

# **VT SG DEFINED RETURN ASSETS ICVC**

**(Sub-fund VT SG UK Defined Return Assets Fund)**

**Interim Report and Financial Statements (Unaudited)  
for the six month period ended 31 January 2025**

**CONTENTS**

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	<b>Page</b>
Company Overview	1
Statement of the Authorised Fund Manager's (AFM's) Responsibilities	2
<b>VT SG UK Defined Return Assets Fund</b>	
Sub-fund Overview	3
Investment Manager's Review	4
Performance Record	5
Portfolio Statement	6
Summary of Material Portfolio Changes	7
Statement of Total Return	8
Statement of Changes in Net Assets Attributable to Shareholders	8
Balance Sheet	9
Distribution Tables	10
Information for Investors	11
Corporate Directory	12

## COMPANY OVERVIEW

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### Type of Company

VT SG Defined Return Assets ICVC (the Company) is an investment company with variable capital incorporated in England and Wales under the OEIC Regulations with registered number IC001097 and authorised by the Financial Conduct Authority (PRN: 784172) pursuant to an authorisation order dated 12 September 2017. The Company has an unlimited duration.

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

Shareholders are not liable for the debts of the Company.

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

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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 expenses and net capital 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, generally accepted accounting principles and applicable accounting standards, subject to any material departures which are required to be disclosed and explained in the financial statements.
- > select suitable accounting policies and then apply them consistently.
- > make judgements and estimates that are reasonable and prudent.
- > prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in operation for the foreseeable future.

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

## AUTHORISED FUND MANAGER'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.

Jonathan M. Child CA

On behalf of Valu-Trac Investment Management Limited  
Authorised Fund Manager

Date:

## SUB-FUND OVERVIEW

<b>Name of Sub-fund</b>	VT SG UK Defined Return Assets Fund
<b>Size of Sub-fund</b>	£15,076,513
<b>Launch date</b>	31 January 2018
<b>Sub-fund objective and policy</b>	<p>The investment objective of the VT SG UK Defined Return Assets Fund is to generate capital growth over the long term.</p> <p>The Sub-fund will seek to achieve its objective primarily via exposure (indirectly by way of a swap) to a portfolio of defined return investments, namely twelve rolling up to six year autocalls (each of which will have a potential maturity date on a different calendar month each year) which are designed to provide a defined return if the FTSE 100 is at, or above, a predefined level on a specified date. Capital is at risk and there is no guarantee that a positive return will be achieved over a 12 month, or any, period.</p> <p>The Sub-fund may also invest in transferable securities, bonds, money market instruments, deposits, cash and near cash.</p>
<b>Derivatives</b>	Derivatives will be used for the purposes of meeting the Sub-fund's investment objectives and may be used for efficient portfolio management purposes.
<b>Benchmark</b>	The Sub-fund does not have a specific benchmark. However, the performance of the Sub-fund can be assessed by considering whether the objective is achieved (i.e. whether there has been capital growth over the long term (5+ years)).
<b>Ex-distribution dates</b>	31 July and 31 January
<b>Distribution dates</b>	30 September and 31 March
<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 (Net Accumulation) = £5,000
Top-up:	Class A (Net Accumulation) = £1,000
Holding:	Class A (Net Accumulation) = £5,000
Redemption:	Class A (Net Accumulation) = N/A (provided minimum holding is maintained)
Switching:	Class A (Net Accumulation) = N/A (provided minimum holding is maintained)
Initial/Redemption/Switching charges	Nil
*The AFM may waive or discount the minimum levels (and initial charge and redemption charge) at its discretion.	
<b>Annual management charges</b>	£68,201 per annum <sup>^</sup> : plus  Class A: 0.375% (per annum): plus  - Up to £100 million Net Asset Value – 0.015% (per annum) - £100 million to £250 million Net Asset Value – 0.0075% (per annum) - £250 million to £500 million Net Asset Value – 0.005% (per annum) - thereafter – 0.0025% (per annum) (plus VAT if applicable).

<sup>^</sup>The fixed element of the fee shall rise annually in line with the rate of inflation (calculated in accordance with the Consumer Prices Index) on 1 August each year (from 1 August 2024). In the event of negative inflation, the fixed element of the fee will remain unchanged.

## INVESTMENT MANAGER'S REVIEW

### Performance

During the Financial Period 1st August 2024 to 31st January 2025 the Fund increased by 2.45% which compares with the FTSE 100 Total Return index which rose 5.28% over the same period. This was achieved with a considerably lower level of annualised daily return volatility than the market during the period (3.5% vs 9.9%).

### Review

Since launch on 1st February 2018 the Fund has delivered a return of +35.65% vs the FTSE 100 Total Return index which has risen by +50.58% to 31st January 2025.

During the 6-month period, all 6 of the legs triggered as the FTSE 100 was above the strike price at the corresponding observation points. A summary of the changes are highlighted in the table below. The cumulative effect of these switches has been that the Gross Redemption Yield (GRY) at the end of January 2025 has increased to 9.28% (from 8.44% at the end of July 2024) with all contracts currently above the 80% barrier.

Month	Strike Level		Coupon	
	Old	New	Old	New
August	7,618.60	8,166.88	6.40%	6.00%
September	7,441.72	8,270.84	6.75%	5.60%
October	7,492.21	8,243.74	6.95%	5.40%
November	7,401.72	8,140.74	6.80%	5.50%
December	7,513.72	8,352.08	6.35%	5.30%
January	7,724.94	8,251.03	6.65%	5.60%

Source: Valu-Trac Investment Management Limited

Asset Month Ref	Strike Level	Coupon	Strike Date	Next Autocall Date	Final Valuation Date	Assumed duration / time to knockout - years	GRY*	Autocall Coupons					
								Autocall #1 (100% Level)	Autocall #2 (100% Level)	Autocall #3 (95% Level)	Autocall #4 (90% Level)	Autocall #5 (85% Level)	Autocall #6 (80% Level)
January	8251.03	5.00%	06/01/25	05/01/26	06/01/31	0.93	8.59%	105.66%	111.20%	116.80%	122.40%	128.00%	133.60%
February	7685.17	6.20%	06/02/23	05/02/25	05/02/29	0.01	4.47%	-	112.40%	118.60%	124.80%	131.00%	137.20%
March	7929.92	6.35%	06/03/23	05/03/25	05/03/29	0.09	7.65%	-	112.78%	119.05%	125.40%	131.75%	138.10%
April	7934.79	6.00%	06/04/24	07/04/25	05/04/30	0.18	8.83%	106.00%	112.00%	118.00%	124.00%	130.00%	136.00%
May	8381.35	6.00%	06/05/24	06/05/25	07/05/30	0.26	13.91%	106.80%	112.00%	118.00%	124.00%	130.00%	136.00%
June	8245.37	6.15%	07/06/24	05/06/25	05/06/30	0.34	10.62%	106.15%	112.30%	118.40%	124.60%	130.75%	136.90%
July	8139.81	6.00%	06/07/24	07/07/25	05/07/30	0.43	9.81%	106.00%	112.00%	118.00%	124.00%	130.00%	136.00%
August	8166.88	6.00%	07/08/24	05/08/25	05/08/30	0.51	9.29%	106.00%	112.00%	118.00%	124.00%	130.00%	136.00%
September	8270.84	5.60%	06/09/24	05/09/25	05/09/30	0.59	10.51%	105.66%	111.20%	116.80%	122.40%	128.00%	133.60%
October	8243.74	5.40%	06/10/24	06/10/25	07/10/30	0.68	9.49%	105.46%	110.80%	116.20%	121.60%	127.00%	132.40%
November	8140.74	5.50%	07/11/24	05/11/25	05/11/30	0.76	8.64%	105.56%	111.00%	116.50%	122.00%	127.50%	133.00%
December	8352.08	5.30%	06/12/24	05/12/25	05/12/30	0.84	9.42%	105.30%	110.60%	115.90%	121.20%	126.50%	131.80%
<b>(FUND)</b>							<b>0.47</b>	<b>9.28%</b>					

\* per annum

**Bold** Autocall Coupons are the current potential returns based on the level of the FTSE 100 as of the 31<sup>st</sup> January 2024.

The current assumed duration has decreased from 0.64 years on 31st July 2024 to 0.47 years at 31st January 2025 as summarised in the table above.

### Outlook

With the first UK interest rate cut having been announced on 1st August 2024, we have seen two rate cuts during the period, with a further cut announced on 6th February 2025. At the time of writing, this has taken interest rates from 5.25% down to 4.50% currently.

UK inflation (CPI) has moved back above the Bank of England's (BoE) target 2%, coming in at 3% for January 2025. Inflation remains a key metric in the BoE interest rate decisions; whilst this remains above the long-term 2% target, it may slow any further rate cuts.

Following the election of the new Labour government in the UK during the summer of 2024, the new chancellors first budget on 30th October was mixed. HM Treasury have forecast GDP growth to be positive for 2025, at c. 1%. Looking further out to 2026, consensus growth forecasts come in around 1.5%, and similar for 2027.

Valu-Trac Investment Management Limited  
Investment Manager to the Fund  
13 March 2025

## PERFORMANCE RECORD

### Financial Highlights

#### Class A (Net Accumulation)

	Period ended 31 January 2025	Year ended 31 July 2024	Year ended 31 July 2023
Changes in net assets per share	GBp	GBp	GBp
Opening net asset value per share	132.4066	124.2586	118.2300
Return before operating charges	3.9238	9.3158	6.8894
Operating charges (note 1)	(0.6835)	(1.1678)	(0.8608)
Return after operating charges *	3.2403	8.1480	6.0286
Closing net asset value per share	135.6469	132.4066	124.2586
Retained distributions on accumulated shares	0.0119	0.0518	0.0244
*after direct transactions costs of:	-	-	-
Performance			
Return after charges	2.45%	6.56%	5.10%
Other information			
Closing net asset value	£15,076,513	£16,434,432	£21,817,434
Closing number of shares	11,114,526	12,412,089	17,558,092
Operating charges (note 2)	1.02%	0.91%	0.71%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	135.6469	132.5261	124.2586
Lowest share price	130.9626	121.1652	113.0569

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.

#### 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 (31 July 2024 ranked '6'). The Sub-fund is ranked '5' because monthly historical data indicates that it has experienced relatively high rises and falls in market prices historically. Please note that even the lowest risk class can lose money and that extreme market circumstances can mean you suffer severe losses in all cases.

## PORTFOLIO STATEMENT

As at 31 January 2025

		Value £	% of net assets
<b>AUTOCALLS</b>			
1,191	SocGen Autocall Maturity 05/Apr/2030	1,241,367	8.23%
1,212	SocGen Autocall Maturity 05/Aug/2030	1,225,636	8.13%
1,262	SocGen Autocall Maturity 05/Dec/2030	1,225,939	8.13%
1,120	SocGen Autocall Maturity 05/Feb/2029	1,257,479	8.34%
1,247	SocGen Autocall Maturity 05/Jul/2030	1,267,099	8.40%
1,220	SocGen Autocall Maturity 05/JUN/2030	1,248,185	8.28%
1,141	SocGen Autocall Maturity 05/Mar/2029	1,276,075	8.46%
1,252	SocGen Autocall Maturity 05/Nov/2030	1,234,887	8.19%
1,259	SocGen Autocall Maturity 05/Sep/2030	1,251,521	8.30%
1,260	SocGen Autocall Maturity 06/Jan/2031	1,226,204	8.13%
1,200	SocGen Autocall Maturity 07/May/2030	1,227,045	8.15%
1,229	SocGen Autocall Maturity 07/Oct/2030	1,215,460	8.07%
		<hr/>	
		14,896,897	98.81%
		<hr/>	
<b>Portfolio of investments (31.07.2024: 99.87%)</b>		<b>14,896,897</b>	<b>98.81%</b>
<b>Net other assets (31.07.2024: 0.13%)</b>		<b>179,616</b>	<b>1.19%</b>
		<hr/>	
		<b>15,076,513</b>	<b>100.00%</b>
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## SUMMARY OF MATERIAL PORTFOLIO CHANGES

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	£
Total purchases for the period	-

	£
Total sales for the period	1,966,819
SocGen Autocall Maturity 05/APR/2030	163,902
SocGen Autocall Maturity 05/Feb/2029	163,902
SocGen Autocall Maturity 05/Jul/2030	163,902
SocGen Autocall Maturity 05/JUN/2030	163,902
SocGen Autocall Maturity 05/Mar/2029	163,902
SocGen Autocall Maturity 07/MAY/2030	163,902
SocGen Autocall Maturity 05/Aug/2030	153,162
SocGen Autocall Maturity 05/Jan/2029	132,069
SocGen Autocall Maturity 05/Sep/2030	120,043
SocGen Autocall Maturity 05/DEC/2029	107,877
Other various sales	470,256

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

**STATEMENT OF TOTAL RETURN****For the period ended 31 January**

	2025	2024
	£	£
Income		
Net capital gains	450,286	577,914
Revenue	3,222	5,542
Expenses	(84,002)	(83,078)
Interest payable and similar charges	-	(154)
Net expenses before taxation	(80,780)	(77,690)
Taxation	-	-
Net expenses after taxation	(80,780)	(77,690)
Total return before distributions	369,506	500,224
Finance costs: distributions	(1,457)	(4,365)
<b>Changes in net assets attributable to shareholders from investment activities</b>	<b>368,049</b>	<b>495,859</b>

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS****For the period ended 31 January**

	2025	2024
	£	£
<b>Opening net assets attributable to shareholders</b>	<b>16,434,432</b>	<b>21,817,433</b>
Amounts receivable on creation of shares	906,172	3,458,059
Amounts payable on cancellation of shares	(2,633,461)	(7,082,697)
Accumulation dividends retained	1,321	3,851
Changes in net assets attributable to shareholders from investment activities (see above)	368,049	495,859
<b>Closing net assets attributable to shareholders</b>	<b>15,076,513</b>	<b>18,692,505</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 Company net asset value as at 31 July 2024 was £16,434,432.

## BALANCE SHEET

As at	31.01.2025		31.07.2024	
	£	£	£	£
<b>Assets</b>				
Investment assets		14,896,897		16,413,361
<b>Current assets</b>				
Debtors	19,740		14,346	
Cash and bank balances	<u>344,277</u>		<u>173,946</u>	
<b>Total current assets</b>		<u>364,017</u>		<u>188,292</u>
<b>Total assets</b>		15,260,914		16,601,653
<b>Current liabilities</b>				
Creditors	(182,931)		(167,221)	
Bank overdrafts	<u>(1,470)</u>		<u>-</u>	
<b>Total current liabilities</b>		<u>(184,401)</u>		<u>(167,221)</u>
<b>Net assets attributable to shareholders</b>		<u>15,076,513</u>		<u>16,434,432</u>

### Accounting policies

The accounting policies applied are consistent with those of the financial statements for the year ended 31 July 2024 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 August 2024

Group 2: Shares purchased on or after 01 August 2024 and on or before 31 January 2025

<b>Class A (Net Accumulation)</b>	<b>Net Revenue 31.03.2025</b>	<b>Equalisation</b>	<b>Distribution 31.03.2025</b>	<b>Distribution 28.03.2024</b>
Group 1	0.0119p	-	0.0119p	0.0263p
Group 2	0.0002p	0.0117p	0.0119p	0.0263p

## INFORMATION FOR INVESTORS

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### Individual shareholders

**Income tax:** Tax-free annual dividend allowance now standing at £500 (2024/25). UK resident shareholders are subject to new, higher rates of tax on dividend income in excess of the annual allowance. The actual rate depends on the individual's tax rate band.

**Capital gains tax:** Individual shareholders resident in the UK for tax purposes may be liable to capital gains tax on realisation of their shares as with other chargeable assets. 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.

### Taxation

The Sub-fund will pay no corporation tax for the period ended 31 January 2025 and capital gains within the Sub-fund will not be taxed.

### Corporate shareholders

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

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

### Issue and redemption of shares

Valu-Trac Investment Management Limited is the AFM and Registrar. Valu-Trac Investment Management Limited will receive requests for the purchase or sale of shares at any time during normal business hours (9.00am to 5.00pm). Instructions may be given by email to (sg@valu-trac.com) or by sending an application form to the Registrar. Application forms are available from the Registrar.

The price of shares will be determined by reference to a valuation of the Sub-fund's net assets at 12 noon on each dealing day.

The AFM has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for shares in whole or part, and in this event the AFM will return any money sent, or the balance of such monies, at the risk of the applicant

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

A contract note giving details of the shares purchased and the price used will be issued by the Registrar by the end of the business day following the valuation point by reference to which the purchase price is determined. Settlement is due by the purchaser on the fourth business day from the date of the contract note and should be made to the Authorised Fund Manager'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 AFM may accept subscriptions lower than the minimum amount and also allow holdings under the minimum amount at its discretion.

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

### Task Force on Climate-related Financial Disclosures ("TCFD") reports

The AFM is required to prepare and publish a product TCFD report for each Sub-fund along with an entity level TCFD report. The latest reports can be obtained from [https://www.valu-trac.com/administration-services/tcfid\\_reports](https://www.valu-trac.com/administration-services/tcfid_reports).

## CORPORATE DIRECTORY

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<b>Authorised Fund Manager, Administrator &amp; Registrar</b>	Valu-Trac Investment Management Limited Orton Fochabers Moray IV32 7QE  Telephone: 01343 880344 Fax: 01343 880267 Email: sg@valu-trac.com  Authorised and regulated by the Financial Conduct Authority Registered in England No 2428648
<b>Director</b>	Valu-Trac Investment Management Limited as AFM
<b>Investment Manager</b>	Valu-Trac Investment Management Limited
<b>Depository</b>	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
<b>Auditor</b>	Johnston Carmichael LLP Commerce House South Street Elgin IV30 1JE