VT GREYSTONE CONSERVATIVE MANAGED FUND

Annual Report and Financial Statements
for the year ended 30 September 2024

CONTENTS

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 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; and
> 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.

Jonathan Sim MA CA

Jonathan M. Child CA

Valu-Trac Investment Management Limited
Authorised Fund Manager

Date

STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES AND REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS OF VT GREYSTONE CONSERVATIVE MANAGED FUND

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

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

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

The Depositary must ensure that:

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

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 AIFM:

i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the 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 2024

Opinion
We have audited the financial statements of VT Greystone Conservative Managed Fund ("the Company") for the year ended 30 September 2024 which comprise the Statement of Total Return, Statement of Changes in Net Assets Attributable to Shareholders, Balance Sheet, the related Notes to the Financial Statements, including significant accounting policies and the Distribution Tables. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
> give a true and fair view of the financial position of the Company at 30 September 2024 and of the net revenue and the net capital gains on the scheme property of the Company for the year then ended;
> have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
> have been properly prepared in accordance with the Investment Association 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 further described in the Auditor responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Going Concern
In auditing the financial statements, we have concluded that the Authorised Fund Manager’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company’s ability to continue as a going concern for a period of at least 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.

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 1, the Authorised Fund Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Authorised Fund Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Extent to which the audit 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 and the sector in which it operates, focusing on those provisions that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

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

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.

Extent to which the audit is considered capable of detecting irregularities, including fraud (continued)
In addition to the above, the following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

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

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

Size of Company	£21,001,386
Type of Company	VT Greystone Conservative Managed Fund is an investment company with variable capital, incorporated in England and Wales on 24 April 2007 under registered number IC000533 and authorised by the FCA (Product Reference Number (PRN) 465365) with effect from 24 April 2007. The Company has been established as a "non-UCITS retail scheme" under the FCA Regulations. The Company has an unlimited duration. Shareholders are not liable for the debts of the Company.
Investment objective and policy	The investment objective of the Company is to achieve capital growth over the medium term (3 years). The Company will seek to achieve its objective by utilising a conservative approach to investment through investing at least 70% in a range of collective investment vehicles (including exchange traded funds, investment trusts and funds managed and/or operated by the AFM or Investment Manager) providing exposure (indirectly) to asset classes including fixed interest investments, equities, and alternative assets such as absolute return strategies, commodities and property. The Company will be actively managed and the investments will be selected to achieve a mix of growth and defensive assets. A greater proportion of the portfolio will be allocated to defensive assets (such as fixed interest and cash (and collective investment schemes investing in such assets)) than to growth assets (such as equities (and collective investment schemes investing in such assets). Alternative assets may offer exposure to both defensive and growth asset types. A minimum of 45% of the portfolio will be exposed to investment grade fixed income and cash. The portfolio will hold up to a maximum of 35% equity exposure. The Company may also invest directly in equities, fixed income, money market instruments, deposits, cash and near cash. The Company will not have any particular geographic, industry or economic sector focus and as such weightings in these may vary as required. The Company may use cash and other asset classes including derivatives and forward transactions for Enterprise Performance Management (EPM) purposes. The Company does not intend to have an interest in immovable or tangible movable property.
Benchmark	The IA Mixed Investment 0-35% Shares sector (the "Sector") may be used as a comparator for the Company over the medium term (3 years). The performance of the Company can be compared against that of the Sector. This Sector has been selected as it is considered that this sector most closely reflects the investments which the Company will make (and its risk/return objectives) at the current time. For the avoidance of doubt, the Investment Manager is not bound or influenced by the Sector when making its decisions and can make investments that are not included in the sector.
Authorised Fund Manager (AFM) and Alternative Investment Fund Manager	Valu-Trac Investment Management Limited

Share class	Accumulation 'R' Shares.
Ex-distribution dates	31 March and 30 September
Distribution dates	31 May and 30 November
Individual Savings Account (ISA)	The Company is a qualifying investment for inclusion in an ISA.
Minimum initial investment:	Accumulation 'R' Shares = £1,000
Top-up:	Accumulation 'R' Shares = £100
Holding:	Accumulation 'R' Shares = £1,000
Redemption:	Accumulation 'R' Shares = £1,000
Regular savings plan (all classes):	£100 per month
AFM preliminary charges:	Accumulation 'R' Shares 0%
Annual management charge:	Accumulation 'R' Shares 0.75%

Economic and Market Commentary

Rollercoaster of a year…

England football fans endured emotional highs and lows during Euro 2024 in Germany this summer. Despite reaching successive finals, the men's team were beaten again, this time by an all-conquering Spanish side. Let's hope they can go one better at the World Cup across the Atlantic in 2026. Investors also suffered a stomach clenching rollercoaster ride over the summer as unexpected interest rate rises and economic growth scares tested the nerves of the most experienced fund managers.

The VT Greystone funds stood up to the volatility and defended capital when asset prices fell, but also kept pace as markets rallied. Strategic asset allocation by the investment team over the last few years set the framework, but more recent active trading in reaction to valuation opportunities has also benefited portfolios. All funds are delivering solid returns so far this calendar year and have provided decent absolute returns over the twelve month financial year reporting period.

As is customary with our reviews, we will look forward and assess the risk and opportunities that our team foresee on the horizon, but firstly we must look back over the review period and offer context to the extreme and historic levels of volatility to both the downside, but also upside in stock, bond and currency markets.

A particularly bruising period took place in late July and early August when the Bank of Japan unexpectedly hiked interest rates and triggered a massive spike (in the strength) of the Japanese Yen and a consequential unwinding of the so called 'carry trade'. These kinds of trades are only undertaken by more speculative types of investors, such as hedge funds borrowing from a low-interest rate economy (Japan) to invest in a market with higher rates of return, usually America. This strategy only works if volatility in asset markets remains low, if it does not, then the consequences can be very costly for those caught on the wrong side of the trade.

At the end of July and into early August in local currency, the leading Japanese share index fell over 20%[1] in three trading days. At the time, wiping out all of 2024's gains (it has since recovered over half the ground lost). Friday 2nd and Monday 5th August recorded two of the worst trading days in history, but on the Tuesday the index bounced over 10%[2] intraday due to reassuring words from the Bank of Japan and stronger than expected economic data published in the US. Bond markets too, were skittish over the summer, as focus moved away from fears over persistent levels of inflation, and towards growing concerns about job creation and economic growth.

The investment committee (IC) has been discussing these events in great depth at our monthly, interim and main IC meetings. We have been trimming positions, taking profits and adding to better valued opportunities over the summer months. The fund is currently more diversified than they have ever been. We believe this is prudent as the future seems relatively opaque even though it is possible to paint both; a bullish (positive) and bearish (negative) outlook for economies and markets dependent on which data points one chooses to focus on.

Market commentators and investors talk of a 'hard' or 'soft' landing for economies. In the event of a hard landing, a deep recession would ensue whereby businesses fail, defaults on loans from individuals and firms spike higher, unemployment jumps, share prices and riskier corporate bonds fall in value. Defensive assets do well, such as government bonds, the US Dollar and gold.

In the event of a soft landing, the economy does not enter a recession, or if it does, only briefly and very mildly. The UK entered a mild recession last year, shrinking in Q3 and Q4[3]. However, all focus is really on the largest and most important economy, namely the USA, which is over seven times[4] the size of our economy and has a stock market that is more than thirteen times larger[5].

The old economic saying, "If the US sneezes, the rest of the world catches a cold", still holds true due to its sheer size and dominance in trade and investment markets.

Should a soft landing occur, stewarded by Federal Reserve chairman, Jerome Powell, then asset prices look relatively well supported. The rate of economic expansion will slow, but not go into reverse, stock and corporate bond markets will perform well, the US Dollar will weaken and returns from government bonds will be respectable but relatively muted compared to riskier assets.

To increase the likelihood of a soft landing, interest rate setters in the US, UK and Europe have all reduced borrowing costs during the review period. Japan is on a different economic path after suffering deflation for decades, it now has rising prices again, this is causing Japan's central bank headaches and policy messaging has been confusing at best.

Due to a lack of meaningful macro-economic data published over the summer for investors to analyse, data that was released particularly in America, has been pored over and scrutinised more closely than usual. All investors are trying to understand how the US economy and therefore asset prices will perform over coming quarters.

The Greystone investment team read widely, speak to many fund managers, market strategists, then make their own decisions on portfolio positioning based on sound investment theory and experience. In reference to the economic landing scenarios, a specialist fixed interest manager we recently invested with, noted that of late; government bond markets had been pricing in the hard landing scenario and equity markets were pricing in a soft landing. Our manager has broad perspective on risk and opportunities, particularly in bond markets as she invests across the corporate credit rating spectrum, from the riskiest high yield sub investment grade bonds to the most defensive high-quality blue-chip names.

Our investment committee leans more towards the soft-landing camp, but we still have several defensive positions and hedges in the portfolios that will offset risk, should we be wrong. This is done through having more sensitivity to interest rate movements, should economic conditions deteriorate more quickly than anticipated, causing central banks to cut base rates rapidly. In this scenario, we would benefit from capital appreciation from the bond positions. In the meantime, we are paid to wait, with our UK sovereign debt fund offering a yield of 4.1%[6] and our investment grade corporate debt funds delivering 5.7%[7], whilst our high yield emerging market bond fund offers 7.6%[8].

However, as already briefly mentioned, the review period was characterised by our profit taking from both equities and bonds. As an investment theme, exposure to the largest and most profitable large cap US technology businesses has delivered solid returns for us. These types of businesses have been the standout performers so far this year. Nevertheless, we believe it appropriate to bank profits and rotate into other strategies that offer better value, such as UK and global equity income. We still have some exposure to these so called ‘Magnificent 7’ giant blue-chip US stocks, but have broadened our exposure and reduced concentration.

Some caution seems prudent at this juncture particularly in relation to exposure to US technology companies. For example, one of the most important days in the calendar for markets is the earnings results for computer chip designer, Nvidia. Despite revenue more than doubling in Q2, from a year earlier, its share price fell when earnings were released, as investor expectations had been even higher. Prior to the latest profit announcement on August 28th, Nvidia had a market capitalisation of over $3trln[9]. The following Tuesday, the shares fell over 9%[10] reducing market capitalisation by $278bln[10], the largest monetary one-day decline in history. However, at the time of writing in late September, the share price has still more than doubled so far this calendar year.

Moreover, a recently launched investigation by the US Department of Justice into Nvidia’s antitrust practices, strengthened the argument to reduce exposure.

We also took profits on both ends of the fixed interest spectrum. Reducing cash at the defensive end because we believe we can generate higher returns from short dated government bonds over the next few years as cash rates fall. We also took profits and cut exposure to high yield and emerging market debt and rotated into less risky short dated investment grade corporate credit.

Pivoting from portfolios to politics, the UK general election went the way pollsters had predicted, but despite the Labour government’s commanding majority, bond markets will curtail any urge from the Chancellor to increase government spending after the chaos caused by Liz Truss and Kwasi Kwarteng’s unfunded budget only a few years ago. Much is anticipated of the forthcoming Autumn statement from Rachel Reeves on 30th October.

Looking forward, we know that a potential short term market event is the US Presidential election. Polls are tight, but currently, markets do not seem overly concerned by either candidate. Investors are watching the campaign closely though, as are we. Neither is perceived as something particularly new, as Trump is a former President, and markets have seen his type of policies before, and Harris is viewed as a continuity candidate for the Democrats.

Moreover, it seems unlikely that either party will control all branches of government and therefore the next President will have to negotiate with Congress to get laws passed. Nevertheless, the investment team discuss the various scenarios with our specialist active managers, who will be in a position to take advantage of valuation opportunities should they occur due to any political uncertainty.

European elections, particularly in Germany are starting to draw attention from investors, because hard right political parties are gaining traction. The general election next year will be highly contested, and the result could be unpredictable. Germany is struggling with higher energy costs, low consumer confidence and contracting industrial production. A slowdown in China and development of Chinese domestic car brands has affected the demand for German cars. Consequently, Volkswagen are threatening to close one of its German plants for the first time in its near 90-year history.

Looking forward, what we do know is that economies are normalising after the pandemic shock. Following huge monetary and fiscal stimulus, that created massive inflationary problems, and the subsequent aggressive hiking of interest rates to combat price rises, investors are now pricing in more stable future economic conditions.

Furthermore, despite the tragic events in Ukraine and the Middle East, commodity prices, notably, energy, food and industrial metals have fallen from their peaks. Central banks in the USA and Europe are now more worried about jobs than inflation (although public sector wage inflation is troubling UK policy makers). Japan is out of step with other major central banks and is hiking rates when others are cutting, but the amount of future rate hikes may be more muted than the market has priced in, due to subdued economic activity.

Looking further forward, market expectations for future reductions in interest rates has led to the un-inverting of major sovereign yield curves between 2 years to 15 years maturity. This has led to the shape of the curve reverting to how it should look in normal times whereby, investors demand higher levels of yield for lending for longer periods of time.

Despite concerns about slowing economic activity, leading economies are still expected to grow next year with the USA leading the way with an expansion of 1.7%[11], higher than the predictions for the Eurozone (+1.3%) [11], Japan (+1.2%)[11] and the UK (+1.3%)[11].

To wrap up, we seem to be entering a period of relative economic orthodoxy, but also bouts of greater market volatility. Monetary policy is reverting to more standard parameters, but fiscal policy is constrained. Consumer spending is ticking up and leading indicators suggest business confidence is in expansionary territory. However, we at Greystone know to expect the unexpected. This is why within our multi asset funds we have ballast to our equity positions via sovereign bonds and alternative investment strategies. Whilst diversification across geography, investment style, industrial sector and currency, aids in dampening idiosyncratic risk within the Global equity fund.

The above are the views and opinions of the Greystone Investment Committee and are correct at the time of writing. All data is correct as at 30.09.2024.
Fund performance data relates to R Acc share class.

References: 1 Nikkei, 2 The Guardian, 3 ONS, 4 World Bank, 5 World Federation of Exchanges, 6 Allianz, 7 Rathbones, 8 Cap Group, 9 Marketwatch, 10 nbcnews, 11 JP Morgan

Performance Summary

The fund delivered 11.20% (Accumulation 'R' Shares) over the review period versus the Investment Association (IA) Mixed Investment 0-35% Shares sector average 10.68%. (Data for the period 30th September 2023 to 30th September 2024 Data compiled from Refinitiv Lipper for Investment Management).

Fund Review & Outlook

Equity, bond and currency markets experienced bouts of extreme volatility at the end of July and into early August as investors re-priced interest rate and economic growth expectations. At home, the UK general election passed off as the polls had predicted with the Labour party achieving a historic majority. All eyes now turn to the Chancellor's Autumn statement. Central banks in Europe, the US and UK all began cutting interest rates as inflation is close to target and labour markets appear to be softening.

Turning to the fund, fixed interest is the largest component of the portfolio and delivered the vast majority of returns over the period.

Alternative investment strategies contributed strongly considering they only constitute a relatively small component of the portfolio. UK Equities also helped performance. International equities recovered much of the drawdowns suffered in early August as economic growth fears subsided.

All our fixed interest managers contributed positively over the review period. The best performing funds were those that have more sensitivity to the movement in interest rates, relative to those that have less. Bond yields and prices are inversely correlated, as yields fall, prices rise.

One of our investment grade corporate bond managers with a high level of sensitivity to falling bond yields, was our standout performer over the period as markets priced in future interest rate cuts and lower bond yields. The laggard was a long held strategic bond fund. Since the original portfolio manager left, the investment process has been simplified and performance has improved. We are monitoring the fund closely and in regular contact with the management.

Our short-dated sovereign and investment grade corporate bond funds lagged peers over the period. However, they still comfortably outperformed cash, and this is where we topped up the holding from during the period, because we expect cash rates to fall further this year and in 2025.

Foundation Investment Management Ltd
Investment Manager to the Fund
18 November 2024

Financial Highlights

Accumulation 'R' Shares	Year ended 30 September 2024	Year ended 30 September 2023	Year ended 30 September 2022
Changes in net assets per share	GBp	GBp	GBp
Opening net asset value per share	123.9809	120.8168	139.2321
Return before operating charges	15.5671	4.7063	(16.7250)
Operating charges (note 1)	(1.6759)	(1.5422)	(1.6903)
Return after operating charges*	13.8912	3.1641	(18.4153)
Closing net asset value per share	137.8721	123.9809	120.8168
Retained distributions on accumulated shares	2.9480	1.8562	0.6317
*after direct transaction costs of:	-	-	-
Performance			
Return after charges	11.20%	2.62%	(13.23%)
Other information			
Closing net asset value	£21,015,421	£25,672,841	£32,221,338
Closing number of shares	15,242,695	20,707,096	26,669,576
Operating charges (note 2)	1.28%	1.26%	1.30%
Direct transaction costs	-	-	-
Prices			
Highest share price	138.3214	129.1518	141.5134
Lowest share price	122.7721	118.6721	120.8047

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 Company together with the ongoing charges included within the underlying holdings held within the Company.

Risk Profile
Based on past data, the Company 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 September 2023: ranked 4). The Company is ranked 4 because weekly historical performance data indicates that average rises and falls in prices would have occurred historically.

PORTFOLIO STATEMENT

As at 30 September 2024		Value £	% of net assets
	Collective Investment Schemes (30.09.2023: 93.19%)		
870,850	Allianz Gilt Yield	1,253,937	5.96
356,961	Allianz UK Equity Income Fund	425,462	2.02
825,815	Allianz Strategic Bond	838,533	3.98
973,867	abrdn Global Corporate Bond Tracker	1,046,518	4.97
313,092	Aviva Investors Global Equity Income	629,817	3.00
63,650	HSBC GIF Global Bond Total Return	636,817	3.03
28	Fidelity Institutional Liquidity Fund	637,737	3.04
286,144	Invesco Tactical Bond (UK)	844,496	4.02
415,682	JPM Europe (ex-UK) Research Enhanced Index Equity	630,173	3.00
665,658	JPM Global Equity Income	844,720	4.02
305,526	JPM US Research Enhanced Index	635,800	3.03
80,452	Jupiter Asian Income	207,235	0.99
663,640	Jupiter Corporate Bond	628,866	2.99
146,352	Jupiter Monthly Income Bond Fund	213,322	1.02
1,705	Man GLG Alpha Select Alternative	212,993	1.01
609,050	Jupiter Global Macro Bond Fund	834,946	3.98
358,800	Rathbone Ethical Bond	843,789	4.02
161,726	Royal London Global Bond Opportunities	213,624	1.02
372,862	Royal London Global Equity Income Fund	629,764	3.00
185,679	Royal London Sustainable Leaders Trust	628,525	2.99
541,411	Royal London Diversified Asset-Backed Security	845,684	4.03
151,622	TM Tellworth UK Select	215,000	1.02
2,267	Vanguard FTSE UK All Share Index Unit Trust	637,789	3.04
9,517	Vanguard Global Bond Index	1,469,117	7.00
9,191	Vanguard Global Short-Term Bond	1,047,829	4.99
6,480	Vanguard UK Investment Grade Bond Index	630,590	3.00
230,840	VT Woodhill UK Equity Strategic Fund*	210,824	1.01
117,000	Waverton Sterling Bond	1,046,798	4.99
27,051	WS Canlife UK Equity Income	210,130	1.01
737,986	WS Canlife Short Duration Corporate Bond	836,653	3.99
	Total Collective Investment Schemes	**19,987,488**	**95.17**
	Exchange Traded Commodities (30.09.2023: 3.94%)		
3,265	Invesco Physical Gold ETC	625,407	2.98
	Total Exchange Traded Commodities	**625,407**	**2.98**
	Portfolio of investments (30.09.2023: 97.13%)	**20,612,895**	**98.15**
	Net other assets (30.09.2023: 2.87%)	**388,491**	**1.85**
		21,001,386	**100.00**

* Related security due to the AFM of the Sub-fund also being the AFM of this holding

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total purchases for the year (note 14)	**5,082,062**
Aviva Investors Global Equity Income	924,000
WS Canlife Short Duration Corporate Bond	915,000
Royal London Global Equity Income Fund	683,000
Royal London Diversified Asset-Backed Security	505,000
WS Canlife UK Equity Income	250,000
Rathbone Ethical Bond	249,000
Allianz Gilt Yield	237,000
JPM Europe (ex-UK) Research Enhanced Index Equity	225,000
VT Woodhill UK Equity Strategic Fund	225,000
TM Tellworth UK Select	215,000
Various other purchases	654,062

	£
Total sales for the year (note 14)	**12,005,532**
Royal London Global Equity Income Fund	1,302,000
Fidelity Institutional Liquidity Fund	983,000
Fiera Atlas Global Companies	806,520
Vanguard Global Bond Index	797,000
Royal London Global Bond Opportunities	641,000
Invesco Physical Gold ETC	611,198
JPM US Research Enhanced Index	565,000
Vanguard Global Short-Term Bond	541,000
Man GLG Alpha Select	402,000
abrdn Global Corporate Bond Tracker	399,000
Various other sales	4,957,814

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

STATEMENT OF TOTAL RETURN

For the year ended 30 September

	Notes	2024 £	2024 £	2023 £	2023 £
Income					
Net capital gains	2		2,104,967		545,927
Revenue	3	710,444		699,307	
Expenses	4	(212,765)		(275,496)	
Interest payable and similar charges	6	(4,861)		-	
Net revenue before taxation		492,818		423,811	
Taxation	5	(69,217)		(55,164)	
Net revenue after taxation			423,601		368,647
Total return before distributions			2,528,568		914,574
Finance costs: distributions	6		(528,121)		(454,416)
Changes in net assets attributable to shareholders from investment activities			2,000,447		460,158

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 30 September

	2024 £	2023 £
Opening net assets attributable to shareholders	25,645,892	32,202,409
Amounts receivable on creation of shares	665,877	3,015,842
Amounts payable on cancellation of shares	(7,795,989)	(10,455,527)
Accumulation dividends retained	485,159	423,010
Changes in net assets attributable to shareholders from investment activities (see above)	2,000,447	460,158
Closing net assets attributable to shareholders	21,001,386	25,645,892

BALANCE SHEET

As at	Notes	30.09.2024 £	30.09.2024 £	30.09.2023 £	30.09.2023 £
Assets					
Investment assets			20,612,895		24,910,874
Current assets					
Debtors	**7**	340,392		177,291	
Cash and bank balances	**8**	420,299		821,131	
Total current assets			760,691		998,422
Total assets			21,373,586		25,909,296
Current liabilities					
Creditors	**9**	(372,200)		(263,404)	
Total current liabilities			(372,200)		(263,404)
Net assets attributable to shareholders			21,001,386		25,645,892

1 For the year ended 30 September 2024

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

(a) The financial statements have been prepared in accordance with FRS 102, the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Association (IA) in May 2014 and the amendments to the SORP issued by the IA in June 2017. The functional currency is Sterling.

(b) There are no material events that have been identified that may cast significant doubt about the Company's ability to continue as a going concern for at least the next twelve months from the date these financial statements are authorised for issue. The AFM believes that the Company has adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis in preparing the financial statements.

(c) All expenses, other than those relating to the purchase and sale of investments, are charged to revenue on an accruals basis.

(d) Distributions on collectives are recognised when the security is quoted ex-dividend. Interest on deposits is accounted for on an accruals basis. Rebate income from underlying holdings is recognised on an accruals basis and is allocated to revenue or capital being determined by the allocation of the expense in the underlying funds. 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) Investments are stated at their fair value at the balance sheet date. In determining fair value, the valuation point is 8:30am on 30 September 2024 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.

(f) 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 8.30am on 30 September 2024.

(g) 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.

(h) Tax is provided using tax rates and laws which have been enacted or substantively enacted at the balance sheet date.

(i) In certain circumstances the AFM may charge a dilution levy on the sale or repurchase of shares. The levy, which is paid into the Company, is intended to cover dealing spread on assets bought and sold and certain charges such as applicable dealing taxes and brokers commission not included in the mid-market value of the Company used for Net Asset Value (NAV) calculations, which could have a diluting effect on the performance of the Company.

(j) The Company currently issues Accumulation shares. The Company goes ex dividend semi-annually and pays any income available to the shareholder two months in arrears, as a dividend 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 Company (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'.

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.

For the year ended 30 September 2024

1 Accounting policies

The principal accounting policies, which have been applied in both the current and prior year, are set out on page 17.

2 Net capital gains

		2024	2023
		£	£
The net capital gains comprise:			
Non-derivative securities gains	- unrealised	1,356,919	391,330
	- realised	743,632	153,738
Transaction charges (custodian)		(2,339)	(1,374)
Foreign exchange gains		164	860
Rebates from underlying holdings		6,591	1,373
Total net capital gains		2,104,967	545,927

3 Revenue

	2024	2023
	£	£
Non taxable dividends	153,324	149,362
Interest from non-derivative securities	516,927	517,827
Bank interest	40,193	32,118
Total revenue	710,444	699,307

4 Expenses

	2024	2023
	£	£
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:		
Annual management charge	176,518	229,215
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	18,012	17,951
Safe custody fee	2,436	3,167
	20,448	21,118
Other expenses:		
Audit fee	9,385	9,710
Other expenses	6,414	15,453
	15,799	25,163
Total expenses	212,765	275,496

5 Taxation

	2024	2023
	£	£
(a) Analysis of charge in the year		
UK corporation tax	69,217	55,164
Total tax charge for the year (note 5b)	69,217	55,164
(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% (2023: 20.00%) The differences are explained below:		
Net revenue before UK corporation tax	492,818	423,811
Corporation tax at 20.00% (2023: 20.00%)	98,564	84,762
Effects of:		
Revenue not subject to UK corporation tax	(30,665)	(29,872)
Tax effect on rebates in capital	1,318	274
Total tax charge for the year (note 5a)	69,217	55,164

(c) Provision for deferred taxation

At 30 September 2024 there is a potential deferred tax asset of £Nil (30 September 2023: £Nil) in relation to surplus management expenses.

6 Finance costs

	2024	2023
	£	£
Interim dividend distribution	259,668	201,016
Final dividend distribution	225,491	221,994
	485,159	423,010
Add: Revenue deducted on cancellation of shares	46,405	42,411
Deduct: Revenue received on issue of shares	(3,443)	(11,005)
Net distribution for the year	528,121	454,416
Interest payable and similar charges	4,861	-
Total finance costs	532,982	454,416
Reconciliation of distributions		
Net revenue after taxation	423,601	368,647
Equalisation from collectives allocated to revenue	29,539	75,896
Balance brought forward	98,427	108,300
Balance carried forward	(23,446)	(98,427)
Net distribution for the year	528,121	454,416

7 **Debtors**	**30.09.2024**	**30.09.2023**
	£	**£**
Amounts receivable on creation of shares	17,576	144
Amounts receivable on unsettled trades	249,597	123,000
Accrued revenue:		
Non taxable dividends receivable	38,554	29,721
Interest from non-derivative securities receivable	33,025	23,241
Rebates from underlying holdings	1,582	1,127
Prepayments	58	58
Total debtors	340,392	177,291

8 **Cash and bank balances**	**30.09.2024**	**30.09.2023**
	£	**£**
Cash and bank balances	420,299	821,131

9 **Creditors**	**30.09.2024**	**30.09.2023**
	£	**£**
Amounts payable on cancellation of shares	271,238	174,031
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:		
Annual management charge	13,579	15,624
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	1,475	1,430
Safe custody and other custodian charges	4,002	5,395
	5,477	6,825
Other expenses:		
UK corporation tax	69,217	55,164
Audit fee	9,360	8,975
Other accrued expenses	3,329	2,785
	81,906	66,924
Total creditors	372,200	263,404

10 Risk Management

In pursuing its investment objective as stated on page 6, 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 is the risk that the value of the Company'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 Company holds. It represents the potential loss the Company might suffer through holding market positions in the face of price movements.

The Company'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 2024 would have increased/decreased by £2,061,290 (30 September 2023: £2,491,087).

Foreign currency risk

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

The Company's investment portfolio is invested in funds that are registered overseas and collective investment schemes which invest in overseas securities, and the balance sheet can be affected by movements in foreign exchange rates. The AIFM 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.

The table below shows the direct foreign currency risk profile:

	Net monetary assets and liabilities		Non-monetary assets		Total net assets	
	£		£		£	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023	30.09.2024	30.09.2023
GBP	378,894	735,018	19,987,488	23,157,715	20,366,382	23,892,733
USD	9,597	-	625,407	1,753,159	635,004	1,753,159
Total	388,491	735,018	20,612,895	24,910,874	21,001,386	25,645,892

A 10% change in Pounds Sterling exchange rates against all other currencies, assuming all other factors remained the same, would have an impact of £63,500 on the net assets of the Company (30 September 2023: £175,316).

10 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 Company takes on interest rate risk when the investment manager believes the expected returns compensate for the risk, limited by the investment objective, policy and any prospectus rules. The investment manager monitors the level of interest rate risk in the fund on a regular basis. In addition any cash deposits in the Company 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:

	30.09.2024	30.09.2023
	£	£
Financial assets floating rate	420,299	821,131
Financial assets interest bearing instruments	14,082,249	16,216,558
Financial assets non-interest bearing instruments	6,871,038	8,871,607
Financial liabilities non-interest bearing instruments	(372,200)	(263,404)
Financial liabilities floating rate	-	-
	21,001,386	**25,645,892**

At 30 September 2024, if interest rates increased or decreased by 0.25%, with all other variables remaining constant, then the net assets attributable to shareholders of the Company would increase or decrease by approximately £1,051 (30 September 2023: £2,053).

Maturity of financial liabilities

The financial liabilities of the Company as at 30 September 2024 are payable either within one year or on demand.

Liquidity risk

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

Credit risk

Certain transactions in securities that the Company 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 Company 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. On debt securities credit risk is mitigated by ensuring that credit ratings are monitored regularly and in line with the investment objective and profile of the Company.

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.

	30.09.2024		30.09.2023	
Valuation Technique	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	625	-	1,011	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1	19,987	-	23,900	-
Total	20,612	-	24,911	-

11 Shares held

Accumulation 'R' Shares

Opening Shares at 01.10.2023	**20,707,096**
Shares issued during the year	510,996
Shares cancelled during the year	(5,975,397)
Shares converted during the year	-
Closing Shares as at 30.09.2024	**15,242,695**

12 Contingent assets and liabilities

At 30 September 2024, the Company had no contingent liabilities or commitments (30 September 2023: £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 30 September 2024. Since that date, the Company's quoted price has moved as follows:

Share class	**Price at 30 September 2024**	**Price at 27 January 2025**
Accumulation 'R' Shares	137.8721p	138.8427p

14 Direct transaction costs

For both the current and prior year, the Company purchases and sales did not incur any trading commissions, taxes or levies. Therefore the direct transaction costs on purchases, sales and overall are all 0.00%.

15 Portfolio Dealing Spread

The average portfolio dealing spread at 30 September 2024 is 0.00% (30 September 2023: 0.05%).

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 Company.

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 Company held shares in related holdings. The income received from related holdings during the year was £4,059 (30 September 2023: £nil).

Interim distribution in pence per share
Group 1: Shares purchased on or prior to 01 October 2023
Group 2: Shares purchased on or after 01 October 2023 and on or before 31 March 2024

Accumulation 'R' Shares	Net Revenue 31.05.2024	Equalisation	Distribution 31.05.2024	Distribution 31.05.2023
Group 1	1.4687p	-	1.4687p	0.7841p
Group 2	1.2011p	0.2676p	1.4687p	0.7841p

Final distribution in pence per share
Group 1: Shares purchased prior to 01 April 2024
Group 2: Shares purchased on or after 01 April 2024 and on or before 30 September 2024

Accumulation 'R' Shares	Net Revenue 29.11.2024	Equalisation	Distribution 29.11.2024	Distribution 30.11.2023
Group 1	1.4793p	-	1.4793p	1.0721p
Group 2	0.4766p	1.0027p	1.4793p	1.0721p

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

i) 21.58% of the total dividend allocation together with the tax credit is received as franked investment income.
ii) 78.42% 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.

Taxation
The Company has corporation tax to pay for the year ended 30 September 2024 and capital gains within the Company will not be taxed.

Individual shareholders
Income tax: Tax-free annual dividend allowance now standing at £500 (2024/25). UK resident shareholders are subject to 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 £3,000 (2024/25) 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 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 normal business hours. Instructions may be given by email to the below address or by sending an application form to the Registrar. Application forms are available from the Registrar. Email: greystone@valu-trac.com.

The price of shares will be determined by reference to a valuation of the Company's net assets at 08.30am 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. Settlement is due by the purchaser T+4 days from the date of the contract note and should be made to the AFM's dealing account.

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

Where shares are redeemed, payment will be made not later than the close of business on the fourth business day following the next valuation point after receipt by the AFM of a request for redemption. The minimum value of shares that a shareholder can hold is detailed on page 1. 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.

Assessment of Value
The AFM conducts an assessment of value for the Company each year. The assessment of value reports are available on the AFM's website.

Task Force on Climate-related Financial Disclosures ("TCFD") reports
The AFM is required to prepare and publish a product TCFD report for the Company along with an entity level TCFD report. The latest reports can be obtained from https://www.valu-trac.com/administration-services/tcfd_reports.

Alternative Investment Fund Managers Directive
The AFM is subject to a remuneration policy which meets the requirements of the ESMA published Guidelines on sound remuneration policies under the AIFMD as set out in SYSC 19B 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.

Date: 28 May 2024	Number of staff	Fixed remuneration	Variable remuneration	Total remuneration
Senior Management and members of the governing body	9	753,640	-	753,640
Other material risk takers	4	312,684	-	312,684
All other staff	103	3,409,068	-	3,409,068
Total	116	4,475,392	-	4,475,391
Total severance payments		-	-	-

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

CORPORATE DIRECTORY

Authorised Fund Manager, Alternative Investment Fund Manager & Registrar	Valu-Trac Investment Management Limited Mains of Orton Fochabers Moray IV32 7QE Telephone: 01343 880344 Fax: 01343 880267 Email: greystone@valu-trac.com Authorised and regulated by the Financial Conduct Authority Registered in England No 2428648
Investment Manager	Foundation Investment Management Limited Foundation House Scott Drive Altrincham Cheshire WA15 8AB Authorised and regulated by the Financial Conduct Authority
Depositary	NatWest Trustee and Depositary Services Limited House A Floor 0, 175 Glasgow Road Gogarburn Edinburgh EH12 1HQ Authorised and regulated by the Financial Conduct Authority
Auditor	Johnston Carmichael LLP Strathlossie House Kirkhill Avenue Elgin IV30 8DE