

VT SG DEFINED RETURN ASSETS ICVC

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

**Annual Report and Financial Statements
For the year ended 31 July 2023**

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COMPANY OVERVIEW

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

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

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

David Fraser FCCA

David E. Smith CA

Valu-Trac Investment Management Limited
Authorised Fund Manager

Date:

STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES AND REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS OF VT SG DEFINED RETURN ASSETS ICVC

For the year ended 31 July 2023

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 August 2023

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VT SG DEFINED RETURN ASSETS ICVC (SUB-FUND VT SG UK DEFINED RETURN ASSETS FUND)

Opinion

We have audited the financial statements of VT SG Defined Return Assets ICVC ("the Company") for the year ended 31 July 2023 which comprise the Statement of Total Return, Statement of Changes in Net Assets Attributable to Shareholders, Balance Sheet and the related Notes to the Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- > give a true and fair view of the financial position of the Company at 31 July 2023 and of the net expenses and the net capital gains on the scheme property of the Company for the year then ended; and
- > have been properly prepared in accordance with the IA Statement of Recommended Practice for Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority and the Instrument of Incorporation.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are described further in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Going Concern

In auditing the financial statements, we have concluded that the Authorised Fund Manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Authorised Fund Manager with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Authorised Fund Manager is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on Other Matters Prescribed by the COLL Regulations

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

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

Responsibilities of the Authorised Fund Manager

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, is detailed below.

We assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations by considering their experience, past performance and support available.

All engagement team members were briefed on relevant identified laws and regulations and potential fraud risks at the planning stage of the audit. Engagement team members were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- > UK Generally Accepted Accounting Practice including Financial Reporting Standard 102 and the IA Statement of Recommended Practice for Authorised Funds;
- > the Financial Conduct Authority's Collective Investment Schemes Sourcebook; and
- > the Company's Prospectus.

We gained an understanding of how the Company is complying with these laws and regulations by making enquiries of the Authorised Fund Manager. We corroborated these enquiries through our review of any relevant correspondence with regulatory bodies and the Company's breaches register.

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur, by meeting with management to understand where it was considered there was susceptibility to fraud. This evaluation also considered how the Authorised Corporate Director was remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how the Authorised Corporate Director 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

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

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

In addition to the above, the following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

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

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

Use of Our Report

This report is made solely to the Company's shareholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ("the COLL Rules") issued by the Financial Conduct Authority under the Open-Ended Investment Companies Regulations 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Johnston Carmichael LLP
Chartered Accountants
Statutory Auditor
Elgin

Date

SUB-FUND OVERVIEW

| | |
|---|--|
| Name of Sub-fund | VT SG UK Defined Return Assets Fund |
| Size of Sub-fund | £21,817,433 |
| Launch date | 31 January 2018 |
| Sub-fund objective and policy | <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> |
| Derivatives | Derivatives will be used for the purposes of meeting the Sub-fund's investment objectives and may be used for efficient portfolio management purposes. |
| Benchmark | 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)). |
| Ex-distribution dates | 31 July and 31 January |
| Distribution dates | 30 September and 31 March |
| Individual Savings Account (ISA) | The Sub-fund is a qualifying investment for inclusion in an ISA. |
| Minimum investment* | |
| 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.

Annual management charges

The annual management charge is comprised of a fixed element and variable element as noted below.

The fixed element, which is equal to £30,000 per annum, increasing by the rise in the Consumer Price Index from 1 August 2018 and on 1 August annually. In the event of negative inflation, the fixed element of the fee will remain unchanged.

The variable element in respect of the Class A shares is equal to 0.375% per annum of the net asset value of the Class A shares.

INVESTMENT MANAGER'S REVIEW

Performance

During the Financial Period 1st August 2022 to 31st July 2023 the Fund increased by 5.10% which compares with the FTSE 100 Total Return index which rose 7.76% over the same period. This was achieved with a considerably lower level of annualised daily return volatility than the market during the period (6.3% vs 12.1%).

Review

Since launch on 1st February 2018 the Fund has delivered a return of +24.26% vs the FTSE 100 Total Return index which has risen by +26.58% to 31st July 2023.

During this 12-month period, 11 of the 12 legs triggered as the FTSE 100 recovered, the exception being the October leg which did not trigger. A summary of the changes is highlighted in the table below. The cumulative effect of these switches has been that the Gross Redemption Yield (GRY) at the end of July 2023 has increased to 8.33% with all contracts currently above the 80% barrier.

| Month | Strike Level | | Coupon | |
|-----------|--------------|---------|--------|-------|
| | Old | New | Old | New |
| August | 7667.01 | 7488.15 | 6.05% | 6.30% |
| September | 7029.20 | 7251.71 | 5.06% | 7.00% |
| October | 7095.55 | 7095.55 | 4.65% | 4.65% |
| November | 7328.54 | 7296.25 | 5.58% | 7.20% |
| December | 7321.26 | 7489.19 | 4.78% | 6.77% |
| January | 7587.85 | 7724.94 | 5.80% | 6.65% |
| February | 7643.42 | 7885.17 | 5.55% | 6.20% |
| March | 7190.72 | 7929.92 | 7.30% | 6.35% |
| April | 7551.81 | 7785.72 | 6.05% | 6.35% |
| May | 7216.58 | 7741.33 | 7.00% | 6.70% |
| June | 7593.00 | 7624.34 | 6.00% | 7.30% |
| July | 7189.08 | 7256.94 | 6.67% | 7.80% |

Source : Valu-Trac Investment Management Limited

| Asset Months Ref | Strike Level | Coupon | Strike Date | Next Autocall Date | Next Valuation Date | Assumed duration / time to tick-out - years | GRY* | Autocall Coupons | | | | | |
|---------------------|-----------------|--------|-------------|--------------------------|---------------------------|--|--------|------------------|--------------|-------------|-------------|-------------|-------------|
| | | | | | | | | Autocall #1 | Autocall #2 | Autocall #3 | Autocall #4 | Autocall #5 | Autocall #6 |
| | | | | | | | | (100% Level) | (100% Level) | (95% Level) | (90% Level) | (85% Level) | (80% Level) |
| January | 7724.94 | 6.65% | 09/01/23 | 05/01/24 | 05/01/29 | 2.44 | 7.40% | 106.65% | 113.30% | 119.95% | 126.60% | 133.25% | 139.90% |
| February | 7685.17 | 6.20% | 08/02/23 | 05/02/24 | 05/02/29 | 2.52 | 7.53% | 106.20% | 112.40% | 118.60% | 124.80% | 131.00% | 137.20% |
| March | 7929.92 | 6.35% | 08/03/23 | 05/03/24 | 05/03/29 | 2.60 | 7.80% | 106.35% | 112.70% | 119.05% | 125.40% | 131.75% | 138.10% |
| April | 7785.72 | 6.35% | 11/04/23 | 05/04/24 | 05/04/29 | 2.69 | 7.55% | 106.35% | 112.70% | 119.05% | 125.40% | 131.75% | 138.10% |
| May | 7741.33 | 6.70% | 10/05/23 | 07/05/24 | 08/05/29 | 2.76 | 7.62% | 106.70% | 113.40% | 120.10% | 126.80% | 133.50% | 140.20% |
| June | 7624.34 | 7.30% | 07/06/23 | 05/06/24 | 05/06/29 | 0.85 | 11.81% | 107.30% | 114.60% | 121.90% | 129.20% | 136.50% | 143.80% |
| July | 7256.94 | 7.80% | 07/07/23 | 05/07/24 | 05/07/29 | 0.93 | 9.67% | 107.80% | 115.60% | 123.40% | 131.20% | 139.00% | 146.80% |
| August | 7488.15 | 6.30% | 09/08/22 | 07/08/23 | 07/08/28 | 0.02 | 19.27% | 106.30% | 112.60% | 118.90% | 125.20% | 131.50% | 137.80% |
| September | 7237.83 | 7.00% | 07/09/22 | 05/09/23 | 05/09/28 | 0.10 | 13.12% | 107.90% | 114.00% | 121.00% | 128.00% | 135.00% | 142.00% |
| October | 7095.55 | 4.65% | 08/10/21 | 05/10/23 | 05/10/27 | 0.18 | 12.79% | - | 109.30% | 113.95% | 118.60% | 123.25% | 127.90% |
| November | 7573.05 | 7.20% | 09/11/22 | 06/11/23 | 06/11/28 | 0.27 | 13.33% | 107.20% | 114.40% | 121.60% | 128.80% | 136.00% | 143.20% |
| December | 7489.19 | 6.77% | 07/12/22 | 05/12/23 | 05/12/28 | 0.35 | 14.85% | 106.77% | 113.54% | 120.31% | 127.08% | 133.85% | 140.62% |

FUND 1.31 8.33%

* per annum

Bold Autocall Coupons are the current potential returns based on the level of the FTSE 100 as of the 31st July 2023.

The current assumed duration has increased from 0.98 years on July 31st 2022 to 1.31 years at July 31st 2023 as summarised in the table above.

INVESTMENT MANAGER'S REVIEW (Continued)

Outlook

UK inflation has continued its sharp contraction and has fallen to 6.7% in the year to August 2023 despite the forecasts that latest figures would see it increase. UK inflation is now at the lowest level since March 2022. The Prime Minister has set a target of halving inflation from its 11% peak seen in October 2022 by the end of this year and there is now more optimism that this may be achieved. Inflationary pressures continue against a headwind of rising oil prices, but this is partly being offset by slowing food price increases.

The forecast for the UK economy is that it will avoid a recession but that growth in GDP will remain low at around 0.4% and it will now take longer for the inflation rate to return to the Bank of England's target of 2%. This could now take until late 2025.

Interest rates have experienced 14 consecutive rises with the rate reaching 5.25% in August 2023. In a surprise move the Bank of England narrowly voted 5-4 to hold rates at their September meeting. There are now signs that the run of rate rises is starting to bring inflation under control. As noted by the governor of the Bank of England, "there is no room for complacency", so hopefully the markets may now take some confidence that the Bank of England's efforts to stem rising inflation are maybe having a positive impact. It remains to be seen over the coming months if this is an isolated period or setting a trend for the year ahead.

Valu-Trac Investment Management Limited
Investment Manager to the Fund
22 September 2023

PERFORMANCE RECORD

Financial Highlights

Class A (Net Accumulation)

| | Year ended 31 July 2023 | Year ended 31 July 2022 | Year ended 31 July 2021 |
|--|----------------------------|----------------------------|----------------------------|
| Changes in net assets per share | GBp | GBp | GBp |
| Opening net asset value per share | 118.2300 | 114.5570 | 100.0244 |
| Return before operating charges | 6.8894 | 4.3597 | 15.1763 |
| Operating charges (note 1) | (0.8608) | (0.6867) | (0.6437) |
| Return after operating charges * | 6.0286 | 3.6730 | 14.5326 |
| Closing net asset value per share | 124.2586 | 118.2300 | 114.5570 |
| Retained distributions on accumulated shares | 0.0244 | - | - |
| *after direct transactions costs of: | - | - | - |
| Performance | | | |
| Return after charges | 5.10% | 3.21% | 14.53% |
| Other information | | | |
| Closing net asset value | £21,817,434 | £30,303,105 | £45,862,843 |
| Closing number of shares | 17,558,092 | 25,630,628 | 40,034,939 |
| Operating charges (note 2) | 0.71% | 0.59% | 0.60% |
| Direct transaction costs | 0.00% | 0.00% | 0.00% |
| Prices | | | |
| Highest share price | 124.2586 | 119.5766 | 115.2652 |
| Lowest share price | 113.0569 | 111.9754 | 92.7889 |

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 2022 ranked: 5). The Sub-fund is ranked '6' because monthly historical performance data indicates that it has experienced significant rises and falls in market prices historically.

PORTFOLIO STATEMENT

As at 31 July 2023

| | | Value £ | % of net assets |
|--|-----------------------------------|-------------------|-----------------|
| AUTOCALLS | | | |
| 1,705 | SocGen Autocall Maturity Oct/2027 | 1,818,554 | 8.34% |
| 1,738 | SocGen Autocall Maturity Aug/2028 | 1,833,613 | 8.40% |
| 1,788 | SocGen Autocall Maturity Sep/2028 | 1,886,146 | 8.65% |
| 1,774 | SocGen Autocall Maturity Nov/2028 | 1,836,574 | 8.42% |
| 1,803 | SocGen Autocall Maturity Dec/2028 | 1,829,481 | 8.39% |
| 1,803 | SocGen Autocall Maturity Jan/2029 | 1,798,984 | 8.25% |
| 1,816 | SocGen Autocall Maturity Feb/2029 | 1,774,811 | 8.13% |
| 1,850 | SocGen Autocall Maturity Mar/2029 | 1,792,537 | 8.22% |
| 1,817 | SocGen Autocall Maturity Apr/2029 | 1,763,193 | 8.08% |
| 1,824 | SocGen Autocall Maturity May/2029 | 1,764,822 | 8.09% |
| 1,844 | SocGen Autocall Maturity Jun/2029 | 1,798,619 | 8.24% |
| 1,876 | SocGen Autocall Maturity Jul/2029 | 1,850,659 | 8.47% |
| | | <hr/> | |
| | | 21,747,993 | 99.68% |
| | | <hr/> | |
| Portfolio of investments (31.07.2022: 98.94%) | | 21,747,993 | 99.68% |
| Net other assets (31.07.2022: 1.06%) | | 69,440 | 0.32% |
| | | <hr/> | |
| | | 21,817,433 | 100.00% |
| | | <hr/> | |

SUMMARY OF MATERIAL PORTFOLIO CHANGES

| | £ |
|---|-------------------|
| Total purchases for the year (Note 14) | 25,369,551 |
| SocGen Autocall Maturity Apr/2028 | 68,238 |
| SocGen Autocall Maturity Apr/2029 | 2,063,738 |
| SocGen Autocall Maturity Aug/2028 | 2,615,873 |
| SocGen Autocall Maturity Dec/2027 | 68,564 |
| SocGen Autocall Maturity Dec/2028 | 2,312,416 |
| SocGen Autocall Maturity Feb/2028 | 68,547 |
| SocGen Autocall Maturity Feb/2029 | 2,217,339 |
| SocGen Autocall Maturity Jan/2026 | 61,189 |
| SocGen Autocall Maturity Jan/2029 | 2,312,247 |
| SocGen Autocall Maturity Jul/2028 | 70,070 |
| SocGen Autocall Maturity Jul/2029 | 1,939,969 |
| SocGen Autocall Maturity Jun/2028 | 69,312 |
| SocGen Autocall Maturity Jun/2029 | 1,978,036 |
| SocGen Autocall Maturity Mar/2028 | 68,699 |
| SocGen Autocall Maturity Mar/2029 | 2,177,511 |
| SocGen Autocall Maturity May/2028 | 67,923 |
| SocGen Autocall Maturity May/2029 | 2,050,084 |
| SocGen Autocall Maturity Nov/2025 | 60,548 |
| SocGen Autocall Maturity Nov/2028 | 2,384,606 |
| SocGen Autocall Maturity Oct/2027 | 67,923 |
| SocGen Autocall Maturity Sep/2028 | 2,646,719 |
| | |
| | £ |
| Total sales for the year (Note 14) | 35,058,551 |
| SocGen Autocall Maturity Apr/2028 | 2,692,539 |
| SocGen Autocall Maturity Apr/2029 | 245,722 |
| SocGen Autocall Maturity Aug/2024 | 2,546,646 |
| SocGen Autocall Maturity Aug/2028 | 872,971 |
| SocGen Autocall Maturity Dec/2027 | 2,689,823 |
| SocGen Autocall Maturity Dec/2028 | 510,493 |
| SocGen Autocall Maturity Feb/2028 | 2,758,360 |
| SocGen Autocall Maturity Feb/2029 | 344,457 |
| SocGen Autocall Maturity Jan/2026 | 2,649,060 |
| SocGen Autocall Maturity Jan/2029 | 510,456 |
| SocGen Autocall Maturity Jul/2028 | 2,765,206 |
| SocGen Autocall Maturity Jul/2029 | 62,260 |
| SocGen Autocall Maturity Jun/2028 | 2,727,772 |
| SocGen Autocall Maturity Jun/2029 | 131,767 |
| SocGen Autocall Maturity Mar/2028 | 2,740,555 |
| SocGen Autocall Maturity Mar/2029 | 325,414 |
| SocGen Autocall Maturity May/2028 | 2,697,126 |
| SocGen Autocall Maturity May/2029 | 224,146 |
| SocGen Autocall Maturity Nov/2025 | 2,623,949 |
| SocGen Autocall Maturity Nov/2028 | 611,932 |
| SocGen Autocall Maturity Oct/2027 | 856,525 |
| SocGen Autocall Maturity Sep/2027 | 2,617,451 |
| SocGen Autocall Maturity Sep/2028 | 853,921 |

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

STATEMENT OF TOTAL RETURN

For the year ended 31 July

| | | 2023 | 2022 |
|--|-------|------------------|------------------|
| | Notes | £ | £ |
| Income | | | |
| Net capital gains | 2 | 1,446,314 | 1,874,872 |
| Revenue | 3 | 5,180 | 216 |
| Expenses | 4 | (188,345) | (242,341) |
| Interest payable and similar charges | 6 | (65) | (1,187) |
| Net expenses before taxation | | (183,230) | (243,312) |
| Taxation | 5 | - | - |
| Net expenses after taxation | | (183,230) | (243,312) |
| Total return before distributions | | 1,263,084 | 1,631,560 |
| Finance costs: distributions | 6 | (5,115) | - |
| Changes in net assets attributable to shareholders from investment activities | | 1,257,969 | 1,631,560 |

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 July

| | 2023 | 2022 |
|---|-------------------|-------------------|
| | £ | £ |
| Opening net assets attributable to shareholders | 30,306,970 | 45,862,843 |
| Amounts receivable on creation of shares | 9,681,494 | 36,597,700 |
| Amounts payable on cancellation of shares | (19,433,619) | (53,877,851) |
| Dilution levies | - | 92,718 |
| Accumulation dividends retained | 4,619 | - |
| Changes in net assets attributable to shareholders from investment activities (see above) | 1,257,969 | 1,631,560 |
| Closing net assets attributable to shareholders | 21,817,433 | 30,306,970 |

BALANCE SHEET

| As at | | 31.07.2023 | | 31.07.2022 | |
|--|-------|------------|------------|------------|------------|
| | Notes | £ | £ | £ | £ |
| Assets | | | | | |
| Investment assets | | | 21,747,993 | | 29,984,596 |
| Current assets | | | | | |
| Debtors | 7 | 28,543 | | 170,006 | |
| Cash and bank balances | 8 | 432,092 | | 448,458 | |
| Total current assets | | | 460,635 | | 618,464 |
| Total assets | | | 22,208,628 | | 30,603,060 |
| Current liabilities | | | | | |
| Creditors | 9 | (391,034) | | (170,587) | |
| Bank overdrafts | 8 | (161) | | (125,503) | |
| Total current liabilities | | | (391,195) | | (296,090) |
| Net assets attributable to shareholders | | | 21,817,433 | | 30,306,970 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2023

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

1 Accounting policies

- (a) The financial statements have been prepared in compliance with FRS 102 and in accordance with 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) Interest on bank and other cash deposits is recognised on an accruals basis. Returns on autocall transactions have been treated as capital.
- (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) The value of the autocalls is calculated with reference to the price/value of the underlying index and other relevant factors such as interest rates and volatility.
- (g) 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 the closing valuation point on 31 July 2023.
- (h) 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.

- (i) In certain circumstances the AFM may charge a dilution levy on the sale or repurchase of shares. The levy, which is paid into the Sub-fund, is intended to cover certain charges not included in the bid market value of the Sub-fund, used in calculating the share price, which could have a diluting effect on the performance of the Sub-fund.
- (j) The Sub-fund currently issues Accumulation shares. The Sub-fund goes ex dividend semi-annually and pays any income available to the shareholder two months in arrears, as a dividend distribution. Any revenue deficit at the year end is funded from capital.

If a distribution remains unclaimed for a period of six years after it has become due, it will be forfeited and will revert to the relevant 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'.

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)

| | | |
|---|------------------|------------------|
| 2 Net capital gains | 2023 | 2022 |
| | £ | £ |
| The net capital gains comprise: | | |
| Derivative securities gains | 1,452,396 | 1,888,673 |
| Transaction charges | (6,215) | (13,823) |
| Foreign currency gains | 133 | 22 |
| Total net capital gains | <u>1,446,314</u> | <u>1,874,872</u> |
| 3 Revenue | 2023 | 2022 |
| | £ | £ |
| Bank interest | 5,180 | 216 |
| Total revenue | <u>5,180</u> | <u>216</u> |
| 4 Expenses | 2023 | 2022 |
| | £ | £ |
| Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them: | | |
| Annual management charge | 134,337 | 186,407 |
| Payable to the depositary, associates of the depositary, and agents of either of them: | | |
| Depositary fee | 18,099 | 18,283 |
| Safe custody fee | 3,499 | 7,966 |
| | <u>21,598</u> | <u>26,249</u> |
| Other expenses: | | |
| Audit fee | 10,098 | 8,485 |
| FCA fee | 46 | 49 |
| Other expenses | 22,266 | 21,151 |
| | <u>32,410</u> | <u>29,685</u> |
| Total expenses | <u>188,345</u> | <u>242,341</u> |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

| 5 Taxation | 2023 £ | 2022 £ |
|---|-----------|-----------|
| (a) Analysis of charge in the year | | |
| UK corporation tax | - | - |
| Total tax charge for the year (note 5b) | - | - |

(b) Factors affecting current tax charge for the year

The tax assessed for the year is higher than the standard rate of corporation tax in the UK for an open-ended investment company 20.00% (2022: 20.00%) The differences are explained below:

| | | |
|--|-----------|-----------|
| Net expenses before UK corporation tax | (183,230) | (243,312) |
| Corporation tax at 20.00% (2022: 20.00%) | (36,646) | (48,662) |
| <u>Effects of:</u> | | |
| Current year expenses not utilised | 36,646 | 48,662 |
| Total tax charge for the year (note 5a) | - | - |

(c) Provision for deferred taxation

At 31 July 2023 there is a potential deferred tax asset of £219,235 (31 July 2022: £182,589) in relation to surplus management expenses. It is unlikely the Sub-fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised.

| 6 Finance costs | 2023 £ | 2022 £ |
|---|-----------|-----------|
| Interim dividend distribution | 1,724 | - |
| Final dividend distribution | 2,895 | - |
| | 4,619 | - |
| Add: Revenue deducted on cancellation of shares | 855 | - |
| Deduct: Revenue received on issue of shares | (359) | - |
| Net distribution for the year | 5,115 | - |
| Interest payable and similar charges | 65 | 1,187 |
| Total finance costs | 5,180 | 1,187 |

Reconciliation of distributions

| | | |
|--------------------------------------|-----------|-----------|
| Net expenses after taxation | (183,230) | (243,312) |
| Expenses paid from capital | 188,345 | 242,341 |
| Tax relief allocated to capital | (1,023) | - |
| Deficit taken to capital | - | 2,212 |
| Revenue brought forward | - | (1,241) |
| Revenue carried forward | 1,023 | - |
| Net distribution for the year | 5,115 | - |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

| 7 Debtors | 31.07.2023 | 31.07.2022 |
|--|-------------------|-------------------|
| | £ | £ |
| Amounts receivable on creation of shares | 27,051 | 40,539 |
| Amounts receivable from counterparty | 1,118 | 129,368 |
| Accrued revenue: | | |
| Prepayments | 374 | 99 |
| Total debtors | 28,543 | 170,006 |

| 8 Cash and bank balances | 31.07.2023 | 31.07.2022 |
|---------------------------------|-------------------|-------------------|
| | £ | £ |
| Cash and bank balances | 432,092 | 448,458 |
| Bank overdrafts | (161) | (125,503) |

| 9 Creditors | 31.07.2023 | 31.07.2022 |
|--|-------------------|-------------------|
| | £ | £ |
| Amounts payable on cancellation of shares | 280,138 | 119,456 |
| Amounts payable to counterparty | 78,888 | 9,382 |
| Amounts payable to the AFM, associates of the AFM and agents of either of them: | | |
| Annual management charge | 10,023 | 11,564 |
| Payable to the depositary, associates of the depositary and agents of either of them: | | |
| Depositary's fees | 1,529 | 1,430 |
| Safe custody and other custodian charges | 8,264 | 6,247 |
| | 9,793 | 7,677 |
| Other accrued expenses | 12,192 | 22,508 |
| Total creditors | 391,034 | 170,587 |

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 autocalls, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued revenue.

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

Market price risk

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

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

Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

If market prices at the balance sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders and equity for the year ended 31 July 2023 would have increased/decreased by £2,174,799 (31 July 2022: £2,998,460).

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 had no foreign currency exposure at 31 July 2023.

Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 31 July 2023 are payable either within one year or on demand.

Interest rate risk

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

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

The table below details the interest rate risk profile at the balance sheet date:

| | 31.07.2023 | 31.07.2022 |
|--|-------------------|-------------------|
| | £ | £ |
| Financial assets floating rate | 432,092 | 448,458 |
| Financial assets interest bearing instruments | - | - |
| Financial assets non-interest bearing instruments | 21,776,536 | 30,154,602 |
| Financial liabilities non-interest bearing instruments | (391,034) | (170,587) |
| Financial liabilities floating rate | (161) | (125,503) |
| | 21,817,433 | 30,306,970 |

At 31 July 2023, if interest rates increased or decreased by 0.25%, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-fund would increase or decrease by approximately £1,079 (31 July 2022: £807).

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.

Derivative risk

Derivatives (that is sophisticated investment instruments linked to the rise and fall of the price of other assets) may be used for purposes of meeting the Sub-fund's investment objectives and efficient portfolio management purposes and are expected to form a significant part of the Sub-fund's portfolio.

Derivative transactions are entered into directly with an eligible person or institution (a 'counterparty').

There is a risk that the counterparty may not meet its obligations or become insolvent which could cause the Sub-fund to incur a loss. To mitigate this risk the Sub-fund has entered a collateral arrangement with the counterparty.

10 Risk Management Policies (continued)

Counterparty risk

The table below shows the counterparty risk as at the balance sheet date:

| | | Derivative | Collateral | Collateral | Collateral | Securities held on a repurchase Agreement £ |
|------|--------------|------------|------------|------------|-------------|--|
| | Counterparty | Exposure £ | Posted £ | Received £ | Asset Class | |
| 2023 | SG | 21,747,993 | - | 22,594,782 | Bonds | 26,582,096 |
| 2022 | SG | 29,984,596 | - | 33,333,002 | Equity | 39,215,296 |

Fair value disclosure

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

| | 31.07.2023 | | 31.07.2022 | |
|---|--------------------|-------------------------|--------------------|-------------------------|
| Valuation Technique | Assets (£000's) | Liabilities (£000's) | Assets (£000's) | Liabilities (£000's) |
| Level 3: Valuation techniques using unobservable inputs | 21,748 | - | 29,985 | - |
| Total | 21,748 | - | 29,985 | - |

11 Shares held

Class A (Net Accumulation)

| | |
|----------------------------------|--------------|
| Opening Shares at 01.08.2022 | 25,630,628 |
| Shares issued during the year | 8,125,343 |
| Shares cancelled during the year | (16,197,879) |
| Shares converted during the year | - |
| Closing Shares at 31.07.2023 | 17,558,092 |

12 Contingent assets and liabilities

At 31 July 2023, the Sub-fund had no contingent liabilities or commitments (31 July 2022: £nil).

13 Post balance sheet events

As indicated in the accounting policies in Note 1, the investments have been valued at the closing valuation point on 31 July 2023. Since that date, the Sub-fund's quoted price has moved as follows for each share class:

| Share class | Price at 31 July 2023 | Price at 27 November 2023 |
|----------------------------|-----------------------|---------------------------|
| Class A (Net Accumulation) | 124.2586p | 125.0368p |

14 Direct transactions costs

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

15 Portfolio Dealing Spread

The average portfolio dealing spread at 31 July 2023 is 0.00% (31 July 2022: 0.00%).

16 Related Party transactions

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

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

DISTRIBUTION TABLES

Interim distribution in pence per share

Group 1: Shares purchased prior to 01 August 2022

Group 2 : Shares purchased on or after 01 August 2022 and on or before 31 January 2023

| Class A (Net Accumulation) | Net revenue 31.03.2023 | Equalisation | Distribution 31.03.2023 | Distribution 31.03.2022 |
|-----------------------------------|-----------------------------------|---------------------|------------------------------------|------------------------------------|
| Group 1 | 0.0079p | - | 0.0079p | - |
| Group 2 | 0.0043p | 0.0036p | 0.0079p | - |

Final distribution in pence per share

Group 1: Shares purchased prior to 01 February 2023

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

| Class A (Net Accumulation) | Net Revenue 29.09.2023 | Equalisation | Distribution 29.09.2023 | Distribution 30.09.2022 |
|-----------------------------------|-----------------------------------|---------------------|------------------------------------|------------------------------------|
| Group 1 | 0.0165p | - | 0.0165p | - |
| Group 2 | 0.0105p | 0.0060p | 0.0165p | - |

INFORMATION FOR INVESTORS

Individual shareholders

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

Taxation

The Sub-fund will pay no corporation tax for the year ended 31 July 2023 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 (8.30am to 5.30pm). 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.

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.

| 28.05.2023 | Number of Beneficiaries | Fixed Remuneration | Variable Remuneration Paid | Total Remuneration Paid |
|---|-------------------------|--------------------|----------------------------|-------------------------|
| Total remuneration paid by the AFM during the year | 86 | £3,462,948 | £ nil | £3,462,948 |
| Remuneration paid to employees of the AFM who have a material impact on the risk profile of the UK UCITS | 18 | £1,043,732 | £ nil | £1,043,732 |
| Senior Management | 14 | £779,584 | £ nil | £779,584 |
| Control Functions | 4 | £264,148 | £ nil | £264,148 |
| Employees receiving total remuneration that takes them into the same remuneration brackets as senior management and risk takers | 0 | £ - | £ nil | £ - |

Further information is available in the AFM's Remuneration Policy document which can be obtained from <https://www.valu-trac.com/Pillar%203%202021-09.pdf>. A paper copy of the remuneration policy is available on request from the registered office of the Authorised Fund Manager free of charge.

Assessment of Value

The AFM conducts an assessment of value for the Sub-fund each year. The assessment of value reports are available on the AFM's website.

CORPORATE DIRECTORY

| | |
|---|--|
| Authorised Fund Manager, Administrator & Registrar | 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 |
| Director | Valu-Trac Investment Management Limited as AFM |
| Investment Manager | Valu-Trac Investment Management Limited |
| Depository | NatWest Trustee and Depositary Services Limited House A Floor 0, 175 Glasgow Road Gogarburn Edinburgh EH12 1HQ Authorised and regulated by the Financial Conduct Authority |
| Auditor | Johnston Carmichael LLP Commerce House South Street Elgin IV30 1JE |