

**VT HALO FUNDS ICVC**  
**(Sub-fund VT Halo Global Asian Consumer Fund)**

**Annual Report and Financial Statements**  
**For the year ended 30 June 2024**

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COMPANY OVERVIEW

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**Type of Company:** VT Halo Funds ICVC (the Company) is an investment company with variable capital under regulation 12 (Authorisation) of the Open-Ended Investment Companies (OEIC) Regulations 2001, authorised by the FCA pursuant to an authorisation order dated 19 September 2014. The Company is incorporated under registration number IC001018. The Company is a UCITS scheme and is an umbrella company comprising of one Sub-fund, VT Halo Global Asian Consumer Fund. Each Sub-fund would be a UCITS scheme if it had a separate authorisation order. You, as a shareholder, 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 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 (expenses) 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;
- > 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 annual report.

Jonathan M. Child CA

David E Smith 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 HALO FUNDS ICVC

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### For the year ended 30 June 2024

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

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

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

The Depositary must ensure that:

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

The Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Regulations and the Scheme documents in relation to the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the AFM:

- i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and application of the Company's income in accordance with the Regulations and the Scheme documents of the Company, and
- ii) has observed the Investment and borrowing powers and restrictions applicable to the Company.

NatWest Trustee and Depositary Services Limited  
01 July 2024

### **Opinion**

We have audited the financial statements of VT Halo Funds ICVC ('the Company') for the year ended 30 June 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 as at 30 June 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 prepared in accordance with the Investment Association Statement of Recommended Practice for Authorised Funds, the rules of the Collective Investment Schemes Sourcebook (COLL Rules) 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 twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Authorised Fund Manager's 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.

### **Opinions on other matters prescribed by the COLL Rules**

In our opinion, based on the work undertaken in the course of the audit:

- > Proper accounting records for the Company have been kept and the accounts are in agreement with those records;
- > We have received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit; and
- > The information given in the report of the Authorised Fund Manager for the year is consistent with the financial statements.

**Responsibilities of the Authorised Fund Manager**

As explained more fully in the Authorised Fund Manager's responsibilities statement set out on page 2, the Authorised Fund Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Authorised Fund Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor 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 was 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; 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 submitted returns, external inspections, relevant correspondence with regulatory bodies and the Company's breaches register.

We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur, by meeting with management and those charged with governance 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; and
- > the completeness and classification of special dividends between revenue and capital.

**Auditor Responsibilities for the Audit of the Financial Statements (continued)**

***Extent to which the audit was 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;
- > Using a third-party independent data source to assess the completeness of the special dividend population and determining whether special dividends recognised were revenue or capital in nature with reference to the underlying circumstances of the investee companies' dividend payments;
- > Assessing the Company's compliance with the key requirements of the Collective Investment Schemes 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 would 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 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 members 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



## SUB-FUND OVERVIEW

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<b>Name of Sub-fund</b>	VT Halo Global Asian Consumer Fund
<b>Size of Sub-fund</b>	£69,222,838
<b>Launch date</b>	03 November 2014
<b>Sub-fund objective and policy</b>	<p>The investment objective of the VT Halo Global Asian Consumer Fund is to achieve annualised total return of 7 – 11% (after deduction of fees) over 7 years (the length of a typical economic cycle). Capital is in fact at risk and there is no guarantee that a positive return will be achieved over that or any period.</p> <p>The Sub-fund aims to meet its investment objective by investing primarily (at least 70%) in a portfolio of stocks quoted across the globe that have at least 35% of their revenues or profits coming from emerging markets, with the majority (at least 50%) of the emerging market exposure coming from Asia.</p> <p>The remainder of the Sub-fund's portfolio may be invested in other collective investment schemes (including those managed and/or advised by the AFM and Investment Manager), shares, bonds, money market instruments, deposits, cash and near cash.</p> <p>Derivatives (that is sophisticated investment instruments linked to the rise and fall of the price of other assets) may be used for efficient portfolio management purposes. It is expected that use of derivatives will be limited.</p> <p>There will be no particular emphasis on any industry or economic sector.</p> <p>No more than 10% of the Sub-fund's assets can be invested in aggregate in units of other UCITS (as defined in the FCA Handbook) or other collective investment undertakings.</p>
<b>Benchmark</b>	The performance of the Sub-fund can be measured by considering whether the target of achieving annualised total return of 7 – 11% (after deduction of fees) over a 7 year period (the length of a typical economic cycle is achieved).
<b>Authorised Fund Manager (AFM)</b>	Valu-Trac Investment Management Limited.
<b>Ex-distribution date</b>	30 June
<b>Distribution date</b>	31 August
<b>Individual Savings Account (ISA)</b>	The Company is a qualifying investment for inclusion in an ISA.
<b>Share Classes:</b>	Class B (GBP, USD <sup>^</sup> , EUR <sup>^^</sup> ) (Net Income, Net Accumulation) Class C (GBP, USD <sup>^</sup> , EUR <sup>^^</sup> ) (Net Income, Net Accumulation) Class D (GBP) (Net Income, Net Accumulation)

<sup>^</sup>USD Net Income share classes inactive  
<sup>^^</sup>EUR Net Income and Net Accumulation share classes inactive

## SUB-FUND OVERVIEW (Continued)

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### Minimum investment\*

Lump sum subscription:	Class B = £100 (or US\$ or € equivalent) Class C = £5,000,000 (or US\$ or € equivalent) Class D = £20,000,000
Top-up:	Class B = £100 (or US\$ or € equivalent) Class C = £100 (or US\$ or € equivalent) Class D = £100
Holding:	Class B = £100 (or US\$ or € equivalent) Class C = £5,000,000 (or US\$ or € equivalent)^ Class D = £20,000,000
Redemption:	N/A (provided minimum holding is maintained)
Switching:	N/A (provided minimum holding is maintained)

\*The AFM may waive the minimum levels at its discretion.

^ The lump sum subscription limit for Class C shares was increased with effect from 4 June 2019. The lump sum subscription for any Shareholders who held Class C shares as at this date remains £1,000,000.

### Annual management charges

On such part of the NAV that is less than or equal to £150 million	Class B: 0.95% Class C: 0.75% Class D: 0.70%
On such part of the NAV that is more than £150 million but is less than or equal to £250 million	Class B: 0.90% Class C: 0.70% Class D: 0.65%
On such part of the NAV that exceeds £250 million	Class B: 0.85% Class C: 0.65% Class D: 0.60%

### Market Overview

The Fund's Sterling B Accumulation share class rose 2.2% for the 12 months ended 30 June 2024. The Fund struggled to produce the returns target of 7% or more due to falling currencies and soft markets, which resulted in a derating of the Fund's price earnings ratio over the period. Investors in Asia were impacted by the stronger growth in the US and the boom in all stocks related to AI. This meant the Federal Reserve kept interest rates higher for longer and so keeping the US dollar strong, which encouraged flows into cash and fixed income in the US. The US equity market has also experienced strong inflows into the technology stocks and speaking to wealth managers, they saw little reason in the current environment to switch money to Asia even if they saw good value. This meant the key countries we focus on with respect to the Emerging Asian consumer, such as China, India and ASEAN ex Singapore, broadly saw net outflows by foreign investors over the period.

Over the 12-month period we witnessed markets such as Thailand fall 13.5%, the Philippines was down 0.9% and although Indonesia was up 6.0% it lost all this and more due to a falling currency, which was down 8.1% over the period. Indeed, this was not unique to Indonesia and all the currencies in Asia fell over the period, with the Philippine Peso down 5.8%, Vietnamese Dong declined 7.4%. This resulted in very little net asset value appreciation from our ASEAN exposure in 2024 and indeed if it was not for strong stock picking in Vietnam, the returns would have been negative.

This contrasts with the underlying economic fundamentals of these countries, where we have seen continued steady growth, with GDP growth in the region of 5-6% for our ASEAN countries ex-Thailand and these growth rates have continued into 2024. For Vietnam in particular we are seeing an acceleration to above 6% in the first half of 2024 as exports rebound and the government instigates pro-growth policies. So, whilst growth remains more than adequate, their stock markets have derated to somewhere between one and two standard deviations below their long run average.

India is the only market we invest in that continues to avoid a PE multiple contraction in the last year and this was thanks to domestic investors enthusiastically allocating more of their savings to their own stock market. Monthly flows have hit a record high, and valuations have become stretched in our view. We have been reducing the size of our Indian holdings to manage our overall exposure. The funds were added to ASEAN names as we have seen greater value in these markets as mentioned above, given the derating but continued strong GDP and consumption growth we are experiencing.

### Purchases and sales over the period

To keep this relatively brief I will focus on the stock transactions in the second half of the fiscal year. In the first half we sold Meituan Dianping and Nagacorp Ltd and bought Muangthai Capital PCL, the rationale behind these transactions are detailed in the first half year report.

From January to June 2024, we sold Alibaba Group Holding Ltd as we became concerned over the competitive environment amongst the ecommerce players and the constant demand to reinvest in order to fight for market share. Although Alibaba is very cheap and returning greater amounts of cash to shareholders, it was becoming a value trap. We also sold a couple of stocks in Vietnam, Vietnam international Commercial Joint Stock Bank (VIB), as it was becoming clear we were unable to purchase the amount of stock we would have liked to own, due to foreign ownership limits (FOL) and secondly, its growth was slowing due to consumer downturn in the property market with mortgages its largest part of its lending book. In June of this year, we also sold Vincom Retail JSC, the shopping mall operator as its first quarter results were disappointing with its actual rents flatlining as vacancy rate in its shopping malls increased. Something we were not expecting especially as they had mentioned their goal for the year was to increase occupancy levels.

The key purchases were HDFC Bank in Vietnam, which replaced VIB to maintain our exposure to retail banking in Vietnam. The bank had no FOL and an impressive track record in penetrating Tier 2 and 3 cities, which was different and complementary to our largest holding Vietnam Technological and Commercial Joint-stock Bank, with its focus on Tier 1 cities and the affluent. Ho Chi Minh City Development Joint Stock Commercial Bank has since produced very strong results and the share price is up over 25% since we bought it. We also replaced Vincom Retail JSC with Mobile World Investment Corp, the electronics and minimart retailer. The shares have sold off in the last year or so, over concerns of its ability to grow the electronics business. It had suffered a "post covid hangover", as purchases of computers and phones were brought forward when consumers were stuck at home. Again, the purchase has proved timely as sales have started to rebound and its minimart business, which this year has turned profitable is also performing ahead of expectations.

## INVESTMENT MANAGER'S REVIEW (Continued)

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### Purchases and sales over the period (Continued)

On a more defensive narrative we bought ITC Ltd in India, the national tobacco company who also has a diversified FMCG business as well. Given how strongly the market in India has performed it is very hard to find any value in the midcaps and there are some pockets of reasonable valuations in the large caps, such as ITC. Another more defensive name we bought is Bangkok Dusit Medical Services PCL or BDMS. This hospital operator is the number one private operator in Thailand and as well as serving locals it has a large business catering to “medical tourists”. They are able to offer care on par with any Western hospital at a fraction of the price. It thus caters to a large overseas market, particularly the Middle East and Asian markets. They have guided for growth of 10-12% for the next three years, which fits very nicely with our own target returns. Lastly, we used the funds from Alibaba to buy a holding in New Oriental Education & Technology Group Inc, the after-school tutoring company, who as well as providing tutoring services to 16-18 year olds, which is allowed in China, is also the number one player in overseas test preparations and adult courses. It is now finding post the double reduction program of a few years ago the competition in this space is a lot less and can grow quickly in these areas.

As mentioned at the beginning of this report the Fund has not produced the returns we would like as Asian markets we are exposed to have predominately derated over the last 12 months even as earnings growth have met expectations. We believe as the US slows and the Federal Reserve cuts rates, interest will pick up in these markets and we expect to see funds rotate away from the US to Asia. The Fund will subsequently benefit with a reversal in the multiple contraction we have witnessed since 2022.

Halo Global Asset Management Ltd  
Investment Manager to the Fund  
02 August 2024

## PERFORMANCE RECORD

### Financial Highlights

	Period to 05 June 2023^	Year ended 30 June 2022
<b>Class A Net Accumulation GBP</b>		
Changes in net assets per share	GBp	GBp
Opening net asset value per share	148.6650	162.8864
Return before operating charges	(7.7481)	(12.1029)
Operating charges (note 1)	(1.8227)	(2.1185)
Return after operating charges*	(9.5708)	(14.2214)
Closing net asset value per share	139.0942	148.6650
Retained distribution	-	1.6846
*after direct transaction costs of:	0.1870	0.3116
Performance		
Return after charges	(6.44%)	(8.73%)
Other information		
Closing net asset value	-	£544,544
Closing number of shares	-	366,289
Operating charges (note 2)	1.36%	1.36%
Direct transaction costs	0.13%	0.20%
Prices		
Highest share price	157.8548	170.0365
Lowest share price	125.6590	129.7724

^Share class closed on 05 June 2023 following mandatory conversion to Class B Net Accumulation GBP.

	Year ended 30 June 2024	Year ended 30 June 2023	Year ended 30 June 2022
<b>Class B Net Accumulation GBP</b>			
Changes in net assets per share	GBp	GBp	GBp
Opening net asset value per share	155.0322	169.7742	185.4597
Return before operating charges	5.4156	(13.0205)	(13.8028)
Operating charges (note 1)	(1.9595)	(1.7215)	(1.8827)
Return after operating charges*	3.4561	(14.7420)	(15.6855)
Closing net asset value per share	158.4883	155.0322	169.7742
Retained distribution	2.7868	2.2557	1.9182
*after direct transaction costs of:	0.3292	0.2111	0.3552
Performance			
Return after charges	2.23%	(8.68%)	(8.46%)
Other information			
Closing net asset value	£11,153,455	£11,283,212	£10,728,938
Closing number of shares	7,037,400	7,277,978	6,319,533
Operating charges (note 2)	1.25%	1.06%	1.06%
Direct transaction costs	0.21%	0.13%	0.20%
Prices			
Highest share price	166.4834	180.5827	193.8241
Lowest share price	146.7007	143.6476	148.0717

**PERFORMANCE RECORD (Continued)**

<b>Class B Net Accumulation USD</b>	<b>Year ended 30 June 2024</b>	<b>Year ended 30 June 2023</b>	<b>Year ended 30 June 2022</b>
Changes in net assets per share	USc	USc	USc
Opening net asset value per share	123.6529	129.5738	162.1854
Return before operating charges	4.3109	(4.5788)	(31.0653)
Operating charges (note 1)	(1.5628)	(1.3421)	(1.5463)
Return after operating charges*	2.7481	(5.9209)	(32.6116)
Closing net asset value per share	126.4010	123.6529	129.5738
Retained distribution	2.2228	1.7992	2.4373
*after direct transaction costs of:	0.2626	0.1646	0.2918
Performance			
Return after charges	2.22%	(4.57%)	(20.11%)
Other information			
Closing net asset value	\$4,606,693	\$1,883,076	\$2,395,313
Closing number of shares	3,644,507	1,522,872	1,848,609
Operating charges (note 2)	1.25%	1.06%	1.06%
Direct transaction costs	0.21%	0.13%	0.20%
Prices			
Highest share price	132.8221	140.7914	164.3539
Lowest share price	114.3560	103.9235	120.4207

<b>Class B Net Income GBP</b>	<b>Year ended 30 June 2024</b>	<b>Year ended 30 June 2023</b>	<b>Year ended 30 June 2022</b>
Changes in net assets per share	GBp	GBp	GBp
Opening net asset value per share	136.9339	152.1867	168.1142
Return before operating charges	4.7602	(11.6985)	(12.4874)
Operating charges (note 1)	(1.7153)	(1.5323)	(1.6976)
Return after operating charges*	3.0449	(13.2308)	(14.1850)
Distribution on income shares	(2.4614)	(2.0220)	(1.7425)
Closing net asset value per share	137.5174	136.9339	152.1867
*after direct transaction costs of:	0.2882	0.1879	0.3203
Performance			
Return after charges	2.22%	(8.69%)	(8.44%)
Other information			
Closing net asset value	£1,683,942	£3,012,448	£1,941,867
Closing number of shares	1,224,530	2,199,928	1,275,977
Operating charges (note 2)	1.25%	1.06%	1.06%
Direct transaction costs	0.21%	0.13%	0.20%
Prices			
Highest share price	147.0401	161.8737	175.7291
Lowest share price	129.5679	128.7652	134.2480

**PERFORMANCE RECORD (Continued)**

<b>Class C Net Accumulation GBP</b>		<b>Year ended 30 June 2024</b>	<b>Year ended 30 June 2023</b>	<b>Year ended 30 June 2022</b>
Changes in net assets per share		GBp	GBp	GBp
Opening net asset value per share		157.8038	172.4632	188.0159
Return before operating charges		5.5171	(13.2393)	(14.0026)
Operating charges (note 1)		(1.6771)	(1.4201)	(1.5501)
Return after operating charges*		3.8400	(14.6594)	(15.5527)
Closing net asset value per share		161.6438	157.8038	172.4632
Retained distribution		2.8404	2.2942	1.9505
*after direct transaction costs of:		0.3354	0.2147	0.3605
Performance				
Return after charges		2.43%	(8.50%)	(8.27%)
Other information				
Closing net asset value	£13,813,030	£19,422,430	£20,754,639	
Closing number of shares	8,545,353	12,307,958	12,034,241	
Operating charges (note 2)	1.05%	0.86%	0.86%	
Direct transaction costs	0.21%	0.13%	0.20%	
Prices				
Highest share price	169.7590	183.6556	196.6466	
Lowest share price	149.4923	146.0216	150.3257	
<b>Class C Net Accumulation USD</b>		<b>Year ended 30 June 2024</b>	<b>Year ended 30 June 2023</b>	<b>Year ended 30 June 2022</b>
Changes in net assets per share		USc	USc	USc
Opening net asset value per share		80.3977	84.1252	104.9897
Return before operating charges		2.8056	(3.0201)	(20.0513)
Operating charges (note 1)		(0.8544)	(0.7074)	(0.8132)
Return after operating charges*		1.9512	(3.7275)	(20.8645)
Closing net asset value per share		82.3489	80.3977	84.1252
Retained distribution		1.4472	1.1689	0.5075
*after direct transaction costs of:		0.1709	0.1069	0.1891
Performance				
Return after charges		2.43%	(4.43%)	(19.87%)
Other information				
Closing net asset value	\$4,151,503	\$4,053,138	\$4,241,053	
Closing number of shares	5,041,359	5,041,359	5,041,359	
Operating charges (note 2)	1.05%	0.86%	0.86%	
Direct transaction costs	0.21%	0.13%	0.20%	
Prices				
Highest share price	86.5138	91.5142	106.5741	
Lowest share price	74.4041	67.5153	78.1616	

**PERFORMANCE RECORD (Continued)**

<b>Class C Net Income GBP</b>		<b>Year ended 30 June 2024</b>	<b>Year ended 30 June 2023</b>	<b>Year ended 30 June 2022</b>
Changes in net assets per share	GBP			
Opening net asset value per share		139.3072	154.5124	170.3464
Return before operating charges		4.8610	(11.8864)	(12.6695)
Operating charges (note 1)		(1.4674)	(1.2634)	(1.3969)
Return after operating charges*		3.3936	(13.1498)	(14.0664)
Distribution on income shares		(2.5075)	(2.0554)	(1.7676)
Closing net asset value per share		140.1933	139.3072	154.5124
*after direct transaction costs of:		0.2935	0.1910	0.3249
Performance				
Return after charges		2.44%	(8.51%)	(8.26%)
Other information				
Closing net asset value		£11,031,305	£41,268,682	£40,287,253
Closing number of shares		7,868,637	29,624,229	26,073,799
Operating charges (note 2)		1.05%	0.86%	0.86%
Direct transaction costs		0.21%	0.13%	0.20%
Prices				
Highest share price		149.8650	164.5380	178.1922
Lowest share price		131.9734	130.8215	136.2183

<b>Class B Net Income USD</b>		<b>For the period 01 July 2021 to 27 September 2021<sup>^</sup></b>	
Changes in net assets per share	USc		
Opening net asset value per share		150.8127	
Return before operating charges		(7.0518)	
Operating charges (note 1)		(1.5530)	
Return after operating charges*		(8.6048)	
Distribution on income shares		-	
Closing net asset value per share		142.2079	
*after direct transaction costs of:		0.2930	
Performance			
Return after charges		(5.71%)	
Other information			
Closing net asset value		-	
Closing number of shares		-	
Operating charges (note 2)		1.06%	
Direct transaction costs		0.20%	
Prices			
Highest share price		150.4734	
Lowest share price		134.4805	

<sup>^</sup> On the 27 September 2021, the share class was fully redeemed



**PERFORMANCE RECORD (Continued)**

		Period 14 February 2024 to 30 June 2024^
<b>Class D Net Income GBP</b>		
Changes in net assets per share		GBp
Opening net asset value per share		100.0000
Return before operating charges		2.9261
Operating charges (note 1)		(0.3769)
Return after operating charges*		2.5492
Distribution on income shares		(1.1797)
Closing net asset value per share		101.3695
*after direct transaction costs of:		0.2114
Performance		
Return after charges		2.55%
Other information		
Closing net asset value		£24,693,806
Closing number of shares		24,360,183
Operating charges (note 2)		1.00%
Direct transaction costs		0.21%
Prices		
Highest share price		107.6915
Lowest share price		100.0000

^Share class launched 14 February 2024

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 (30 June 2023: ranked 6). The Sub-fund is ranked 6 because weekly historical performance data indicates that it has experienced significant rises and falls in market prices historically.

## PORTFOLIO STATEMENT

As at 30 June 2024

### Holding

Equities (30.06.2023: 98.92%)		Value £	% of net assets
414,500	AIA Group Ltd	2,222,330	3.21%
164,500	ANTA Sports Products Ltd	1,248,405	1.80%
3,551,700	Bank Central Asia Tbk PT	1,700,560	2.46%
11,820,734	Bank Rakyat Indonesia (Persero) Tbk PT	2,629,801	3.80%
2,332,000	Bangkok Dusit Medical Services PCL	1,330,928	1.92%
7,267,000	Bloomerry Resorts Corp	934,895	1.35%
494,300	Boc Aviation Ltd	2,800,327	4.05%
3,141,450	China Education Group Holdings Ltd	1,434,580	2.07%
16,840,000	Ciputra Development Tbk PT	916,252	1.32%
330,250	FPT Digital Retail JSC	1,819,727	2.63%
248,200	HDFC Bank Ltd	3,966,184	5.73%
2,120,000	Ho Chi Minh City Development Joint Stock Commercial Bank	1,512,192	2.18%
293,000	Icici Bank Ltd	3,323,303	4.80%
289,000	ITC Ltd	1,163,996	1.68%
529,000	Jollibee Foods Corp	1,617,303	2.34%
34,000	KEI Industries Ltd	1,422,932	2.06%
2,213,200	Mega Lifesciences PCL	1,823,191	2.63%
77,500	Meituan Dianping	871,049	1.26%
24,442,000	Mitra Adiperkasa Tbk PT	1,767,252	2.55%
1,825,000	Minor International PCL	1,179,137	1.70%
645,000	Mobile World Investment Corp	1,251,651	1.81%
1,040,000	Muangthai Capital PCL	968,723	1.40%
2,560,000	Nagacorp Ltd	992,788	1.43%
166,300	New Oriental Education & Technology Group Inc	1,005,274	1.45%
112,565	Nexon Co Ltd	1,644,597	2.38%
14,550	Nike Inc	1,084,317	1.57%
129,348	Noah Holdings Ltd	1,035,028	1.50%
9,052	Pernod Ricard SA	976,415	1.41%
67,220	Phoenix Mills Ltd	2,269,445	3.28%
1,018,277	Phu Nhuan Jewelry JSC	3,029,039	4.38%
110,962	Proya Cosmetics Co Ltd	1,340,759	1.94%
98,250	PVR INOX Ltd	1,332,416	1.92%
4,450,000	Robinsons Land Corp	872,882	1.26%
616,600	Samsonite International SA	1,454,713	2.10%
135,000	Sound Global Ltd^	-	-
91,900	Tencent Holdings Ltd	3,465,319	5.01%
1,024,200	Tongcheng-Elong Holdings Ltd	1,611,587	2.33%
61,200	Trip.com Group Ltd	2,321,332	3.35%
735,200	Universal Robina Corp	1,092,032	1.58%
87,500	Varun Beverages Ltd	1,348,443	1.95%
5,889,682	Vietnam Technological And Commercial Joint Stock Bank	4,265,306	6.16%
		69,046,410	99.75%
<b>Portfolio of Investments (30.06.2023: 98.92%)</b>		<b>69,046,410</b>	<b>99.75%</b>
<b>Net other assets (30.06.2023: 1.08%)</b>		<b>176,428</b>	<b>0.25%</b>
		<b>69,222,838</b>	<b>100.00%</b>

^delisted security

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
<b>Total purchases for the year (note 14)</b>	<b>25,973,774</b>
Vietnam Technological And Commercial Joint Stock Bank	1,559,898
Bangkok Dusit Medical Services PCL	1,452,079
Ho Chi Minh City Development Joint Stock Commercial Bank	1,397,921
Boc Aviation Ltd	1,297,423
ITC Ltd	1,166,136
Bank Rakyat Indonesia (Persero) Tbk PT	1,142,837
New Oriental Education & Technology Group Inc	1,141,730
Mobile World Investment Corp	1,120,965
Ciputra Development Tbk PT	1,086,758
Minor International PCL	1,064,036
Other purchases	13,543,991
	£
<b>Total sales for the year (note 14)</b>	<b>37,302,686</b>
Phoenix Mills Ltd	3,583,217
Alibaba Group Holding Ltd (HKD)	2,831,682
L Occitane International SA	2,265,592
Vincom Retail JSC	1,856,948
Varun Beverages Ltd	1,824,611
Robinsons Land Corp	1,718,084
ICICI Bank Ltd	1,716,717
Samsonite International SA	1,649,752
KEI Industries Ltd	1,495,279
FPT Digital Retail JSC	1,362,179
Other sales	16,998,625

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

## STATEMENT OF TOTAL RETURN

For the year ended 30 June			2024	2023
	Notes	£	£	£
Income				
Net capital gains/(losses)	2		2,308,853	(7,565,990)
Revenue	3	1,375,618		1,241,521
Expenses	4	(710,087)		(766,904)
Interest payable and similar charges	6	(18,888)		(7,458)
Net revenue before taxation		646,643		467,159
Taxation	5	(669,369)		(1,026,357)
Net (expenses) after taxation			(22,726)	(559,198)
Total return before distributions			2,286,127	(8,125,188)
Finance costs: distributions	6		(1,249,465)	(1,146,206)
<b>Changes in net assets attributable to shareholders from investment activities</b>			<b>1,036,662</b>	<b>(9,271,394)</b>

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 30 June		2024	2023
		£	£
<b>Opening net assets attributable to shareholders</b>		78,859,760	79,607,853
Amounts receivable on creation of shares		14,860,503	14,701,521
Amounts payable on cancellation of shares		(26,171,403)	(6,718,345)
Dividends retained		560,572	514,797
Dilution levies		76,744	25,328
Changes in net assets attributable to shareholders from investment activities (see above)		1,036,662	(9,271,394)
<b>Closing net assets attributable to shareholders</b>		<b>69,222,838</b>	<b>78,859,760</b>

## BALANCE SHEET

As at	30.06.2024		30.06.2023	
	£	£	£	£
<b>FIXED ASSETS</b>				
Investment assets		69,046,410		78,008,952
<b>CURRENT ASSETS</b>				
Debtors	7	767,552		775,637
Cash and bank balances	8	<u>2,345,566</u>		<u>1,695,227</u>
<b>Total current assets</b>		<u>3,113,118</u>		<u>2,470,864</u>
<b>Total assets</b>		72,159,528		80,479,816
<b>CURRENT LIABILITIES</b>				
Creditors	9	(1,806,013)		(891,095)
Bank overdrafts	8	(615,847)		(75,583)
Distribution payable on income shares		<u>(514,830)</u>		<u>(653,378)</u>
<b>Total current liabilities</b>		<u>(2,936,690)</u>		<u>(1,620,056)</u>
<b>Net assets attributable to shareholders</b>		<u>69,222,838</u>		<u>78,859,760</u>

## NOTES TO THE FINANCIAL STATEMENTS

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### For the year ended 30 June 2024

#### 1 Accounting policies

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. All expenses are then reallocated to capital, net of any tax effect for distribution purposes.
- (d) Distributions on equities are recognised when the security is quoted ex-dividend. Interest on deposits is accounted for on an accruals basis.
- (e) The ordinary element of stocks received in lieu of cash dividends is recognised as revenue of the Sub-fund, and where applicable is included in the distribution. In the case of an enhanced stock dividend the value of the enhancement is treated as capital.
- (f) Special dividends are treated as either revenue or a repayment of capital depending on the facts of each particular case. Where the receipt of a special dividend results in a significant reduction in the capital value or where the distribution arises from an underlying capital event such as a merger or disposal these would typically be considered as capital so as to ensure that the matching principle is applied to gains and losses. Otherwise, the special dividend would typically be recognised as revenue. Where special dividends are treated as revenue, they are included in the amount available for distribution. The tax accounting treatment follows the principal amount.
- (g) The listed investments are stated at their fair value at the balance sheet date. In deciding fair value, the valuation point is 12 noon on 28 June 2024 with reference to quoted bid prices from reliable external sources. Unlisted or suspended investments are valued by the AFM considering where appropriate, latest dealing prices, valuations from reliable sources, financial performance, and other relevant factors.
- (h) All transactions in foreign currencies are converted into Sterling at the rate of exchange ruling at the dates of such transactions. Foreign currency assets and liabilities at the end of the accounting period are translated at the exchange rates at 12 noon on 28 June 2024.
- (i) Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay less or receive more tax.

Deferred tax assets are recognised only to the extent that the AFM considers that it is more likely than not there will be taxable profits from which underlying timing differences can be deducted. A deferred tax liability arises on the capital gains tax on the unrealised gains on Indian investments, which is charged to capital. The deferred tax liability has been calculated using the 10% Indian capital gains tax rate, as the Sub-fund has a long term investment focus and it is likely the Indian investments will be held for longer than 12 months.

- (j) Tax is provided using tax rates and laws which have been enacted or substantively enacted at the balance sheet date.
- (k) In certain circumstances the AFM may charge a dilution levy on the sale or repurchase of shares. The levy, which is paid into the Sub-fund, is intended to cover 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 Sub-fund used for Net Asset Value (NAV)
- (l) The Sub-fund currently issues Accumulation & Income shares. The Sub-fund goes ex dividend 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 Sub-fund (or if it no longer exists the AFM). Application to claim distributions that have not been paid should be made to the AFM before this six year period has elapsed.

For the treatment of expenses revert to policy 'c' and special dividends revert to policy 'f'.

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued revenue included in the purchase price of the shares. It is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

<b>2 Net capital gains/(losses)</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
The net capital gains/(losses) comprise:		
Non-derivative securities gains/(losses)	2,367,183	(6,549,171)
Derivative contract (losses)	-	(857,354)
Currency (losses)	(49,358)	(145,137)
Transaction charges	(8,972)	(14,328)
Total net capital gains/(losses)	<u>2,308,853</u>	<u>(7,565,990)</u>
<b>3 Revenue</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Non-taxable dividends	1,308,046	1,208,073
Bank interest	67,572	33,448
Total revenue	<u>1,375,618</u>	<u>1,241,521</u>
<b>4 Expenses</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
<b>Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:</b>		
Annual management charge	558,997	601,662
<b>Payable to the depositary, associates of the depositary, and agents of either of them:</b>		
Depositary fee	25,695	29,709
Safe custody fee	60,349	64,122
	<u>86,044</u>	<u>93,831</u>
<b>Other expenses:</b>		
Audit fee	12,073	10,020
Other expenses	52,973	61,391
	<u>65,046</u>	<u>71,411</u>
Total expenses	<u>710,087</u>	<u>766,904</u>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 5 Taxation

	2024	2023
	£	£

#### (a) Analysis of charge in the year

Indian capital gains tax	567,302	938,086
Irrecoverable overseas withholding tax	102,067	88,271
Total tax charge for the year (note 5b)	669,369	1,026,357

#### (b) Factors affecting current tax charge for the year

The tax assessed for the year is higher 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	646,643	467,159
Corporation tax at 20.00% (2023: 20.00%)	129,329	93,432
Effects of:		
Revenue not subject to UK corporation tax	(261,610)	(241,615)
Excess management expenses	132,281	148,183
Indian capital gains tax	567,302	938,086
Irrecoverable overseas withholding tax	102,067	88,271
Total tax charge for the year (note 5a)	669,369	1,026,357

#### (c) Provision for deferred taxation

At 30 June 2024 there is a potential deferred tax asset of £822,936 (30 June 2023: £690,655) in relation to surplus management expenses.

### 6 Finance costs

	2024	2023
	£	£

Final dividend distribution	1,075,402	1,168,175
	1,075,402	1,168,175

Add: Revenue deducted on cancellation of shares	241,824	37,057
Deduct: Revenue received on issue of shares	(67,761)	(59,026)

<b>Net distribution for the year</b>	1,249,465	1,146,206
Interest payable and similar charges	18,888	7,458
<b>Total finance costs</b>	1,268,353	1,153,664

#### Reconciliation of distributions

Net expenses after taxation	(22,726)	(559,198)
Expenses paid from capital	710,087	766,904
Tax relief allocated to capital	(9,737)	(5,198)
Indian capital gains tax taken to capital	567,302	938,086
Balance brought forward	(5,198)	414
Balance carried forward	9,737	5,198
<b>Net distribution for the year</b>	1,249,465	1,146,206



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

<b>7 Debtors</b>	<b>30.06.2024</b>	<b>30.06.2023</b>
	<b>£</b>	<b>£</b>
Amounts receivable on creation of shares	8,841	41,297
Amounts receivable on unsettled trades	383,583	541,474
Amounts receivable from custodian	3,158	-
Accrued revenue:		
Non-taxable dividends receivable	354,302	175,324
Withholding tax recoverable	14,861	16,877
Prepayments	2,807	665
<b>Total debtors</b>	<b>767,552</b>	<b>775,637</b>

  

<b>8 Cash and bank balances</b>	<b>30.06.2024</b>	<b>30.06.2023</b>
	<b>£</b>	<b>£</b>
Cash and bank balances	2,345,566	1,695,227
Bank overdraft	(615,847)	(75,583)

  

<b>9 Creditors</b>	<b>30.06.2024</b>	<b>30.06.2023</b>
	<b>£</b>	<b>£</b>
Amounts payable on cancellation of shares	912,070	33,825
Amounts payable on unsettled trades	62,061	-
<b>Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:</b>		
Annual management charge	42,111	53,537
<b>Payable to the depositary, associates of the depositary and agents of either of them:</b>		
Depositary fee	1,935	2,378
Safe custody and other custodian charges	41,512	56,071
	<b>43,447</b>	<b>58,449</b>
Indian capital gains tax provision	728,351	723,881
Audit fee	10,590	9,137
Other accrued expenses	7,383	12,266
	<b>1,806,013</b>	<b>891,095</b>

# 10 Risk management policies

In pursuing its investment objective as stated on page 7, the Sub-fund holds a number of financial instruments. The Sub-fund's financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued revenue.

The main risks arising from the Sub-fund's financial instruments, those of its underlying holdings and the AFM's policies for managing these risks are summarised below. These policies have been applied throughout the year.

## Market price risk

Market price risk is the risk that the value of the Sub-fund's investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the Sub-fund holds. It represents the potential loss the Sub-fund might suffer through holding market positions in the face of price movements.

The Sub-fund's investment portfolio is exposed to market price fluctuations, which are monitored by the AFM in pursuance of the investment objective and policy as set out in the Prospectus, and managed by the diversification of the portfolio.

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 June 2024 would have increased/decreased by £6,904,641 (30 June 2023: £7,800,895).

## Interest rate risk

Interest rate risk is the risk to portfolio value due to changes in interest rates. The magnitude of the exposure from an adverse change in interest rates depends on the sensitivity of the instrument to changes in interest rates as well as the absolute change in interest rates. In general, values of long-term instruments are more sensitive to interest rate changes than the values of short-term instruments.

The Sub-fund takes on interest rate risk when the investment manager believes the expected returns compensate for the risk, limited by the investment objective, policy and any prospectus rules. The investment manager monitors the level of interest rate risk in the Sub-fund on a regular basis. In addition any cash deposits in the Sub-fund are linked to SONIA, ensuring interest income increases as interest rates increase.

	30.06.2024	30.06.2023
	£	£
Financial assets floating rate	2,345,566	1,695,227
Financial assets interest bearing instruments	-	-
Financial assets non-interest bearing instruments	69,813,962	78,784,589
Financial liabilities non-interest bearing instruments	(2,320,843)	(1,544,473)
Financial liabilities floating rate	(615,847)	(75,583)
	<b>69,222,838</b>	<b>78,859,760</b>

At 30 June 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 Sub-fund would increase or decrease by approximately £4,324 (30 June 2023: £4,049).

## 10 Risk management policies (Continued)

### Foreign currency risk

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

The Sub-fund's investment portfolio is invested in equities, some of which can be registered overseas and the balance sheet can be affected by movements in foreign exchange rates. The AFM may seek to manage exposure to currency movements for equities and any bank accounts held in foreign currencies 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.

Net currency assets and liabilities consist of:

	Net monetary assets and liabilities		Non-monetary assets		Total net assets	
	£		£		£	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023	30.06.2024	30.06.2023
Sterling	(642,207)	(616,022)	-	-	(642,207)	(616,022)
Euro	15,287	16,877	976,416	2,333,731	991,703	2,350,608
Hong Kong dollar	386,047	281,598	19,427,703	28,905,347	19,813,750	29,186,945
Indonesian rupiah	117,295	-	7,013,865	5,814,050	7,131,160	5,814,050
Japanese yen	5,613	1,790	1,644,597	1,090,092	1,650,210	1,091,882
Philippine peso	-	434,829	4,517,112	4,860,267	4,517,112	5,295,096
Thai Baht	(22,700)	-	5,301,978	3,083,502	5,279,278	3,083,502
Indian rupee	(316,831)	337,763	14,826,719	17,069,847	14,509,888	17,407,610
United States dollar	(248,284)	293,300	2,119,344	4,152,960	1,871,060	4,446,260
Chinese yuan	(71,576)	-	1,340,759	1,116,124	1,269,183	1,116,124
Vietnamese đồng	953,787	100,673	11,877,917	9,583,032	12,831,704	9,683,705
Swiss franc	(3)	-	-	-	(3)	-
Total	176,428	850,808	69,046,410	78,008,952	69,222,838	78,859,760

Note: A movement of 10% in the currency exchange rates on foreign currency denominated assets (prior to the effect of currency hedging on applicable share classes) will affect the Sub-fund by £6,986,505 (30 June 2023: £7,947,578).

### Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 30 June 2024 are payable either within one year or on demand.

### Liquidity risk

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

### Credit risk

Certain transactions in securities that the Sub-fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Sub-fund has fulfilled its responsibilities. The Sub-fund only buys and sells investments through brokers which have been approved by the AFM as acceptable counterparties and fund management companies. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers' financial ratings are reviewed.

Credit risk also arises on cash held within financial institutions. Credit risk on cash balances is mitigated by ensuring that cash is held with financial institutions that are at least investment grade credit related.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 10 Risk management policies (Continued)

#### Fair value disclosure

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices and the lowest priority to unobservable 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.

	30.06.2024		30.06.2023	
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	69,046	-	76,762	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1	-	-	1,247	-
Level 3: Valuation techniques using unobservable inputs.	-	-	-	-
Total	69,046	-	78,009	-

The Sub-fund holds a security, Sound Global Ltd, which was delisted on 13 September 2022. Due to the lack of information available to the public, the AFM Fair Value Pricing Committee have priced this stock as £Nil value and continue to monitor on a regular basis.

### 11 Shares held

	Accumulation GBP	Accumulation USD	Income GBP
<b>Class B Net</b>			
<b>Opening Shares at 01.07.2023</b>	<b>7,277,978</b>	<b>1,522,872</b>	<b>2,199,928</b>
Shares issued during the year	774,262	2,420,116	82,284
Shares cancelled during the year	(1,014,840)	(298,481)	(1,057,682)
Shares converted during the year	-	-	-
<b>Closing Shares as at 30.06.2024</b>	<b>7,037,400</b>	<b>3,644,507</b>	<b>1,224,530</b>

	Accumulation GBP	Accumulation USD	Income GBP
<b>Class C Net</b>			
<b>Opening Shares at 01.07.2023</b>	<b>12,307,958</b>	<b>5,041,359</b>	<b>29,624,229</b>
Shares issued during the year	-	-	4,162,609
Shares cancelled during the year	(3,762,605)	-	(10,086,395)
Shares converted during the year	-	-	(15,831,806)
<b>Closing Shares as at 30.06.2024</b>	<b>8,545,353</b>	<b>5,041,359</b>	<b>7,868,637</b>

	Income GBP
<b>Class D Net</b>	
<b>Opening Shares at 14.02.2024</b>	<b>-</b>
Shares issued during the period	5,312,954
Shares cancelled during the period	(2,987,335)
Shares converted during the period	22,034,564
<b>Closing Shares as at 30.06.2024</b>	<b>24,360,183</b>

### 12 Contingent assets and liabilities

At 30 June 2024, the Sub-fund had no contingent liabilities or commitments (30 June 2023: £nil).

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 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 28 June 2024. Since that date, the Sub-fund's quoted price has moved as follows for each share class:

Share class	Price at 28 June 2024	Price at 29 October 2024
Class B Net Accumulation GBP	158.4883p	164.1014p
Class B Net Accumulation USD	126.4010c	134.3861c
Class B Net Income GBP	137.5174p	142.3878p
Class C Net Accumulation GBP	161.6438p	167.4813p
Class C Net Accumulation USD	82.3489c	87.6097c
Class C Net Income GBP	140.1933p	145.2561p
Class D Net Income GBP	101.3695p	105.0480p

### 14 Direct transaction costs

	2024	% of total	2023	% of total
Analysis of total purchase costs	£	purchases	£	purchases
Purchases in the year before transaction costs	25,923,049		30,755,237	
Commissions	35,567	0.14%	32,694	0.11%
Taxes & Levies	15,158	0.06%	28,853	0.09%
Total purchase costs	50,725	0.20%	61,547	0.20%
Total purchases including transaction costs	25,973,774		30,816,784	

	2024	% of total	2023	% of total
Analysis of total sale costs	£	sales	£	sales
Sales in the year before transaction costs	37,401,196		20,102,751	
Commissions	(45,496)	(0.12%)	(20,195)	(0.10%)
Taxes & Levies	(53,014)	(0.14%)	(30,446)	(0.15%)
Total sale costs	(98,510)	(0.26%)	(50,641)	(0.25%)
Total sales net of transaction costs	37,302,686		20,052,110	

The following represents the total of each type of transaction cost, expressed as a percentage of the Sub-fund's average net asset value in the year:

	2024	% of average	2023	% of average
	£ net asset value		£ net asset value	
Commissions	81,063	0.11%	52,889	0.06%
Taxes & Levies	68,172	0.10%	59,299	0.07%
	149,235	0.21%	112,188	0.13%

### 15 Portfolio Dealing Spread

The average portfolio dealing spread at 30 June 2024 is 0.27% (30 June 2023: 0.26%).

### 16 Related Party transactions

Valu-Trac Investment Management Limited, as AFM is a related party due to its ability to act in respect of the operations of the Sub-fund.

Amounts paid to the AFM and its associates are disclosed in note 4. The amounts due to the AFM and its associates at the balance sheet date are disclosed in note 9.

## DISTRIBUTION TABLES

### Final 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 30 June 2024

<b>Class B Net Accumulation GBP</b>	<b>Net Revenue 30.08.2024</b>	<b>Equalisation</b>	<b>Distribution 30.08.2024</b>	<b>Distribution 31.08.2023</b>
Group 1	2.7868p	-	2.7868p	2.2557p
Group 2	1.7097p	1.0771p	2.7868p	2.2557p

<b>Class B Net Accumulation USD</b>	<b>Net Revenue 30.08.2024</b>	<b>Equalisation</b>	<b>Distribution 30.08.2024</b>	<b>Distribution 31.08.2023</b>
Group 1	1.7574p	-	1.7574p	1.4225p
Group 2	1.3637p	0.3937p	1.7574p	1.4225p

<b>Class B Net Income GBP</b>	<b>Net Revenue 30.08.2024</b>	<b>Equalisation</b>	<b>Distribution 30.08.2024</b>	<b>Distribution 31.08.2023</b>
Group 1	2.4614p	-	2.4614p	2.0220p
Group 2	2.0080p	0.4534p	2.4614p	2.0220p

<b>Class C Net Accumulation GBP</b>	<b>Net Revenue 30.08.2024</b>	<b>Equalisation</b>	<b>Distribution 30.08.2024</b>	<b>Distribution 31.08.2023</b>
Group 1	2.8404p	-	2.8404p	2.2942p
Group 2	2.8404p	-	2.8404p	2.2942p

<b>Class C Net Accumulation USD</b>	<b>Net Revenue 30.08.2024</b>	<b>Equalisation</b>	<b>Distribution 30.08.2024</b>	<b>Distribution 31.08.2023</b>
Group 1	1.1442p	-	1.1442p	0.9242p
Group 2	1.1442p	-	1.1442p	0.9242p

<b>Class C Net Income GBP</b>	<b>Net Revenue 30.08.2024</b>	<b>Equalisation</b>	<b>Distribution 30.08.2024</b>	<b>Distribution 31.08.2023</b>
Group 1	2.5075p	-	2.5075p	2.0554p
Group 2	1.8701p	0.6374p	2.5075p	2.0554p

<b>Class D Net Income GBP</b>	<b>Net Revenue 30.08.2024^</b>	<b>Equalisation</b>	<b>Distribution 30.08.2024^</b>
Group 1	1.1797p	-	1.1797p
Group 2	0.6180p	0.5617p	1.1797p

^Distribution period 14 February 2024 to 30 June 2024

### Information for corporate shareholders

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

- i) 95.09% of the total dividend allocation together with the tax credit is received as franked investment income.
- ii) 4.91% 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.

## INFORMATION FOR INVESTORS

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### Distribution

Distributions of the revenue of the Company will be made to shareholders on or before 31 August each year.

### Taxation

The company will pay no corporation tax on its profits for the year to 30 June 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 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 £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 8.30am to 5.30pm. Instructions may be given by email to [halo@valu-trac.com](mailto:halo@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 Company's net assets at 12:00 each business 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 four business days after the trade date shown on 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 most recent issue and redemption prices are available from the AFM.

### Assessment of Value

The AFM conducts an assessment of value for the Sub-fund each year. The assessment of value report is 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 Sub-fund along with an entity level TCFD report. The latest reports can be obtained from [https://www.valu-trac.com/administration-services/tcfd\\_reports](https://www.valu-trac.com/administration-services/tcfd_reports).

## INFORMATION FOR INVESTORS (Continued)

### Remuneration disclosure

The AFM is subject to a remuneration policy which meets the requirements of the Undertakings for Collective Investment in Transferable Securities Directive (UCITS) as set out in SYSC 19E of the FCA Handbook.

The policy is designed to ensure practices for employee remuneration are consistent with, and promote, sound and effective risk management. It does not encourage risk-taking which is inconsistent with the risk profiles, rules or instrument of incorporation of the funds managed, and does not impair the AFM compliance with its duty to act in the best interests of the funds it manages.

The AFM has reviewed the Remuneration Policy and its application in the last year which has resulted in no material changes to the policy or irregularities to process.

The AFM is required to disclose the total remuneration it pays to its staff during the financial year, split into fixed and variable remuneration, with separate aggregate disclosure for staff whose actions may have a material impact to the risk profile of a fund or the AFM itself. This includes executives, senior risk and compliance staff and certain senior managers.

28 May 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	-	£4,475,392
Total severance payments		-	-	-

Further information is available in the AFM's Remuneration Policy document which can be obtained from [www.valu-trac.com](http://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

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<b>Authorised Fund Manager &amp; Registrar</b>	<p>Valu-Trac Investment Management Limited Orton Moray IV32 7QE</p> <p>Telephone: 01343 880344 Fax: 01343 880267 E-mail: halo@valu-trac.com</p> <p>Authorised and regulated by the Financial Conduct Authority Registered in England No 2428648</p>
<b>Investment Manager</b>	<p>Halo Global Asset Management Ltd Wades House Barton Stacey Winchester Hampshire SO21 3RJ</p> <p>Authorised and regulated by the Financial Conduct Authority</p>
<b>Depository</b>	<p>NatWest Trustee and Depositary Services Limited House A, Floor 0 Gogarburn 175 Glasgow Road Edinburgh EH12 1HQ</p> <p>Authorised and regulated by the Financial Conduct Authority</p>
<b>Auditor</b>	<p>Johnston Carmichael LLP Strathlossie House Kirkhill Avenue Elgin IV30 8DE</p>