax: 01343 880267 Email: chelsea@valu-trac.com  Authorised and regulated by the Financial Conduct Authority Registered in England No 2428648
<b>Director</b>	Valu-Trac Investment Management Limited as AFM
<b>Investment Adviser</b>	Chelsea Portfolio Management Services Limited St James Hall Moore Park Road Fulham London SW6 2JS
<b>Depository</b>	NatWest Trustee and Depository Services Limited House A Floor 0, 175 Glasgow Road Gogarburn Edinburgh EH12 1HQ  Authorised and regulated by the Financial Conduct Authority
<b>Auditor</b>	Johnston Carmichael LLP Chartered Accountants Commerce House South Street Elgin IV30 1JE